

0.2026.021

CITY OF ALBUQUERQUE
CITY COUNCIL

INTEROFFICE MEMORANDUM

TO: Timothy M. Keller, Mayor

FROM: Isaac Padilla, Director of Council Services

YMM / For
IEP

SUBJECT: Transmittal of Legislation

Transmitted herewith is Bill No. O-26-37 Authorizing The Issuance And Sale Of The City Of Albuquerque, New Mexico Taxable Industrial Revenue Bond (Dreamcatcher Journal Center Hotel Project), Series 2026 In The Maximum Principal Amount Of \$25,008,118 To Provide Funds To Acquire, Construct, Equip, And Improve The Dreamcatcher Journal Center Hotel, A Home2 Suites By Hilton Hotel With An Anticipated 103 Guestrooms, And Associated Site Improvements; Authorizing The Execution And Delivery Of An Indenture, Lease Agreement, Bond Purchase Agreement, Bonds, And Other Documents In Connection With The Bonds; Making Certain Determinations And Findings Relating To The Bonds And The Project; Ratifying Certain Actions Taken Previously; And Repealing All Actions Inconsistent With This Ordinance (Bassan, by request), which was passed at the Council meeting of June 15, 2026, by a vote of 9 FOR AND 0 AGAINST.

In accordance with the provisions of the City Charter, your action is respectfully requested.

2020

CITY of ALBUQUERQUE

TWENTY SEVENTH COUNCIL

COUNCIL BILL NO. O-26-37 ENACTMENT NO. O.2020.021

SPONSORED BY: Brook Bassan, by request

1

ORDINANCE

2

AUTHORIZING THE ISSUANCE AND SALE OF THE CITY OF ALBUQUERQUE,

3

NEW MEXICO TAXABLE INDUSTRIAL REVENUE BOND (DREAMCATCHER

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JOURNAL CENTER HOTEL PROJECT), SERIES 2026 IN THE MAXIMUM

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PRINCIPAL AMOUNT OF \$25,008,118 TO PROVIDE FUNDS TO ACQUIRE,

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CONSTRUCT, EQUIP, AND IMPROVE THE DREAMCATCHER JOURNAL

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CENTER HOTEL, A HOME2 SUITES BY HILTON HOTEL WITH AN

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ANTICIPATED 103 GUESTROOMS, AND ASSOCIATED SITE IMPROVEMENTS;

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AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE, LEASE

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AGREEMENT, BOND PURCHASE AGREEMENT, BONDS, AND OTHER

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DOCUMENTS IN CONNECTION WITH THE BONDS; MAKING CERTAIN

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DETERMINATIONS AND FINDINGS RELATING TO THE BONDS AND THE

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PROJECT; RATIFYING CERTAIN ACTIONS TAKEN PREVIOUSLY; AND

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REPEALING ALL ACTIONS INCONSISTENT WITH THIS ORDINANCE.

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WHEREAS, the City of Albuquerque (the "City") is a legally and regularly

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created, established, organized, and existing municipal corporation of the

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State of New Mexico (the "State"); and

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WHEREAS, pursuant to Sections 3-32-1 through 3-32-16, New Mexico

19

Statutes Annotated, 1978 Compilation, as amended (the "Act"), the City is

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authorized to acquire industrial revenue projects located within the corporate

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limits of the municipality for the purpose of promoting industry and trade by

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inducing commercial enterprises to locate or expand in the State of New

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Mexico; and

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WHEREAS, pursuant to the Act, the City is authorized to issue revenue

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bonds for the purpose of defraying the cost of acquiring any project

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1 and to secure the payment of such bonds, all as provided in the Act; and

2 WHEREAS, Jefferson 25 Land QOZB LLC (together with its successors,
3 assigns and affiliates, the "Company") is a limited liability company formed
4 under the laws of the State of New Mexico and is authorized to do business in
5 New Mexico; and

6 WHEREAS, the Company has requested that the City issue its industrial
7 revenue bonds pursuant to the Act in an aggregate amount of \$25,008,118 for
8 the purpose of providing funds to acquire, construct, equip, and improve an
9 Dreamcatcher Journal Center Hotel, a Home2 Suites by Hilton hotel, with an
10 anticipated 103 guestrooms, totaling 54,000 square feet of building area, and
11 associated site improvements including parking, landscaping, guest
12 amenities, and supporting infrastructure (the "Project"); and

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

18 WHEREAS, the Company has presented to the City and the Commission a
19 proposal (the "Project Plan") whereby the Company shall, pursuant to the Act,
20 acquire, construct and improve the Project to be located in the City at 5910
21 Jefferson St. NE (the "Project Property"), and pursuant to which the City
22 would issue its taxable industrial revenue bonds in order to finance the
23 Project; and

24 WHEREAS, the Company requests the issuance of the Bonds (defined
25 below) in one series; and

26 WHEREAS, the Commission has reviewed the Project Plan, and on May 21,
27 2026, has determined that the Company has complied with City Resolution No.
28 16-1985, and has recommended approval of the Project Plan by the Council;
29 and

30 WHEREAS, under the Company's Project Plan, the City would enter into an
31 Indenture for the Bonds (the "Indenture") between the City and BOKF, NA, or
32 other corporate depository satisfactory to the City to be designated at a later

1 date, as depositary (the "Depositary"), pursuant to which, together with this
2 ordinance (the "Bond Ordinance"), the City would issue its bonds designated
3 as the City of Albuquerque, New Mexico Taxable Industrial Revenue Bond
4 (Dreamcatcher Journal Center Hotel Project), Series 2026 (the "Bonds"); and

5 WHEREAS, under the Company's Project Plan, the City and the Company
6 would enter into a Lease Agreement the Bonds (the "Lease"), pursuant to
7 which the Company will lease the Project Property from the City and will make
8 payments to the Depositary sufficient to pay the principal of, redemption
9 premium, if any, and interest on the outstanding Bonds, and to pay all other
10 obligations incurred pursuant to the provisions of the Lease and this Bond
11 Ordinance; and

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

15 WHEREAS, the proceeds of the Bonds shall be used for the purpose of
16 financing the acquisition, construction, equipping, and improvement of the
17 Project (the "Financing"); and

18 WHEREAS, the City is authorized to enter into the Lease, the Indenture, and
19 other related documents and to issue the Bonds pursuant to the Act and this
20 Bond Ordinance; and

21 WHEREAS, the Bonds in an aggregate principal amount not to exceed
22 \$25,008,118 will be issued, sold and delivered by the City in private sales to an
23 affiliate of the Company (the "Purchaser") pursuant to a bond purchase
24 agreement (the "Bond Purchase Agreement") among the City, the Company,
25 and the Purchaser; and

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

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

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

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

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

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

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

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

28 Section 2. THE PROJECT PLAN. The Project to be financed with the
29 Bonds is comprised of the acquisition, construction, equipping, and
30 improvement of the Dreamcatcher Journal Center Hotel, a Home2 Suites by
31 Hilton hotel, with an anticipated 103 guestrooms, totaling 54,000 square feet of
32 building area, and associated site improvements including parking,

1 landscaping, guest amenities, and supporting infrastructure. The Company
2 may use additional available money to accomplish the Project. The Project
3 Plan is hereby approved in all respects.

4 **Section 3. FINDINGS.**

5 (A) General. The Council hereby declares that it has considered all
6 relevant information presented to it relating to the Bonds and the Project and
7 hereby finds and determines that the issuance of the Bonds pursuant to this
8 Bond Ordinance and the Act to provide funds for the Project is necessary and
9 advisable and in the interest of the public, and will promote the public health,
10 safety, morals, convenience, economy, and welfare of the City and the
11 residents of the City.

12 (B) The Council finds that:

13 (1) The Bonds will be issued for the purpose of financing the
14 Project;

15 (2) The aggregate face amount of obligations to be issued for the
16 purpose of financing the Project is \$25,008,118;

17 (3) The developer and operator of the Project is the Company;

18 (4) The Project Property is located in the City at 5910 Jefferson St.
19 NE.

20 **Section 4. AUTHORIZATION AND APPROVAL OF THE BONDS.** To finance
21 the cost of acquiring, constructing, equipping and improving the Project
22 Property, the City hereby authorizes and approves the issuance and sale of its
23 industrial revenue bonds to be designated "City of Albuquerque, New Mexico
24 Taxable Industrial Revenue Bond (Dreamcatcher Journal Center Hotel Project),
25 Series 2026" in the aggregate principal amount of \$25,008,118 and the use of
26 the proceeds of the Bonds to finance the cost of the Project and to pay
27 expenses relating thereto.

28 **Section 5. SALE OF THE BONDS.** The sale of the Bonds to the Purchaser
29 at a purchase price equal to the par amount of the Bonds is hereby authorized
30 and approved.

31 **Section 6. FORM AND TERM OF THE BONDS.** Subject to the limitations
32 set forth in this Bond Ordinance, the Bonds shall be: (i) in the form and shall

1 be numbered and dated all as set forth in the Indenture; (ii) payable as to
2 principal and interest, and subject to optional and mandatory redemption and
3 defeasance in the amounts, upon the conditions and at the times and prices
4 set forth in the Indenture; and, (iii) issued in the aggregate principal amount of
5 \$25,008,118, bearing interest at the rates and maturing on the dates set forth in
6 the Indenture. The interest rate on the Bond shall not exceed 12% per annum.
7 The Mayor or the Chief Administrative Officer of the City shall sign the Bond.

8 Section 7. AUTHORIZATION OF OFFICERS; APPROVAL OF
9 DOCUMENTS. The form, terms, and provisions of the Bond Documents in the
10 form on deposit in the office of the City Clerk are in all respects approved,
11 authorized, and confirmed, and the City shall enter into such Bond Documents
12 substantially in the form of each such document on deposit with the City
13 Clerk, with only such changes as are not inconsistent with this Bond
14 Ordinance or such other changes as may be approved by supplemental
15 resolution of the Council.

16 (A) The Council authorizes the Mayor or the Chief Administrative Officer
17 of the City to execute and deliver the Bond Documents in the name and on
18 behalf of the City, and the Council authorizes the City Clerk or Deputy City
19 Clerk to attest to, as necessary, the Bond Documents and the Bonds with: (i)
20 such changes therein as are not inconsistent with this Bond Ordinance; (ii)
21 such changes as shall be approved by the Mayor or the Chief Administrative
22 Officer upon consultation with the City's special finance counsel, with the
23 execution of such document by the Mayor or the Chief Administrative Officer
24 constituting conclusive evidence of such approval; or (iii) such other changes
25 as may be approved by supplemental resolution of the Council.

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

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

8 Section 8. DELIVERY OF THE BONDS. Upon the execution of the Bond
9 Documents and the satisfaction of the conditions set forth in the Bond
10 Documents, the Bonds shall be executed, authenticated, and delivered to the
11 Purchaser. No Bonds shall be valid for any purpose until such Bonds have
12 been properly authenticated as set forth in the Indenture.

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

16 (A) The maximum amount necessary in each year to pay the principal of
17 and interest on the Bonds, assuming issuance of the Bond as of August 1,
18 2026, in the amount of \$25,008,118 and bearing interest at the rate of 4% and
19 the first Bond payment occurring on August 1, 2027, is as follows:

20	<u>Year Ended</u>	<u>Maturing Principal</u>	<u>Interest Amount</u>	<u>Total Debt Service</u>
21	8/1/27	-\$0-	\$1,000,325	\$1,000,325
22	8/1/28	-\$0-	\$1,000,325	\$1,000,325
23	8/1/29	-\$0-	\$1,000,325	\$1,000,325
24	8/1/30	-\$0-	\$1,000,325	\$1,000,325
25	8/1/31	-\$0-	\$1,000,325	\$1,000,325
26	8/1/32	-\$0-	\$1,000,325	\$1,000,325
27	8/1/33	-\$0-	\$1,000,325	\$1,000,325
28	8/1/34	-\$0-	\$1,000,325	\$1,000,325
29	8/1/35	-\$0-	\$1,000,325	\$1,000,325
30	8/1/36	-\$0-	\$1,000,325	\$1,000,325
31	8/1/37	-\$0-	\$1,000,325	\$1,000,325
32	8/1/38	-\$0-	\$1,000,325	\$1,000,325

1	8/1/39	-\$0-	\$1,000,325	\$1,000,325
2	8/1/40	-\$0-	\$1,000,325	\$1,000,325
3	8/1/41	-\$0-	\$1,000,325	\$1,000,325
4	8/1/42	-\$0-	\$1,000,325	\$1,000,325
5	8/1/43	-\$0-	\$1,000,325	\$1,000,325
6	8/1/44	-\$0-	\$1,000,325	\$1,000,325
7	8/1/45	-\$0-	\$1,000,325	\$1,000,325
8	8/1/46	\$25,008,118	\$1,000,325	\$26,008,443

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

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

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

28 Section 11. LIMITED OBLIGATIONS. The Bonds shall be special limited
29 obligations of the City payable solely from the revenues derived from the
30 Lease and payable by the Company as described in the Indenture, and shall
31 never constitute a debt or indebtedness of the City or the State or any political
32 subdivision thereof within the meaning of any provision or limitation of the

1 State Constitution, statutes, or home-rule charter of the City, and shall not
2 constitute or give rise to a pecuniary liability of the City or a charge against its
3 general credit or taxing power. Nothing contained in this Bond Ordinance or
4 the Bond Documents, or any other instrument, shall be construed as
5 obligating the City (except with respect to the Project Property and the
6 application of the revenues therefrom and the proceeds of the Bonds, all as
7 provided in the Bond Documents), nor as incurring a pecuniary liability or
8 charge upon the general credit of the City or against its taxing power, nor shall
9 the breach of any agreement contained in this Bond Ordinance, the Bond
10 Documents, the Bonds, or any other instrument be construed as obligating the
11 City (except with respect to the Project Property and the application of
12 revenues therefrom and the proceeds of the Bonds all as provided in the Bond
13 Documents) nor as incurring a pecuniary liability or a charge upon the general
14 credit of the City or against its taxing power, the City having no power to pay
15 out of its general funds, or otherwise contribute any part of the costs of
16 acquiring the Project Property, nor power to operate the Project as a business
17 or in any manner except as lessor and seller of the Project Property.

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

31 Section 13. BOND ORDINANCE IRREPEALABLE. After any Bond is issued,
32 this Bond Ordinance shall be and remain irrepealable until the outstanding

1 Bonds, including all interest thereon, is fully paid, cancelled, and discharged,
2 or until there has been defeasance of the Bonds in accordance with the
3 Indenture.

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

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

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

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

25 CITY OF ALBUQUERQUE, NEW MEXICO
26 NOTICE OF ADOPTION OF ORDINANCE

27 Notice is hereby given of the title and of a general summary of the subject
28 matter contained in a City Ordinance (the "Ordinance"), duly adopted and
29 approved by the City Council of the City of Albuquerque, New Mexico, on
30 _____, 2026. Complete copies of the Ordinance are available for public
31 inspection during the normal and regular business hours of the City Clerk
32 City Clerk in the office of the City Clerk, Albuquerque, New Mexico.

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1 The title of the Ordinance is:
2 AUTHORIZING THE ISSUANCE AND SALE OF THE CITY OF ALBUQUERQUE,
3 NEW MEXICO TAXABLE INDUSTRIAL REVENUE BOND (DREAMCATCHER
4 JOURNAL CENTER HOTEL PROJECT), SERIES 2026 IN THE MAXIMUM
5 PRINCIPAL AMOUNT OF \$25,008,118 TO PROVIDE FUNDS TO ACQUIRE,
6 CONSTRUCT, EQUIP, AND IMPROVE THE DREAMCATCHER JOURNAL
7 CENTER HOTEL, A HOME2 SUITES BY HILTON HOTEL WITH AN
8 ANTICIPATED 103 GUESTROOMS, AND ASSOCIATED SITE IMPROVEMENTS;
9 AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE, LEASE
10 AGREEMENT, BOND PURCHASE AGREEMENT, BONDS, AND OTHER
11 DOCUMENTS IN CONNECTION WITH THE BONDS; MAKING CERTAIN
12 DETERMINATIONS AND FINDINGS RELATING TO THE BONDS AND THE
13 PROJECT; RATIFYING CERTAIN ACTIONS TAKEN PREVIOUSLY; AND
14 REPEALING ALL ACTIONS INCONSISTENT WITH THIS ORDINANCE.
15 The title sets forth a general summary of the subject matter contained in the
16 Ordinance.

1 PASSED AND ADOPTED THIS 15th DAY OF June, 2026
2 BY A VOTE OF: 9 FOR 0 AGAINST.

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Klarissa J. Rena, President
City Council

APPROVED THIS 29 DAY OF June, 2026

Bill No. O-26-37



Timothy M. Keller, Mayor
City of Albuquerque

ATTEST:



Ethan Watson, City Clerk



CITY OF ALBUQUERQUE
Albuquerque, New Mexico
Office of the Mayor

Mayor Timothy M. Keller

INTER-OFFICE MEMORANDUM

May 21, 2026

TO: Klarissa Peña, President, City Council

FROM: Timothy M. Keller, Mayor



SUBJECT: Approving an Ordinance Dreamcatcher Journal Center Hotel Development Project Pursuant to the Industrial Revenue Bond Act (IRB Project #2026-10)

Attached for your consideration and approval is an Ordinance involving Dreamcatcher Journal Center Hotel IRB Project, Pursuant to the Industrial Revenue Bond Act (IRB Project #2026-10).

The applicant, "Sun Capital Hotels" (together with its successors, assigns, and affiliates, the "Company"), is a Dreamcatcher-affiliated development entity. The Dreamcatcher group is an active hotel investment organization focused on new developments and acquisitions, with a significant presence in Albuquerque and throughout New Mexico.

The Company is requesting \$25,008,118 in City-issued industrial revenue bonds (IRB). City IRBs are issued to support eligible economic development projects that meet established policies and plans.

The Project is proposed as new construction on land currently controlled by the applicant. No existing buildings are to be incorporated into the development. Any required site preparation will be limited to typical site clearing and grading and will not involve any identified historic properties.

The Company is responsible for funding the purchase of the bonds; no City funds are utilized to purchase or pay off the bonds, and no City credit is used to enhance the bonds. The project will be exempt for up to 20 years from property taxes on land, buildings, and equipment. Equipment purchased with bond proceeds is exempt from gross receipts or compensating taxes.

The area was established by the United States Government as a Federal Opportunity Zone. This federal designation was established for the purpose of seeking government assistance for future redevelopment of the area and to make projects undertaken in the area a priority under local

economic development policies, which prioritize efforts to develop or renew blighted areas. This legislation is necessary for project feasibility.

Dreamcatcher Journal Center Hotel Development (\$25,008,118 Taxable Industrial Revenue Bonds, Series 2026) will consist of the construction of a new Home2 Suites by Hilton hospitality property located at 5910 Jefferson St NE. The development will include approximately 103 guest rooms totaling approximately 54,000 square feet, together with associated site improvements including parking areas, landscaping, and guest amenities.

The Project is expected to create approximately 32 - 37 permanent full-time and part-time positions across a range of professional, supervisory, clerical, and operational hospitality roles, depending on hotel demand. The Project will offer a competitive benefits package designed to support employee health, financial stability, and long-term retention. Eligible employees will have access to medical, dental, and vision insurance, with the employer covering 50% of healthcare premium costs. The company will also offer a 401(k)-retirement plan with an employer match of 50% of employee contributions up to 3% of eligible compensation.

This Project includes a fiscal impact analysis prepared by the University of New Mexico's Bureau of Business and Economic Research (BBER). The fiscal impact determination of the Project is based on the information the Company provided.

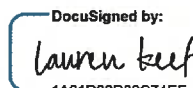
Dreamcatcher Journal Center Hotel Development - The fiscal impact analysis indicates that the operations associated with the \$25 million bond for the Dreamcatcher Journal Center Hotel are expected to generate a total of almost \$4.3 million in taxes by 2045. The project will remain tax positive throughout the duration of the bond term.

Your consideration and approval are requested.

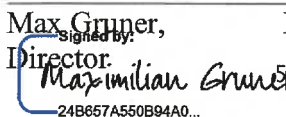
Approved:

Approved as to Legal Form:


Samantha Sengel, EdD Date
Chief Administrative Officer

DocuSigned by:
 5/21/2026 | 8:01 PM MDT
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Lauren Keefe Date
City Attorney

Recommended:


Max Gruner, Date
Director
Maximilian Gruner 5/21/2026 | 4:42 PM MDT
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Cover Analysis

1. What is it?

This is an ordinance authorizing an Industrial Revenue Bond Project for Dreamcatcher Journal Center Hotels (the “Company”) in the amount of \$25,008,118 from the City of Albuquerque (IRB Project #2026-10).

The applicant, “Sun Capital Hotels”, is a Dreamcatcher-affiliated development entity. The Dreamcatcher group is an active hotel investment organization focused on new developments and acquisitions, with a significant presence in Albuquerque and throughout New Mexico.

The group currently owns and operates six hotel properties within Albuquerque, an additional four properties elsewhere in New Mexico, and one property in Colorado Springs. The group has also recently completed an additional hotel acquisition and has several development projects in various stages of planning and execution.

The total bond amount requested is \$25,008,118, which will be used to finance eligible development costs, including building construction, site improvements, furnishings, fixtures, equipment, and other qualified expenditures under the Industrial Revenue Bond program.

Dreamcatcher Journal Center Hotel Development (\$25,008,118 Taxable Industrial Revenue Bonds, Series 2026) will consist of the construction of a new Home2 Suites by Hilton hospitality property located at 5910 Jefferson St NE. The development will include approximately 103 guest rooms totaling approximately 54,000 square feet, together with associated site improvements including parking areas, landscaping, and guest amenities.

The Project will enhance the Journal Center business district by introducing a modern hospitality development that supports existing commercial activity and addresses the current lack of new lodging investment in the area. The building design and site layout will improve the visual quality of the corridor through contemporary architecture, landscaping, and well-integrated parking and access circulation.

The Project is intended to support business travel demand while contributing to corridor revitalization and reinforcing the area’s identity as a key employment and commercial destination within Albuquerque. By locating lodging accommodations within close proximity to major employers and business centers in the Journal Center area, the development is expected to reduce travel distances for visiting professionals, improve convenience for business-related stays, and support more efficient local transportation patterns.

The Project is expected to create approximately 32 - 37 permanent full-time and part-time positions across a range of professional, supervisory, clerical, and operational hospitality roles, depending on hotel demand. The Project will offer a competitive benefits package designed to support employee health, financial stability, and long-term retention. Eligible employees will have access to medical, dental, and vision insurance, with the employer covering 50% of healthcare premium costs. The company will also offer a 401(k)-retirement

plan with an employer match of 50% of employee contributions up to 3% of eligible compensation.

2. What will this piece of legislation do?

The Company is requesting \$25,008,118 in City-issued industrial revenue bonds. City IRBs are issued to support eligible economic development projects that meet established policies and plans. The Company is responsible for funding the purchase of the bonds; no City funds are utilized to purchase or pay off the bonds, and no City credit is used to enhance the bonds. The ordinance would support the construction and expansion of the Company's facility.

The project will be exempt for up to 20 years from property taxes on land, buildings, and equipment. Equipment purchased with bond proceeds is exempt from gross receipts or compensating taxes. The Payment In Lieu Of Taxes ("PILOT") on the project is 30%, essentially making it a 70% tax abatement.

3. Why is this project needed?

The Project represents a significant capital investment in our community and the creation of 32-37 permanent, full- and part-time jobs. The Jefferson corridor (north of Singer, extending into the Journal Center) has experienced limited recent hospitality development and currently lacks significant new lodging supply despite strong underlying demand generated by nearby business and employment centers.

The Project is intended to support business travel demand while contributing to corridor revitalization and reinforcing the area's identity as a key employment and commercial destination within Albuquerque. By locating lodging accommodations within close proximity to major employers and business centers in the Journal Center area, the development is expected to reduce travel distances for visiting professionals, improve convenience for business-related stays, and support more efficient local transportation patterns.

The area was established by the United States Government as a Federal Opportunity Zone. This federal designation was established for the purpose of seeking government assistance for future redevelopment of the area and to make projects undertaken in the area a priority under local economic development policies, which prioritize efforts to develop or renew blighted areas. This legislation is necessary for project feasibility.

This project includes a fiscal impact analysis prepared by the University of New Mexico's Bureau of Business and Economic Research (BBER). The fiscal impact determination of the Project is based on the information the Company provided.

Dreamcatcher Journal Center Hotel Development

The fiscal impact analysis indicates that the operations associated with the \$25 million bond for the Dreamcatcher Journal Center Hotel are expected to generate a total of almost \$4.3 million in taxes by 2045. The project will remain tax positive throughout the duration of the bond term.

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

There is no cost to the City. The City is proposing to issue \$25,008,118 in industrial revenue bonds, which will be a self-purchase for the Company. The applicant is required to pay a \$2,500 IRB application fee, and the applicant is required to pay all attorneys' fees and expenses of the attorneys reviewing the bond documents, including any refunding bond documents, whether or not the bonds are issued. City IRBs are issued to support eligible economic development projects that meet established policies and plans. The Company is responsible for funding the purchase of the bonds; no City funds are utilized to purchase or pay off the bonds, and no City credit is used to enhance the bonds.

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

No. There is no direct revenue to the City.

6. What will happen if the project is not approved?

The incentive is critical to the success of the Project. If the legislation does not pass, the result would be a potential cancellation of the Project and the associated loss of new jobs and revenue. The Company would not be able to pursue the Project without approval.

7. Is this service already provided by another entity?

No.

#2026-10: Dreamcatcher Journal Center Hotel - IRB

**ALBUQUERQUE DEVELOPMENT COMMISSION
Industrial Revenue Bond Hearing**

May 14, 2026

Case #2026-10 Dreamcatcher Journal Center Hotel - IRB

REQUEST: Approval of \$25,008,118 in City Industrial Revenue Bonds is requested.

PROJECT SUMMARY: This is an ordinance authorizing an Industrial Revenue Bond Project for Sun Capital Hotels (the “Company”) in the amount of \$25,008,118 from the City of Albuquerque (IRB Project #2026-10).

The applicant, “Sun Capital Hotels”, is a Dreamcatcher-affiliated development entity. The Dreamcatcher group is an active hotel investment organization focused on new developments and acquisitions, with a significant presence in Albuquerque and throughout New Mexico. The group currently owns and operates six hotel properties within Albuquerque, an additional four properties elsewhere in New Mexico, and one property in Colorado Springs. The group has also recently completed an additional hotel acquisition and has several development projects in various stages of planning and execution.

The Project consists of the development of a Home2 Suites by Hilton hotel in the Journal Center submarket of Albuquerque, New Mexico. The proposed development includes the construction of a modern all-suite hospitality property designed to accommodate business travelers, medical visitors, and other transient guests. The anticipated average length of stay is approximately six (6) days, consistent with Hilton’s national operating profile for this brand and reflective of short-term lodging demand rather than residential use.

The total bond amount requested is \$25,008,118, which will be used to finance eligible development costs, including building construction, site improvements, furnishings, fixtures, equipment, and other qualified expenditures under the Industrial Revenue Bond program.

The Project will provide measurable economic benefits to the Albuquerque community, including construction job creation, permanent employment opportunities, increased visitor spending, and enhanced lodging capacity within the Journal Center business corridor. This area has experienced limited recent hospitality development despite strong underlying demand from nearby commercial and employment centers, resulting in an unmet need for quality business-oriented accommodations. The Project will support business travel activity, strengthen the surrounding commercial district, and contribute to ongoing corridor revitalization. The IRB will assist in improving project feasibility and facilitating the timely development of a nationally recognized hospitality brand that supports economic growth and reinforces the area’s role as a key business destination within Albuquerque.

Journal Center Hotel Development (\$25,008,118 Taxable Industrial Revenue Bonds, Series 2026) will consist of the construction of a new Home2 Suites by Hilton hospitality property located at 5910 Jefferson St NE. The development will include approximately 103 guest rooms totaling approximately 54,000 square feet, together with associated site improvements including parking areas, landscaping, guest amenities, and required infrastructure improvements. The

#2026-10: Dreamcatcher Journal Center Hotel - IRB

construction is anticipated to be a wood-frame hospitality structure consistent with current Hilton brand standards.

The Project is proposed as new construction on land currently controlled by the applicant. No existing buildings are to be incorporated into the development. Any required site preparation will be limited to typical site clearing and grading and will not involve any identified historic properties. A conceptual site plan and elevations will be provided to the Development Commission as part of the review process.

The demolition does not involve any historic properties. A conceptual site plan and building elevations will be provided as part of the Development Commission review process.

The Project will enhance the Journal Center business district by introducing a modern hospitality development that supports existing commercial activity and addresses the current lack of new lodging investment in the area. The building design and site layout will improve the visual quality of the corridor through contemporary architecture, landscaping, and well-integrated parking and access circulation.

The Project is intended to support business travel demand while contributing to corridor revitalization and reinforcing the area's identity as a key employment and commercial destination within Albuquerque. By locating lodging accommodations within close proximity to major employers and business centers in the Journal Center area, the development is expected to reduce travel distances for visiting professionals, improve convenience for business-related stays, and support more efficient local transportation patterns.

The Project is expected to create approximately 32 - 37 permanent full-time and part-time positions across a range of professional, supervisory, clerical, and operational hospitality roles, depending on hotel demand. The Project will offer a competitive benefits package designed to support employee health, financial stability, and long-term retention. Eligible employees will have access to medical, dental, and vision insurance, with the employer covering 50% of healthcare premium costs. The company will also offer a 401(k)-retirement plan with an employer match of 50% of employee contributions up to 3% of eligible compensation.

The State of New Mexico and its local governments are empowered to offer discretionary incentives to companies that support economic development projects that foster, promote, and enhance local economic development efforts. The City has long focused its Industrial revenue bond program around industries and companies that are considered "economic-base":

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

#2026-10: Dreamcatcher Journal Center Hotel - IRB

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

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

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

This project includes a fiscal impact analysis prepared by the University of New Mexico’s Bureau of Business and Economic Research (BBER). The fiscal impact determination of the Project is based on the information the Company provided.

The fiscal impact outlined in the analysis indicates that the operations associated with the \$25 million bond for the Dreamcatcher Journal Center Hotel are expected to generate a total of almost \$4.3 million in taxes by 2045. The project will remain tax positive throughout the duration of the bond term.

FINDINGS:

- 1. IRB #2026-10 is a qualified project as defined by the State’s Industrial Revenue Bond Act and the City enabling legislation (Resolution R-196, Sixth Council (126-1985) as amended by Resolution 350 Sixth Council, upon the waiver of Section E requirements; and
- 2. IRB #2026-10 would make positive substantive contributions to the local economy and community by directly creating 32 - 37 permanent full-time and part-time positions; and
- 3. IRB #2026-10 will benefit Albuquerque’s convention and tourism industry through the creation of additional room inventory, convention space, and amenities in a historic tourism area; and
- 4. IRB #2026-10 would comply with the adopted City plans and policies, and meet community economic development priorities and objectives;
- 5. IRB #2026-10 would adequately meet the evaluation criteria established by the City for Industrial Revenue Bond Act projects, including the requirement that the City recoup the value of its investment over the term of the bonds.

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

I. INITIAL QUALIFYING TEST; PASS/FAIL CRITERIA

1. Economic Base Company that meets statutory requirements	FAIL
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#2026-10: Dreamcatcher Journal Center Hotel - IRB

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

1. The revenue source for the Dreamcatcher Journal Center Hotel is primarily generated from out-of-state customers, and as a result, qualify under the ordinance. The company also qualifies under the IRB Act and the City's Ordinance as:
 - a. "Any business in which all or part of the activities of the business involve the supplying of services to the general public or to government agencies or to a specific industry or customer base but does not include establishments primarily engaged in the sale of goods or services at retail."
2. The bonds will be considered a "self-purchase"- purchased by a subsidiary or affiliate of the Company.
3. The IDO Zone District for the site is NON-RESIDENTIAL – BUSINESS PARK ZONE DISTRICT (NR-BP). The purpose of the NR-BP zone district is to accommodate a wide range of nonresidential uses in campus-like settings to buffer potential impacts on surrounding uses and adjacent areas. Allowable uses include a wide variety of office, commercial, research, industrial, distribution, showroom, processing, and institutional uses. No changes to zoning are requested or required at this time.
4. Dreamcatcher Journal Center Hotel has certified that it has no outstanding substantive federal, state, or local tax issues.
5. The Project, in its design, complies with environmental regulations. Permits are required for the new development. Additional information regarding environmental implications is contained in the following section and in the project plan.
6. Jobs for the positions meet or exceed the median wages for similar jobs in the community. The salaries and positions are more fully described in Section II-7 and in the Application.
7. Dreamcatcher Journal Center pays 50% percent of the health and dental insurance premiums for its employees.

#2026-10: Dreamcatcher Journal Center Hotel - IRB

8. The project is within an Opportunity Zone, making the project a priority under local economic development policies.

II. LAND USE, PLAN, AND DESIGN ELEMENTS

1. PLAN & ZONING:

Legal Description

The proposed project is located at 5910 Jefferson Street NE, Albuquerque, New Mexico 87109. The site is more particularly described as Lot 1-A-1 of the Plat for Lots 1-A-1 and 1-B-1, Fraternal Order of Police Addition (being comprised of Lots 1-A and 1-B, Fraternal Order of Police Addition), containing approximately 1.4572 acres, as the same is shown and designated on the plat thereof filed in the office of the Bernalillo County Clerk, Bernalillo County, New Mexico. UPC: 101706233314940107.

Prevailing Site Conditions

The project site consists of vacant dirt land controlled by the applicant and located within a commercial corridor. The site is presently undeveloped and does not currently support active use. The proposed development will activate the site through new construction, introducing a modern hospitality asset that aligns with the area's role as a key business and employment destination.

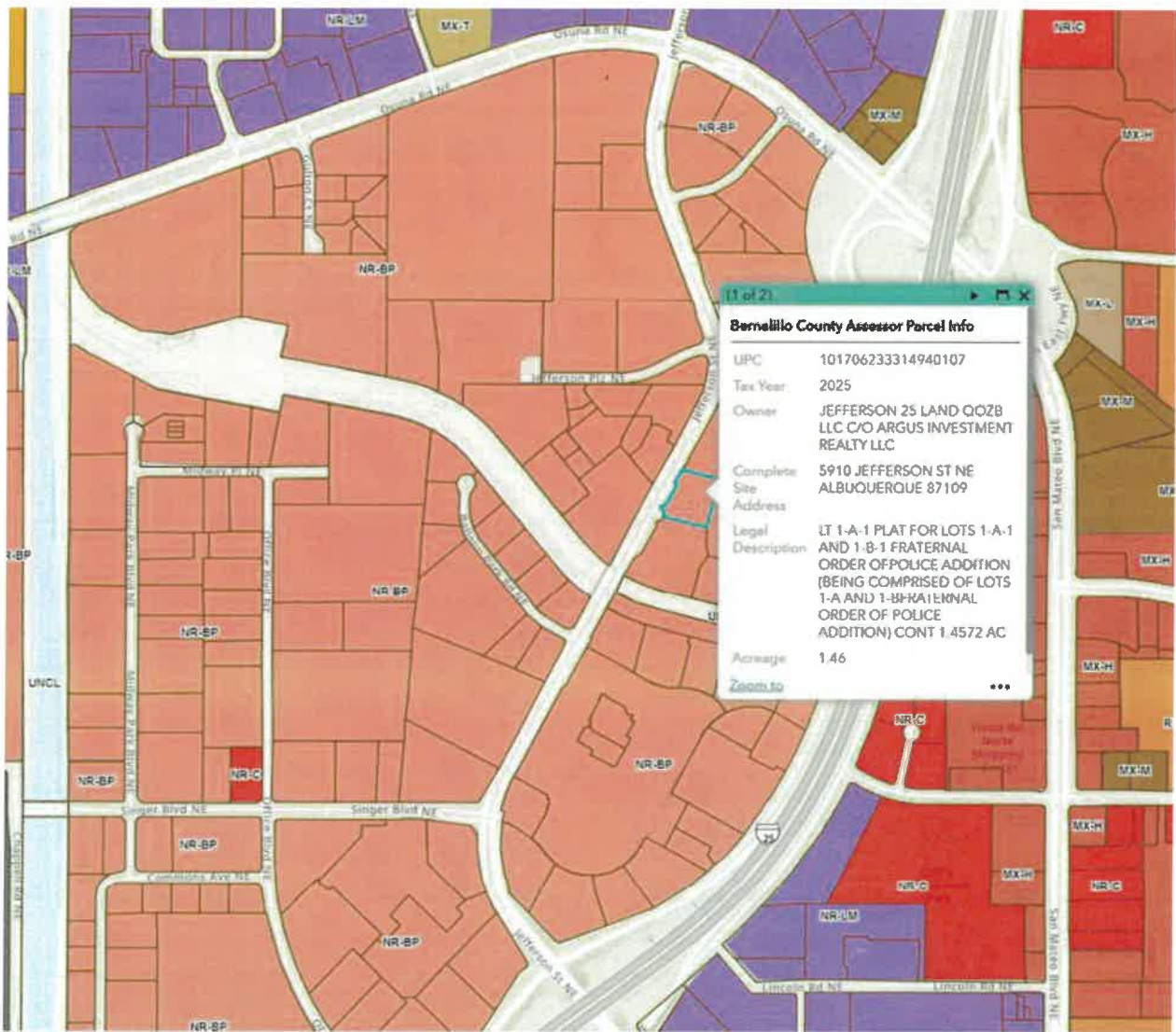
The Project consists of the construction of a new Home2 Suites by Hilton hospitality property located at 5910 Jefferson St NE. The development will include approximately 103 guest rooms totaling approximately 54,000 square feet, together

#2026-10: Dreamcatcher Journal Center Hotel - IRB

with associated site improvements including parking areas, landscaping, guest amenities, and required infrastructure improvements. The construction is anticipated to be a wood-frame hospitality structure consistent with current Hilton brand standards.

The Project is proposed as new construction on land currently controlled by the applicant. No existing buildings are to be incorporated into the development. Any required site preparation will be limited to typical site clearing and grading and will not involve any identified historic properties. A conceptual site plan and elevations will be provided to the Development Commission as part of the review process.

The Project is not anticipated to require any extension or relocation of existing utility or roadway systems and will utilize existing infrastructure currently serving the site. Accordingly, no additional public infrastructure improvements or cost-sharing agreements with the city are expected at this time.



Map 2: Journal Center Hotel Site

#2026-10: Dreamcatcher Journal Center Hotel - IRB

3. Competition

The Jefferson corridor (north of Singer, extending into the Journal Center) has experienced limited recent hospitality development and currently lacks significant new lodging supply despite strong underlying demand generated by nearby business and employment centers. As a result, there is minimal direct new-development competition within the immediate area. Existing lodging options primarily consist of established properties serving broader market segments, including the Pyramid Marriott Hotel, which recently received approval for an Industrial Revenue Bond related to renovation activities.

The proposed Project will not displace an existing hospitality operator, nor will it convert an active commercial use. Instead, it will activate a currently vacant, underutilized greenfield site and convert it into a productive, revenue-generating hospitality asset. The development represents new economic activity rather than the substitution of existing activity.

Several restaurants and retail operators within the corridor have recently experienced declining performance, including the recent closure of Genghis Grill, reflecting broader challenges in sustaining consistent visitation and customer traffic in the area. By introducing a modern, branded hospitality asset that increases overnight stays and business travel activity, the Project is expected to generate additional daily foot traffic and spending that supports surrounding restaurants and fast-casual dining establishments. Increased visitation is anticipated to help stabilize and reinvigorate the local commercial environment.

By introducing modern, branded lodging into an area that has seen limited recent hotel construction, the Project is expected to capture incremental demand, strengthen the corridor's competitiveness, and support continued commercial investment without creating harmful impacts on existing local industry participants.

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

The Project is expected to generate approximately 120 construction jobs during the development phase, providing direct economic benefits to the local economy through increased spending at nearby businesses and service providers. Following completion, the Project will create permanent employment opportunities and support the Journal Center submarket's role as a key commercial and employment destination by increasing lodging capacity for business travelers and visitors. Increased guest activity is anticipated to drive additional demand for local dining, retail, and services, contributing to broader economic growth and reinforcing ongoing commercial activity within the corridor.

6. DESIGN AND CONSERVATION:

No individuals, families, or operating businesses will be displaced as a result of the Project. Accordingly, no relocation assistance is required.

Based on comparable select-service hotel operating profiles, the Project is estimated to use approximately 110,600 gallons per month (approximately 3,700 gallons per day) under typical

#2026-10: Dreamcatcher Journal Center Hotel - IRB

stabilized operations. For planning purposes, assume a realistic operating range of 110,000 to 115,000 gallons per month, subject to actual occupancy, laundry practices, and amenity usage.

The Project will incorporate water conservation measures consistent with current Hilton brand standards and best practices, including low-flow showerheads, high-efficiency toilets, and other WaterSense-style plumbing fixtures where feasible. In addition, the Project will explore opportunities to reduce and re-use water to the extent commercially feasible, including water-efficient landscaping where applicable (xeriscape/low-water plantings), smart irrigation controls, routine leak detection/maintenance protocols, and operational practices that reduce laundry and back-of-house water consumption.

7. RENEWABLE ENERGY:

The Project will incorporate modern energy-efficient building systems consistent with current Hilton brand standards, including efficient HVAC systems, LED lighting, and water-conserving fixtures designed to reduce overall energy and resource consumption. In addition, the development will include electric vehicle (EV) charging stations for guest use.

While on-site renewable energy production is not currently planned, the ownership group will continue to evaluate future opportunities to integrate renewable energy technologies, including potential solar installations, as part of long-term operational sustainability planning.

III. ECONOMIC BENEFITS

1. COMPETITION:

Dreamcatcher Journal Center Hotel - The Jefferson corridor (north of Singer, extending into the Journal Center) has experienced limited recent hospitality development and currently lacks significant new lodging supply despite strong underlying demand generated by nearby business and employment centers. As a result, there is minimal direct new-development competition within the immediate area. Existing lodging options primarily consist of established properties serving broader market segments, including the Pyramid Marriott Hotel, which recently received approval for an Industrial Revenue Bond related to renovation activities.

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#2026-10: Dreamcatcher Journal Center Hotel - IRB

By introducing modern, branded lodging into an area that has seen limited recent hotel construction, the Project is expected to capture incremental demand, strengthen the corridor's competitiveness, and support continued commercial investment without creating harmful impacts on existing local industry participants.

2. JOBS:

The Project is expected to create approximately 32 - 37 permanent full-time and part-time positions across a range of professional, supervisory, clerical, and operational hospitality roles, depending on hotel demand. These positions will include:

- General Manager (1) - \$70,000 - \$90,000
- Assistant General Manager (1) - \$45,000 - \$55,000
- Director of Sales (1) - \$55,000 - \$65,000
- Executive Housekeeper (1) - \$45,000 - \$55,000
- Chief Engineer (1) - \$45,000 - \$55,000
- Front Desk Manager (1) - \$35,000 - \$45,000
- Accounting / Administrative Support (1) - \$25,000
- Front Desk Agents (6-10) - \$25,000 - \$30,000
- Night Auditors (2-3) - \$25,000 - \$30,000
- Housekeepers / Room Attendants (10) - \$25,000 - \$30,000
- Laundry Attendants (2) - \$25,000 - \$30,000
- Maintenance Technicians (2) - \$25,000 - \$30,000
- Breakfast Attendants / Food Service Staff (3) - \$25,000 - \$30,000

There are currently no operating businesses or employees located at the project site; therefore, no existing jobs will be retained. All permanent positions associated with the Project will be newly created jobs.

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?

It is anticipated that 100% of the permanent positions created by the Project will be filled by current Albuquerque area residents. The hospitality roles associated with the Project are expected to be staffed locally through recruitment within the existing workforce, consistent with the applicant's current hiring practices across its Albuquerque portfolio.

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

Yes. The Project will create a range of positions, including entry-level hospitality roles that do not require advanced degrees or specialized prior experience, making them accessible to low and moderate income residents. Positions such as housekeeping, guest services, food service, and maintenance provide immediate employment opportunities with structured

#2026-10: Dreamcatcher Journal Center Hotel - IRB

training, stable wages, and clear pathways for advancement into supervisory and management roles.

Sun Capital Hotels emphasizes internal promotion and workforce development, creating long-term income mobility within the hospitality industry. The company has a demonstrated track record of promoting from within, including senior leadership who began in entry-level roles. For example, the current EVP of Asset Management started with the company approximately fourteen years ago as a breakfast attendant and advanced through internal development and leadership opportunities.

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

Yes. Compensation levels for the positions created are expected to meet or exceed median wage levels typical for comparable hospitality industry roles within the Albuquerque market, consistent with brand standards and professional management practices.

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

Yes. The positions created through the Project align with common hospitality industry roles and are expected to match the existing skills and experience of current Albuquerque area residents, including guest services, housekeeping, maintenance, food service, and management positions.

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

Yes. All new employees will receive brand-standard training and operational instruction consistent with Hilton and Sun Capital Hotels' management practices. Training will include guest service standards, operational procedures, safety protocols, and role-specific skill development to ensure successful performance and advancement opportunities.

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

The Project does not currently anticipate utilizing the New Mexico Job Training Incentive Program (JTIP) or similar public training subsidies. Instead, Sun Capital Hotels will provide comprehensive in-house training programs consistent with Hilton brand standards and internal operational practices. The ownership and management team make a direct private investment in employee training and professional development, ensuring that team members receive structured onboarding, operational training, and ongoing skill development without reliance on public training funds.

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

Yes. The Project will provide employee health insurance benefits and will cover at least 50% of health insurance premiums for eligible employees. This commitment reflects Sun Capital Hotels' approach to offering competitive benefits packages that support employee retention, workforce stability, and long-term career development within the hospitality industry.

#2026-10: Dreamcatcher Journal Center Hotel - IRB

3. LOCAL PURCHASING

The Project is anticipated to generate approximately \$1.0 million annually in locally procured goods and services subject to New Mexico gross receipts tax. Major categories include guest consumables, housekeeping supplies, maintenance equipment and services, landscaping, waste management, utilities-related services, and other operational support services sourced from local vendors. Local purchasing expenditures are expected to increase approximately 3–4% annually as operations scale and costs adjust with inflation.

We intend to actively explore opportunities to procure goods and services from local Albuquerque and New Mexico vendors to the extent commercially feasible and consistent with brand standards, operational requirements, and competitive pricing. The Project's local purchasing strategy is intended to support regional businesses, strengthen local supply chains, and contribute to ongoing economic activity within the community.

IV. PROJECT FEASIBILITY

1. COST/ FEASIBILITY/ FINANCING:

A summary of the project is as follows:

Cost of Improvements

The total estimated cost of improvements for the Project is approximately \$25,008,118, which includes site work, vertical construction, furnishings, fixtures, and equipment (FF&E), soft costs, and other eligible development expenses.

Bond Amount

The anticipated Industrial Revenue Bond issuance amount is \$25,008,118, which will be used solely for eligible project costs in accordance with IRB program guidelines. The bond amount requested will not exceed the amount necessary to complete the Project in combination with private financing and equity contributions.

Project Financing

The Project is expected to be financed through a combination of conventional debt and private capital, including:

- Senior Construction Financing: approximately \$18,756,088 (subject to final underwriting), representing approximately 75% loan-to-value financing provided by a local credit union lender.
- Private Capital Contribution: approximately \$6,252,029, consisting of:
 - Land and existing improvements contributed at an estimated value of \$1,336,451, and
 - Cash equity contributions of approximately \$4,915,578.
 - Final capital structure and financing amounts will be confirmed upon completion of lender underwriting and closing documentation.

#2026-10: Dreamcatcher Journal Center Hotel - IRB

2. DEVELOPER'S RECORD:

The Manager of the development entity is Deepesh Kholwadwala. Mr. Kholwadwala owns and operates Sun Capital Hotels, a professional hotel management company responsible for overseeing operations across the portfolio. Sun Capital Hotels maintains strong relationships and excellent standing with major hospitality brands, including Marriott, Hilton, and IHG.

Mr. Kholwadwala is an experienced hospitality developer, having successfully developed more than fifteen hotel projects. The organization maintains a strong track record of successful development, ownership, and long-term operation of hospitality assets, with demonstrated credibility among lenders, brands, and industry partners. The Dreamcatcher group remains actively committed to continued investment in Albuquerque and the broader New Mexico market.

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

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

3. EQUITY:

The minimum equity capital invested in the project will be 25% of the total capital structure for the project.

4. MANAGEMENT:

Sun Capital will serve as the development entity for the Project. Upon completion, the Project will be professionally managed by Sun Capital Hotels, with both the management and development company owned and operated by Deepesh Kholwadwala. Sun Capital Hotels currently oversees operations for the Dreamcatcher group's hospitality portfolio and maintains excellent standing with major brands including Hilton, Marriott, and IHG.

The applicant entity will retain long-term ownership and operational involvement in the Project. The development is intended as a long-term investment within the Albuquerque market, with ongoing oversight and asset management provided by the ownership group.

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

5. FISCAL IMPACT ANALYSIS

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

#2026-10: Dreamcatcher Journal Center Hotel - IRB

The fiscal impact analysis indicates that the operations associated with the \$25 million bond for the Dreamcatcher Journal Center Hotel are expected to generate a total of almost \$4.3 million in taxes by 2045. 5 The project will remain tax positive throughout the duration of the bond term.

FINDINGS:

1. IRB #2026-10 is a qualified project as defined by the State's Industrial Revenue Bond Act and the City enabling legislation (Resolution R-196, Sixth Council (126-1985) as amended by Resolution 350 Sixth Council, upon the waiver of Section E requirements; and
2. IRB #2026-10 would make positive substantive contributions to the local economy and community by directly creating 32-37 full-time and part-time positions; and
3. IRB #2026-10 will benefit Albuquerque's convention and tourism industry through the creation of additional room inventory, convention space, and amenities in I-25/Jefferson Business Park; and
4. IRB #2026-10 would comply with the adopted City plans and policies, and meet community economic development priorities and objectives;
5. IRB #2026-10 would adequately meet the evaluation criteria established by the City for Industrial Revenue Bond Act projects, including the requirement that the City recoup the value of its investment over the term of the bonds.

STAFF RECOMMENDATION:

Based on the above findings, staff recommends approval of IRB #2026-10 as proposed in the project plan application.

Daniel Schmuck, Senior Economic Developer
Economic Development Department



Fiscal Impact Analysis of the Proposed Dreamcatcher Journal Center Hotel Project on the City of Albuquerque

Prepared for the City of Albuquerque Economic Development Department

Alexis P. Amodio-Cardwell

MAY 2026

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Introduction

The Economic Development Department at the City of Albuquerque (the City) has requested that UNM's Bureau of Business & Economic Research (UNM BBER) conduct a fiscal impact analysis for one of two industrial revenue bond (IRB) applications submitted by Dreamcatcher Hotel Group (applicant). This particular IRB application pertains to the project titled "Dreamcatcher Journal Center Hotel."

Dreamcatcher Hotel Group, which currently owns and operates eleven hotel properties throughout New Mexico and Colorado, is planning to develop the Dreamcatcher Journal Center Hotel: a Home2 Suites by Hilton hotel in the Journal Center submarket of Albuquerque, New Mexico.¹ The proposed hotel is intended to accommodate business travelers, medical visitors, and other guests in the Journal Center business district by increasing the availability of local lodging options and improving convenience for business-related travel and visiting professionals.

The current project site is vacant land located within a commercial corridor that lacks active development. As such, the proposed project will activate the site through new construction by introducing a modern hospitality asset that complements the corridor's function as an important business and industrial park. Once operational, the 54,000-square-foot property is expected to include approximately 103 guest rooms.²

In support of this project, the applicant is seeking a \$25,008,118 industrial revenue bond from the City to finance the Dreamcatcher Journal Center Hotel.

Property

As mentioned in the introduction, the Dreamcatcher Journal Center Hotel will be built in the Journal Center submarket of Albuquerque:

- Address: 5910 Jefferson Street NE, Albuquerque, New Mexico 87109
- UPC: 101706233314940107
- Legal Description: LT 1-A-1 PLAT FOR LOTS 1-A-1 AND 1-B-1 FRATERNAL ORDER OF POLICE ADDITION (BEING COMPRISED OF LOTS 1-A AND 1-B FRATERNAL ORDER OF POLICE ADDITION) CONT 1.4572 AC

Data and Methods

This analysis is based on self-reported budget and expenditures information provided by Dreamcatcher Hotel Group representatives. The figures submitted in the IRB application to the City have also been considered. Given that the applicant is seeking a 20-year bond rate, data includes expected payroll and employment figures, operational spending, and capital expenditures from 2026 to 2045.

¹ Upon completion, the hotel will be professionally managed by Sun Capital Hotels. Sun Capital Hotels oversees operations for the Dreamcatcher Group's hospitality portfolio.

² The site will also require improvements, including parking, landscaping, guest amenities, and supporting infrastructure.

Employment data includes the creation of 48 part-time and full-time jobs between 2026 and 2030. For this analysis, only full-time positions have been considered. Total compensation for the 26 full-time jobs ranges from \$30,500 for support positions like administration to \$96,000 for general manager positions.³

Dreamcatcher Hotel Group also plans to offer an average salary increase of 3% every year.

In terms of project development costs, the applicant estimates that the IRB proceeds – site work, vertical construction, furnishings, fixtures, and equipment (FF&E), soft costs, and other eligible development expenses – will total \$25,008,118 (the requested amount of the IRB). Moreover, the projected timeline for construction activities is set to span from June 2026 to October 2027.

This analysis assesses the tax impact of the Dreamcatcher Journal Center Hotel's operations on the City of Albuquerque for the years 2026 to 2045, focusing on gross receipts, property, and other taxes. It includes the effects of spending related to direct, indirect, and induced jobs generated by hotel operations, including construction. The analysis also incorporates the expected tax contributions from the industry.

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

1. Multipliers used for estimating the impacts of the project were based on historical budget information and the industry for which the impact was modeled – NAICS 721110: Hotels (except Casino Hotels) and Motels. The following is the 2022 NAICS Definition for NAICS 721110: "This industry comprises establishments primarily engaged in providing short-term lodging in facilities known as hotels, motor hotels, resort hotels, and motels. The establishments in this industry may offer food and beverage services, recreational services, conference rooms, convention services, laundry services, parking, and other services."⁴
2. All construction jobs (~120 jobs) are expected to be sourced from within the City; that is, 100% of the contractors and sub-contractors associated with the construction of the hotel will be local vendors.
3. 100% of permanent employees will be hired from within the City.
4. Only full-time positions were included in the analysis.
5. Gross Receipts Taxes (GRT) and Compensating Taxes: This analysis assumes a 100% GRT and compensating tax abatement.
6. Real and Personal Property Tax Exemption: This analysis assumes a 100% property tax abatement and a 30% Payment in Lieu of Taxes (PILOT) on real property.
7. This analysis assumes that all employment resulting from this agreement – including construction, research and development, and manufacturing activities – will be a net gain to Albuquerque. Company spending is a net gain. The purchase of goods and services, real and personal properties, and construction expenditures are considered for gross receipt, compensating, and property taxes.
8. Only the City of Albuquerque incentives and the ensuing fiscal impact on the City are considered; incentives received from the State of New Mexico and/or any other governing entity are not included in this analysis.
9. Wages and salaries are expected to continue growing at a fixed rate of 3% throughout the time span of the analysis.

³ Total compensation includes salaries and benefits. The General Manager, Assistant General Manager, and Director of Sales positions are assumed to have a 20% average fringe benefits rate, while all other full-time positions are assumed to have a 22% rate.

⁴ <https://www.census.gov/naics/?input=721110&year=2022&details=721110>

10. Lodgers' Tax is an occupancy tax equal to 5% of gross taxable lodging rent. This fiscal impact report does not account for lodgers' tax revenues; however, the anticipated revenues are expected to further enhance the positive fiscal impact to the City. Accordingly, the cumulative fiscal impact presented in Table 1 is slightly lower than what would otherwise be expected.
11. All figures and findings are preliminary.

Results

The fiscal impact outlined in Table 1 indicates that the operations associated with the \$25 million bond for the Dreamcatcher Journal Center Hotel are expected to generate a total of almost \$4.3 million in taxes by 2045.⁵ The project will remain tax positive throughout the duration of the bond term.

⁵ The cumulative total is based on the current 20-year general obligation bond rate of 3.45%, as of 05/08/2026.

Table 1. IRB Analysis: Estimated Tax Revenues for the Proposed Dreamcatcher Journal Center Hotel Project, Including Incremental Tax, Present Value of City Taxes, and Net Tax Increment, and Cumulative Net Present Value by Year (2026 dollars)

	Gross Receipts and Compensating Taxes							Property Tax		Other Taxes	Total Revenues	Foregone		City Costs		Fiscal Impact	
	Company Employees	Indirect and Induced Employees	Company Purchases	Company Sales	Construction	Construction Employees	Utilities	Real (Company)	Personal (Company)			Real Property Tax	Personal Property Tax	GRT & Chnp	Annual	Present Value	Cumulative
2026	12,931	8,788	133,810	-	217,771	-	-	1,399	10,097	1,104	375,743	937	-	11,289	363,516	363,516	
2027	13,267	9,052	78,643	142,163	548,093	135,098	4,284	73,899	10,097	1,104	1,016,101	50,402	886,220	11,289	54,872	418,388	
2028	13,509	9,323	62,484	146,427	-	-	4,413	72,003	8,078	1,104	317,341	50,402	-	11,289	247,571	649,722	
2029	13,914	9,603	64,358	150,820	-	-	4,545	70,108	6,058	1,104	320,510	49,075	-	11,289	254,087	879,227	
2030	14,331	9,891	66,289	155,345	-	-	4,682	68,212	4,039	1,104	323,892	47,748	-	11,289	260,816	1,106,953	
2031	14,716	10,188	68,278	160,005	-	-	4,822	66,316	2,019	1,104	327,448	46,421	-	11,289	267,718	1,332,909	
2032	14,860	10,493	70,326	164,805	-	-	4,967	64,420	-	1,104	330,976	45,084	-	11,289	274,592	1,556,939	
2033	15,306	10,808	121,840	169,749	-	-	5,116	62,523	-	1,104	386,448	43,767	-	11,289	331,391	1,838,292	
2034	15,765	11,132	174,842	174,842	-	-	5,269	60,629	13,086	1,104	427,059	42,440	120,026	11,289	240,217	2,001,422	
2035	16,238	11,466	76,847	180,087	-	-	5,427	58,733	10,469	1,104	360,372	41,113	-	11,289	297,501	2,220,659	
2036	16,711	11,810	79,152	185,490	-	-	5,590	56,838	7,852	1,104	364,546	39,786	-	11,289	305,619	2,438,368	
2037	17,121	12,165	81,527	191,055	-	-	5,758	54,942	5,234	1,104	368,996	38,459	-	11,289	314,013	2,654,596	
2038	17,570	12,530	83,973	196,786	-	-	5,930	53,046	2,617	1,104	373,557	37,132	-	11,289	322,518	2,869,274	
2039	18,074	12,905	86,492	202,690	-	-	6,108	51,150	-	1,104	378,524	35,805	-	11,289	331,430	3,082,527	
2040	17,636	13,251	149,848	208,770	-	-	6,292	49,255	-	1,104	446,155	34,478	-	11,289	400,388	3,331,559	
2041	18,166	13,605	178,616	215,034	-	-	6,480	47,359	16,094	1,104	496,458	33,151	147,617	11,289	288,307	3,504,898	
2042	18,455	13,972	94,512	221,485	-	-	6,675	45,463	12,875	1,104	415,541	31,624	-	11,289	358,552	3,713,282	
2043	18,647	14,349	97,348	228,129	-	-	6,875	43,567	9,656	1,104	419,675	30,497	-	11,289	368,233	3,920,155	
2044	19,049	14,738	100,268	234,973	-	-	7,081	41,672	6,438	1,104	425,322	29,170	-	11,289	378,425	4,125,664	
2045	19,520	15,138	-	242,022	-	-	7,294	39,776	3,219	1,104	328,173	27,843	-	11,289	285,821	4,275,707	

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

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

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

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

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

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

Foregone Property Taxes: Property taxes that would have been paid on land, buildings and equipment financed by the IRB. Title to properties financed are held by the City and the properties are exempt from taxes during the life of the bond. There is a minimum Payment in Lieu of Taxes of 6% of the taxes foregone.

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

Fiscal Impact, Annual: The annual fiscal impact is the total revenue less the cost for each year of the project (based on additional population).

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

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

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

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

Printable page

PARID: 101706233314940107

JEFFERSON 25 LAND QOZB LLC, C/O ARGUS INVESTMENT REALTY LLC

5910 JEFFERSON ST

Class

Class	Non Residential
Tax District	A1A C

Current Owner

Owner	JEFFERSON 25 LAND QOZB LLC C/O ARGUS INVESTMENT REALTY LLC
Owner Mailing Address	500 4TH ST NW
Unit	SUITE 275
City	ALBUQUERQUE
State	NM
Zip Code	87102 2102
Other Mailing Address	

Ownership for Tax Year Selected

Tax Year	2026
Owner Name	JEFFERSON 25 LAND QOZB LLC C/O ARGUS INVESTMENT REALTY LLC
Owner Mailing Address	500 4TH ST NW
Unit	SUITE 275
City	ALBUQUERQUE
State	NM
Zip Code	87102 2102
Other Mailing Address	

Description

Location Address	5910 JEFFERSON ST NE
City	ALBUQUERQUE
State	
Zip Code	87109
Property Description	LT 1-A-1 PLAT FOR LOTS 1-A-1 AND 1-B-1 FRATERNAL ORDER OF POLICE ADDITION (BEING COMPRISED OF LOTS 1-A AND 1-B
Public Improvement District	
Tax Increment Development Districts	

Document #

Document #:	2022006446 112321 SW - ENTRY & CODED BY LR 031022 (RE-REC REF)
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Real Property Attributes

Primary Building SQ FT	
Year Built	
Lot Size (Acres)	1.4572
Land Use Code	VACANT COMMERCIAL
Style	

Manufactured Home Attributes

Make :	
License :	
VIN :	
Year :	
Size :	

Values

Tax Year	2026
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Land	\$362,900.00
Agricultural Land	\$0.00
Structures	\$0.00
Full Value Total	\$362,900.00
Taxable (1/3 Full Value)	\$120,955.00

Exemptions

Head of Family	\$0.00
Veteran	\$0.00
Other	\$0.00

Net Taxable Value

Net Taxable Value	\$120,955.00
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CITY of ALBUQUERQUE

TWENTY-SIXTH COUNCIL

COUNCIL BILL NO. _____ ENACTMENT NO. _____

SPONSORED BY:

1 ORDINANCE
2 AUTHORIZING THE ISSUANCE AND SALE OF THE CITY OF ALBUQUERQUE,
3 NEW MEXICO TAXABLE INDUSTRIAL REVENUE BOND (DREAMCATCHER
4 JOURNAL CENTER HOTEL PROJECT), SERIES 2026 IN THE MAXIMUM
5 PRINCIPAL AMOUNT OF \$25,008,118 TO PROVIDE FUNDS TO ACQUIRE,
6 CONSTRUCT, EQUIP, AND IMPROVE THE DREAMCATCHER JOURNAL
7 CENTER HOTEL, A HOME2 SUITES BY HILTON HOTEL WITH AN ANTICIPATED
8 103 GUESTROOMS, AND ASSOCIATED SITE IMPROVEMENTS; AUTHORIZING
9 THE EXECUTION AND DELIVERY OF AN INDENTURE, LEASE AGREEMENT,
10 BOND PURCHASE AGREEMENT, BONDS, AND OTHER DOCUMENTS IN
11 CONNECTION WITH THE BONDS; MAKING CERTAIN DETERMINATIONS AND
12 FINDINGS RELATING TO THE BONDS AND THE PROJECT; RATIFYING
13 CERTAIN ACTIONS TAKEN PREVIOUSLY; AND REPEALING ALL ACTIONS
14 INCONSISTENT WITH THIS ORDINANCE.

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

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

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

1 WHEREAS, Jefferson 25 Land QOZB LLC (together with its successors, assigns
2 and affiliates, the "Company") is a limited liability company formed under the laws of
3 the State of New Mexico and is authorized to do business in New Mexico; and

4 WHEREAS, the Company has requested that the City issue its industrial revenue
5 bonds pursuant to the Act in an aggregate amount of \$25,008,118 for the purpose of
6 providing funds to acquire, construct, equip, and improve an Dreamcatcher Journal
7 Center Hotel, a Home2 Suites by Hilton hotel, with an anticipated 103 guestrooms,
8 totaling 54,000 square feet of building area, and associated site improvements
9 including parking, landscaping, guest amenities, and supporting infrastructure (the
10 "Project"); and

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

15 WHEREAS, the Company has presented to the City and the Commission a
16 proposal (the "Project Plan") whereby the Company shall, pursuant to the Act,
17 acquire, construct and improve the Project to be located in the City at 5910 Jefferson
18 St. NE (the "Project Property"), and pursuant to which the City would issue its
19 taxable industrial revenue bonds in order to finance the Project; and

20 WHEREAS, the Company requests the issuance of the Bonds (defined below) in
21 one series; and

22 WHEREAS, the Commission has reviewed the Project Plan, and on May 21,
23 2026, has determined that the Company has complied with City Resolution No. 16-
24 1985, and has recommended approval of the Project Plan by the Council; and

25 WHEREAS, under the Company's Project Plan, the City would enter into an
26 Indenture for the Bonds (the "Indenture") between the City and BOKF, NA, or other
27 corporate depository satisfactory to the City to be designated at a later date, as
28 depository (the "Depository"), pursuant to which, together with this ordinance (the
29 "Bond Ordinance"), the City would issue its bonds designated as the City of
30 Albuquerque, New Mexico Taxable Industrial Revenue Bond (Dreamcatcher Journal
31 Center Hotel Project), Series 2026 (the "Bonds"); and

1 WHEREAS, under the Company's Project Plan, the City and the Company would
2 enter into a Lease Agreement the Bonds (the "Lease"), pursuant to which the
3 Company will lease the Project Property from the City and will make payments to the
4 Depository sufficient to pay the principal of, redemption premium, if any, and interest
5 on the outstanding Bonds, and to pay all other obligations incurred pursuant to the
6 provisions of the Lease and this Bond Ordinance; and

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

10 WHEREAS, the proceeds of the Bonds shall be used for the purpose of financing
11 the acquisition, construction, equipping, and improvement of the Project (the
12 "Financing"); and

13 WHEREAS, the City is authorized to enter into the Lease, the Indenture, and
14 other related documents and to issue the Bonds pursuant to the Act and this Bond
15 Ordinance; and

16 WHEREAS, the Bonds in an aggregate principal amount not to exceed
17 \$25,008,118 will be issued, sold and delivered by the City in private sales to an
18 affiliate of the Company (the "Purchaser") pursuant to a bond purchase agreement
19 (the "Bond Purchase Agreement") among the City, the Company, and the
20 Purchaser; and

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

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

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

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

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

12 WHEREAS, the City has delivered notice to the County of Bernalillo, State of
13 New Mexico, of its intent to consider issuance of the Bond, which notice was given
14 at least thirty (30) days prior to the meeting at which final action is to be taken on this
15 Bond Ordinance as required by Section 3-32-6.1, New Mexico Statutes Annotated,
16 1978 Compilation, as amended;

17 BE IT ORDAINED BY THE COUNCIL, THE GOVERNING BODY OF THE CITY
18 OF ALBUQUERQUE:

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

23 Section 2. THE PROJECT PLAN. The Project to be financed with the Bonds
24 is comprised of the acquisition, construction, equipping, and improvement of the
25 Dreamcatcher Journal Center Hotel, a Home2 Suites by Hilton hotel, with an
26 anticipated 103 guestrooms, totaling 54,000 square feet of building area, and
27 associated site improvements including parking, landscaping, guest amenities, and
28 supporting infrastructure. The Company may use additional available money to
29 accomplish the Project. The Project Plan is hereby approved in all respects.

30 Section 3. FINDINGS.

31 (A) General. The Council hereby declares that it has considered all relevant
32 information presented to it relating to the Bonds and the Project and hereby finds

and determines that the issuance of the Bonds pursuant to this Bond Ordinance and the Act to provide funds for the Project is necessary and advisable and in the interest of the public, and will promote the public health, safety, morals, convenience, economy, and welfare of the City and the residents of the City.

(B) The Council finds that:

(1) The Bonds will be issued for the purpose of financing the Project;

(2) The aggregate face amount of obligations to be issued for the purpose of financing the Project is \$25,008,118;

(3) The developer and operator of the Project is the Company;

(4) The Project Property is located in the City at 5910 Jefferson St. NE.

Section 4. AUTHORIZATION AND APPROVAL OF THE BONDS. To finance the cost of acquiring, constructing, equipping and improving the Project Property, the City hereby authorizes and approves the issuance and sale of its industrial revenue bonds to be designated "City of Albuquerque, New Mexico Taxable Industrial Revenue Bond (Dreamcatcher Journal Center Hotel Project), Series 2026" in the aggregate principal amount of \$25,008,118 and the use of the proceeds of the Bonds to finance the cost of the Project and to pay expenses relating thereto.

Section 5. SALE OF THE BONDS. The sale of the Bonds to the Purchaser at a purchase price equal to the par amount of the Bonds is hereby authorized and approved.

Section 6. FORM AND TERM OF THE BONDS. Subject to the limitations set forth in this Bond Ordinance, the Bonds shall be: (i) in the form and shall be numbered and dated all as set forth in the Indenture; (ii) payable as to principal and interest, and subject to optional and mandatory redemption and defeasance in the amounts, upon the conditions and at the times and prices set forth in the Indenture; and, (iii) issued in the aggregate principal amount of \$25,008,118, bearing interest at the rates and maturing on the dates set forth in the Indenture. The interest rate on the Bond shall not exceed 12% per annum. The Mayor or the Chief Administrative Officer of the City shall sign the Bond.

Section 7. AUTHORIZATION OF OFFICERS; APPROVAL OF DOCUMENTS. The form, terms, and provisions of the Bond Documents in the form on deposit in the office of the City Clerk are in all respects approved, authorized, and confirmed, and

the City shall enter into such Bond Documents substantially in the form of each such document on deposit with the City Clerk, with only such changes as are not inconsistent with this Bond Ordinance or such other changes as may be approved by supplemental resolution of the Council.

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

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

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

Section 8. DELIVERY OF THE BONDS. Upon the execution of the Bond Documents and the satisfaction of the conditions set forth in the Bond Documents, the Bonds shall be executed, authenticated, and delivered to the Purchaser. No Bonds shall be valid for any purpose until such Bonds have been properly authenticated as set forth in the Indenture.

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

4 (A) The maximum amount necessary in each year to pay the principal of and
5 interest on the Bonds, assuming issuance of the Bond as of August 1, 2026, in the
6 amount of \$25,008,118 and bearing interest at the rate of 4% and the first Bond
7 payment occurring on August 1, 2027, is as follows:

8	<u>Year Ended</u>	<u>Maturing Principal</u>	<u>Interest Amount</u>	<u>Total Debt Service</u>
9	8/1/27	-\$0-	\$1,000,325	\$1,000,325
10	8/1/28	-\$0-	\$1,000,325	\$1,000,325
11	8/1/29	-\$0-	\$1,000,325	\$1,000,325
12	8/1/30	-\$0-	\$1,000,325	\$1,000,325
13	8/1/31	-\$0-	\$1,000,325	\$1,000,325
14	8/1/32	-\$0-	\$1,000,325	\$1,000,325
15	8/1/33	-\$0-	\$1,000,325	\$1,000,325
16	8/1/34	-\$0-	\$1,000,325	\$1,000,325
17	8/1/35	-\$0-	\$1,000,325	\$1,000,325
18	8/1/36	-\$0-	\$1,000,325	\$1,000,325
19	8/1/37	-\$0-	\$1,000,325	\$1,000,325
20	8/1/38	-\$0-	\$1,000,325	\$1,000,325
21	8/1/39	-\$0-	\$1,000,325	\$1,000,325
22	8/1/40	-\$0-	\$1,000,325	\$1,000,325
23	8/1/41	-\$0-	\$1,000,325	\$1,000,325
24	8/1/42	-\$0-	\$1,000,325	\$1,000,325
25	8/1/43	-\$0-	\$1,000,325	\$1,000,325
26	8/1/44	-\$0-	\$1,000,325	\$1,000,325
27	8/1/45	-\$0-	\$1,000,325	\$1,000,325
28	8/1/46	\$25,008,118	\$1,000,325	\$26,008,443

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

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

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

15 Section 11. LIMITED OBLIGATIONS. The Bonds shall be special limited
16 obligations of the City payable solely from the revenues derived from the Lease and
17 payable by the Company as described in the Indenture, and shall never constitute a
18 debt or indebtedness of the City or the State or any political subdivision thereof
19 within the meaning of any provision or limitation of the State Constitution, statutes, or
20 home-rule charter of the City, and shall not constitute or give rise to a pecuniary
21 liability of the City or a charge against its general credit or taxing power. Nothing
22 contained in this Bond Ordinance or the Bond Documents, or any other instrument,
23 shall be construed as obligating the City (except with respect to the Project Property
24 and the application of the revenues therefrom and the proceeds of the Bonds, all as
25 provided in the Bond Documents), nor as incurring a pecuniary liability or charge
26 upon the general credit of the City or against its taxing power, nor shall the breach of
27 any agreement contained in this Bond Ordinance, the Bond Documents, the Bonds,
28 or any other instrument be construed as obligating the City (except with respect to
29 the Project Property and the application of revenues therefrom and the proceeds of
30 the Bonds all as provided in the Bond Documents) nor as incurring a pecuniary
31 liability or a charge upon the general credit of the City or against its taxing power, the
32 City having no power to pay out of its general funds, or otherwise contribute any part

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1 of the costs of acquiring the Project Property, nor power to operate the Project as a
2 business or in any manner except as lessor and seller of the Project Property.

3 Section 12. APPROVAL OF INDEMNIFICATION. The Council specifically
4 approves the provisions of the Lease relating to indemnification which provide that
5 the Company shall indemnify and hold harmless the City and its City Councilors,
6 officials, members, officers, employees, and agents against liability to the Company
7 or to any third parties that may be asserted against the City, its City Councilors,
8 officials, members, officers, employees, and agents with respect to the City's
9 ownership of the Project Property or the issuance of the Bonds and arising from the
10 condition of the Project Property or the acquisition or operation of the Project
11 Property by the Company, except to the extent that Section 56-7-1, New Mexico
12 Statutes Annotated, 1978 Compilation, as amended, applies, and except claims for
13 any loss or damage arising out of or resulting from the gross negligence or willful
14 misconduct of the City or any official, member, officer, employee, or agent of the
15 City.

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

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

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

29 Section 16. RECORDING; AUTHENTICATION; PUBLICATION; EFFECTIVE
30 DATE. This Bond Ordinance, immediately upon its final passage and approval, shall
31 be recorded in the ordinance book of the City, kept for that purpose, and shall be
32 there authenticated by the signature of the Mayor and the presiding officer of the

City Council, and by the signature of the City Clerk or any Deputy City Clerk, and notice of adoption thereof shall be published once in a newspaper that maintains an office in, and is of general circulation in, the City, and shall be in full force and effect five (5) days following such publication.

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

CITY OF ALBUQUERQUE, NEW MEXICO

NOTICE OF ADOPTION OF ORDINANCE

Notice is hereby given of the title and of a general summary of the subject matter contained in a City Ordinance (the "Ordinance"), duly adopted and approved by the City Council of the City of Albuquerque, New Mexico, on _____, 2026. Complete copies of the Ordinance are available for public inspection during the normal and regular business hours of the City Clerk City Clerk in the office of the City Clerk, Albuquerque, New Mexico.

The title of the Ordinance is:

AUTHORIZING THE ISSUANCE AND SALE OF THE CITY OF ALBUQUERQUE, NEW MEXICO TAXABLE INDUSTRIAL REVENUE BOND (DREAMCATCHER JOURNAL CENTER HOTEL PROJECT), SERIES 2026 IN THE MAXIMUM PRINCIPAL AMOUNT OF \$25,008,118 TO PROVIDE FUNDS TO ACQUIRE, CONSTRUCT, EQUIP, AND IMPROVE THE DREAMCATCHER JOURNAL CENTER HOTEL, A HOME2 SUITES BY HILTON HOTEL WITH AN ANTICIPATED 103 GUESTROOMS, AND ASSOCIATED SITE IMPROVEMENTS; AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE, LEASE AGREEMENT, BOND PURCHASE AGREEMENT, BONDS, AND OTHER DOCUMENTS IN CONNECTION WITH THE BONDS; MAKING CERTAIN DETERMINATIONS AND FINDINGS RELATING TO THE BONDS AND THE PROJECT; RATIFYING CERTAIN ACTIONS TAKEN PREVIOUSLY; AND REPEALING ALL ACTIONS INCONSISTENT WITH THIS ORDINANCE.

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

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8901 Adams Street NE Suite A
Albuquerque, NM 87113
Office: (505) 508-0137

Max and Monica,

On behalf of Sun Capital Hotels and the respective ownership entities, we are submitting two IRB applications for your review and consideration: the Sawmill dual-branded Hampton/Home2 development and the Jefferson Home2 Suites development. Our intention is to improve access to Albuquerque for travelers from all backgrounds, and through these projects we believe we are advancing our shared goal.

We remain committed to investing in Albuquerque and appreciate the City's partnership in supporting growth. Please let us know if any additional information would be helpful as you begin your review.

Thank you,

Deepesh Kholwadwala
Sun Capital Hotels

APPLICATION
for
INDUSTRIAL REVENUE BOND
Project Approval

Project Name: Dreamcatcher Journal Center Hotel

Company Name: Jefferson 25 Land QOZB LLC

Contact Person: Deepesh Kholwadwala

Company Name: Sun Capital Hotels

Contact Person: Sahil Kholwadwala

Address: 8901 Adams St. ABQ NM, 87113
Suite A

Telephone: (505) 238 9381 & (505) 681 5959

Email: deepesh@sc-hotels.com & sahil@sc-hotels.com

Bond Counsel: Peter Kelton, Rodey Law Firm

Address: 201 3rd St NW #2200
Albuquerque, NM 87102

Telephone: 505 765 5900 (main line)

Bond Amount Requested: \$25,008,118 Fee Submitted: No

FOR STAFF USE

Staff Assigned: _____
Case Number: _____

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

PREFACE

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

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

The purpose of the Plan is to identify the project area and to present the plan and the uses to which the proceeds of the Bonds will be put if issued. This Plan is presented to demonstrate to the City of Albuquerque the public benefits of this project and to help the City evaluate its merit in comparison to other projects submitted. The applicant and its agent will endeavor to provide the City any additional information reasonably requested.

APPLICATION DESCRIPTION

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

I. GENERAL DESCRIPTION

Give a brief overview of the project, including general location, proposed development, use, and total bond amount requested. Include a statement of the benefit to be gained by the Albuquerque community from this development. The General Description should explain what will be done with the IRB if approved.

The Project consists of the development of a Home2 Suites by Hilton hotel in the Journal Center submarket of Albuquerque, New Mexico. The proposed development includes the construction of a modern all-suite hospitality property designed to accommodate business travelers, medical visitors, and other transient guests. The anticipated average length of stay is approximately six (6) days, consistent with

Hilton's national operating profile for this brand and reflective of short-term lodging demand rather than residential use.

The total bond amount requested is \$25,008,118, which will be used to finance eligible development costs including building construction, site improvements, furnishings, fixtures, equipment, and other qualified expenditures under the Industrial Revenue Bond program.

The Project will provide measurable economic benefits to the Albuquerque community, including construction job creation, permanent employment opportunities, increased visitor spending, and enhanced lodging capacity within the Journal Center business corridor. This area has experienced limited recent hospitality development despite strong underlying demand from nearby commercial and employment centers, resulting in unmet need for quality business-oriented accommodations. The Project will support business travel activity, strengthen the surrounding commercial district, and contribute to ongoing corridor revitalization. The IRB will assist in improving project feasibility and facilitating the timely development of a nationally recognized hospitality brand that supports economic growth and reinforces the area's role as a key business destination within Albuquerque.

II. SITE AND EXISTING CONDITIONS

A. Legal Description

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

Situs Address: 5910 JEFFERSON ST NE, ALBUQUERQUE 87109

Legal Description: LT 1-A-1 PLAT FOR LOTS 1-A-1 AND 1-B-1
FRATERNAL ORDER OF POLICE ADDITION (BEING COMPRISED OF
LOTS 1-A AND 1-B FRATERNAL ORDER OF POLICE ADDITION)
CONT 1.4572 AC

UPC: 101706233314940107

B. Prevailing Site Conditions

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

The project site consists of vacant dirt land controlled by the applicant and located within a commercial corridor. The site is presently undeveloped and does not currently support active use. The proposed development will activate the site through new construction, introducing a modern hospitality asset that aligns with the area's role as a key business and employment destination.

C. Present Assessed Value

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

Assessor's Net Taxable Value 2025: \$120,955

D. Present and Proposed Zoning

Give the current zoning of the property. If any change in zoning is required for the proposed use, give the proposed new zone. We recommend that zoning changes required be requested before the project plan reaches the Development Commission.

Non-Residential, no zoning change required

E. Renewable Energy

Indicate in detail if and how the Project will create, produce or use renewable energy and renewable energy technology.

The Project will incorporate modern energy-efficient building systems consistent with current Hilton brand standards, including efficient HVAC systems, LED lighting, and water-conserving fixtures designed to reduce overall energy and resource consumption. In addition, the development will include electric vehicle (EV) charging stations for guest use.

While on-site renewable energy production is not currently planned, the ownership group will continue to evaluate future opportunities to integrate renewable energy technologies, including potential solar installations, as part of long-term operational sustainability planning.

III. PROJECT PLAN

A. Information Concerning Applicant

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

The applicant is a Dreamcatcher-affiliated joint venture development entity formed between the Dreamcatcher group and local real estate partners Scott Throckmorton and Jeff Jesionowski. The Dreamcatcher group is an active hotel investment organization focused on new developments and acquisitions, with a significant presence in Albuquerque and throughout New Mexico. The group currently owns and operates six hotel properties within Albuquerque, an additional four properties elsewhere in New Mexico, and one property in Colorado Springs. The group has also

recently completed an additional hotel acquisition and has several development projects in various stages of planning and execution.

Scott Throckmorton and Jeff Jesionowski are experienced real estate owners and operators with significant experience in commercial real estate investment and development. Their participation in the joint venture includes contribution of the project site and long-term local ownership alignment. The partnership combines the local real estate experience of Mr. Throckmorton and Mr. Jesionowski with the Dreamcatcher group's established expertise in hospitality development and operations.

The Manager of the development entity is Deepesh Kholwadwala. Mr. Kholwadwala owns and operates Sun Capital Hotels, a professional hotel management company responsible for overseeing operations across the portfolio. Sun Capital Hotels maintains strong relationships and excellent standing with major hospitality brands including Marriott, Hilton, and IHG.

Mr. Kholwadwala is an experienced hospitality developer, having successfully developed more than fifteen hotel projects. The organization maintains a strong track record of successful development, ownership, and long-term operation of hospitality assets, with demonstrated credibility among lenders, brands, and industry partners.

B. Tax Issues

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

The applicant has no outstanding federal, state, or local tax issues and is in good standing with all applicable taxing authorities.

C. Information Concerning Products and Process

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

The Project consists of the development and operation of a branded hospitality property providing transient lodging accommodations and related guest services, including front desk operations, housekeeping, and limited food and beverage offerings. No industrial manufacturing processes or activities involving hazardous materials are anticipated. The development is not expected to generate significant air, noise, or waste pollution beyond normal levels associated with commercial hospitality uses, and all construction and operations will comply with applicable local, state, and federal environmental regulations.

Operational waste will consist primarily of standard municipal solid waste typical of hotel operations and will be managed through licensed waste service providers, including recycling where feasible. Traffic impacts are expected to be consistent with normal commercial hospitality use, consisting primarily of guest and employee passenger vehicles, and are not anticipated to create material congestion beyond existing commercial patterns.

D. Competition

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

The Jefferson corridor (north of Singer, extending into the Journal Center) has experienced limited recent hospitality development and currently lacks significant new lodging supply despite strong underlying demand generated by nearby business and employment centers. As a result, there is minimal direct new-development competition within the immediate area. Existing lodging options primarily consist of established properties serving broader market segments, including the Pyramid Marriott Hotel, which recently received approval for an Industrial Revenue Bond related to renovation activities.

The proposed Project will not displace an existing hospitality operator, nor will it convert an active commercial use. Instead, it will activate a currently vacant, underutilized greenfield site and convert it into a productive, revenue-generating hospitality asset. The development represents new economic activity rather than substitution of existing activity.

Several restaurants and retail operators within the corridor have recently experienced declining performance, including the recent closure of Genghis Grill, reflecting broader challenges in sustaining consistent visitation and customer traffic in the area. By introducing a modern, branded hospitality asset that increases overnight stays and business travel activity, the Project is expected to generate additional daily foot traffic and spending that supports surrounding restaurants and fast-casual dining establishments. Increased visitation is anticipated to help stabilize and reinvigorate the local commercial environment.

By introducing modern, branded lodging into an area that has seen limited recent hotel construction, the Project is expected to capture incremental demand, strengthen the corridor's competitiveness, and support continued commercial investment without creating harmful impacts on existing local industry participants.

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

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

The Project is expected to generate approximately 120 construction jobs during the development phase, providing direct economic benefits to the local economy through increased spending at nearby businesses and service providers. Following completion, the Project will create permanent employment opportunities and support the Journal Center submarket's role as a key commercial and employment destination by increasing lodging capacity for business travelers and visitors. Increased guest activity is anticipated to drive additional demand for local dining, retail, and services, contributing to broader economic growth and reinforcing ongoing commercial activity within the corridor.

F. Land Acquisition

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

The project site is presently owned and controlled by the applicant entity. IRB proceeds will not be used for land acquisition. The development will occur on land already secured by the ownership group, allowing the Project to proceed without bond financing related to site acquisition.

The site is located adjacent to X-Ray Associates of New Mexico and within close proximity to major medical and employment centers. A significant portion of patients served by nearby medical providers travel from outside the Albuquerque metropolitan area. The proposed hospitality development will provide convenient, proximate lodging accommodations for out-of-town visitors, supporting medical-related travel demand while activating the currently undeveloped parcel.

G. Description of Proposed Development

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

The Project consists of the construction of a new Home2 Suites by Hilton hospitality property located at 5910 Jefferson St NE. The development will include approximately 103 guest rooms totaling approximately 54,000 square feet, together with associated site improvements including parking areas, landscaping, guest amenities, and required infrastructure improvements. The construction is anticipated to be a wood-frame hospitality structure consistent with current Hilton brand standards.

The Project is proposed as new construction on land currently controlled by the applicant. No existing buildings are to be incorporated into the development. Any

required site preparation will be limited to typical site clearing and grading and will not involve any identified historic properties. A conceptual site plan and elevations will be provided to the Development Commission as part of the review process.

H. Infrastructure

Indicate if Project will require any extension or relocation of utility or road systems. If additional infrastructure is required, what cost sharing agreements have been reached between the applicant and the city?

The Project is not anticipated to require any extension or relocation of existing utility or roadway systems and will utilize existing infrastructure currently serving the site. Accordingly, no additional public infrastructure improvements or cost-sharing agreements with the city are expected at this time.

I. Area Enhancement

Describe how project design and placement will enhance the area.

The Project will enhance the Journal Center business district by introducing a modern hospitality development that supports existing commercial activity and addresses the current lack of new lodging investment in the area. The building design and site layout will improve the visual quality of the corridor through contemporary architecture, landscaping, and well-integrated parking and access circulation.

The Project is intended to support business travel demand while contributing to corridor revitalization and reinforcing the area's identity as a key employment and commercial destination within Albuquerque. By locating lodging accommodations within close proximity to major employers and business centers in the Journal Center area, the development is expected to reduce travel distances for visiting professionals, improve convenience for business-related stays, and support more efficient local transportation patterns.

J. Local Purchasing

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

The Project is anticipated to generate approximately \$1.0 million annually in locally procured goods and services subject to New Mexico gross receipts tax. Major categories include guest consumables, housekeeping supplies, maintenance equipment and services, landscaping, waste management, utilities-related services, and other operational support services sourced from local vendors. Local purchasing expenditures are expected to increase approximately 3–4% annually as operations scale and costs adjust with inflation.

We intend to actively explore opportunities to procure goods and services from local Albuquerque and New Mexico vendors to the extent commercially feasible and

consistent with brand standards, operational requirements, and competitive pricing. The Project's local purchasing strategy is intended to support regional businesses, strengthen local supply chains, and contribute to ongoing economic activity within the community.

K. Water Conservation

Estimate average daily and monthly water consumption and include any plans for the reduction or re-use of water.

Based on comparable select-service hotel operating profiles, the Project is estimated to use approximately 110,600 gallons per month (approximately 3,700 gallons per day) under typical stabilized operations. For planning purposes, assume a realistic operating range of 110,000 to 115,000 gallons per month, subject to actual occupancy, laundry practices, and amenity usage.

The Project will incorporate water conservation measures consistent with current Hilton brand standards and best practices, including low-flow showerheads, high-efficiency toilets, and other WaterSense-style plumbing fixtures where feasible. In addition, the Project will explore opportunities to reduce and re-use water to the extent commercially feasible, including water-efficient landscaping where applicable (xeriscape/low-water plantings), smart irrigation controls, routine leak detection/maintenance protocols, and operational practices that reduce laundry and back-of-house water consumption.

L. Relocation of Individuals or Businesses

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

No individuals, families, or operating businesses will be displaced as a result of the Project. Accordingly, no relocation assistance is required.

M. Number and Types of Jobs Created

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

The Project is expected to create approximately 32 - 37 permanent full-time and part-time positions across a range of professional, supervisory, clerical, and operational hospitality roles depending on hotel demand. These positions will include:

General Manager (1)
Assistant General Manager (1)
Director of Sales (1)
Executive Housekeeper (1)

Chief Engineer (1)

Front Desk Manager (1)

Accounting / Administrative Support (1)

Front Desk Agents (6–10)

Night Auditors (2–3)

Housekeepers / Room Attendants (10)

Laundry Attendants (2)

Maintenance Technicians (2)

Breakfast Attendants / Food Service Staff (3)

There are currently no operating businesses or employees located at the project site; therefore, no existing jobs will be retained. All permanent positions associated with the Project will be newly created jobs.

General Manager - \$70,000 - \$90,000

Assistant General Manager - \$45,000 - \$55,000

Director of Sales - \$55,000 - \$65,000

Executive Housekeeper - \$45,000 - \$55,000

Chief Engineer - \$45,000 - \$55,000

Front Desk Manager - \$35,000 - \$45,000

Accounting / Administrative Support - \$25,000

Front Desk Agents - \$25,000 - \$30,000

Night Auditors - \$25,000 - \$30,000

Housekeepers / Room Attendants - \$25,000 - \$30,000

Laundry Attendants - \$25,000 - \$30,000

Maintenance Technicians - \$25,000 - \$30,000

Breakfast Attendants / Food Service Staff - \$25,000 - \$30,000

- 1) What percentage of the permanent new jobs is expected to be filled by current Albuquerque area residents, as opposed to people relocated from elsewhere?

It is anticipated that 100% of the permanent positions created by the Project will be filled by current Albuquerque area residents. The hospitality roles associated with the Project are expected to be staffed locally through recruitment within the existing workforce, consistent with the applicant's current hiring practices across its Albuquerque portfolio.

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

Yes. The Project will create a range of positions, including entry-level hospitality roles that do not require advanced degrees or specialized prior experience, making them accessible to low and moderate income residents. Positions such as housekeeping, guest services, food service, and maintenance provide immediate employment opportunities with structured training, stable wages, and clear pathways for advancement into supervisory and management roles.

Sun Capital Hotels emphasizes internal promotion and workforce development, creating long-term income mobility within the hospitality industry. The company has a demonstrated track record of promoting from within, including senior leadership who began in entry-level roles. For example, the current EVP of Asset Management started with the company approximately fourteen years ago as a breakfast attendant and advanced through internal development and leadership opportunities.

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

Yes. Compensation levels for the positions created are expected to meet or exceed median wage levels typical for comparable hospitality industry roles within the Albuquerque market, consistent with brand standards and professional management practices.

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

Yes. The positions created through the Project align with common hospitality industry roles and are expected to match the existing skills and experience of current Albuquerque area residents, including guest services, housekeeping, maintenance, food service, and management positions.

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

Yes. All new employees will receive brand-standard training and operational instruction consistent with Hilton and Sun Capital Hotels management practices. Training will include guest service standards, operational procedures, safety protocols, and role-specific skill development to ensure successful performance and advancement opportunities.

6) What stated advancement opportunities are there?

The Project will prioritize hiring locally and promoting from within, creating structured opportunities for advancement from entry-level

positions into supervisory and management roles. Employees will receive Hilton brand-standard training and operational experience across guest services, sales, revenue management, forecasting, and compliance reporting, including exposure to government and corporate travel programs.

Because the property will operate under a nationally recognized hospitality brand, employees will develop transferable skills and certifications that are widely recognized across the industry. These competencies enhance long-term career mobility within the broader hospitality market, including opportunities to advance within Sun Capital Hotels' growing portfolio or at other Hilton-affiliated properties nationally and internationally. Through structured training and internal promotion pathways, the Project is designed to create sustainable career growth rather than short-term employment.

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

The Project does not currently anticipate utilizing the New Mexico Job Training Incentive Program (JTIP) or similar public training subsidies. Instead, Sun Capital Hotels will provide comprehensive in-house training programs consistent with Hilton brand standards and internal operational practices. The ownership and management team make a direct private investment in employee training and professional development, ensuring that team members receive structured onboarding, operational training, and ongoing skill development without reliance on public training funds.

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

Yes. The Project will provide employee health insurance benefits and will cover at least 50% of health insurance premiums for eligible employees. This commitment reflects Sun Capital Hotels' approach to offering competitive benefits packages that support employee retention, workforce stability, and long-term career development within the hospitality industry.

N. Corporate Citizenship Policy/Plan

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

The organization maintains an active commitment to community engagement, charitable giving, and employee volunteerism within the markets where it operates. Key initiatives include recurring volunteer partnerships with Roadrunner Food Bank, where team members participate in food donation

drives and volunteer events assisting with sorting, packing, and distribution for families in need. The company also promotes localized charitable engagement through an internal program in which one General Manager per division selects a nonprofit organization each month to receive a company-supported donation.

Additional corporate citizenship efforts include in-kind donations and community partnerships supporting housing stability, animal welfare, healthcare access, and local nonprofit organizations. Examples include donation of surplus construction materials to Habitat for Humanity, linen donations to local animal shelters, and participation in regional blood drives. The organization encourages employee volunteerism through organized service opportunities and fosters a culture of community involvement aligned with long-term investment in the Albuquerque region.

O. Positive Contributions

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

The Project will contribute to the Journal Center district through construction job creation, permanent employment opportunities, and increased overnight visitation that supports surrounding restaurants, retail establishments, and service providers. By activating a currently vacant site, the development introduces new economic activity rather than displacing existing uses, strengthening the corridor's overall commercial stability.

The Project will introduce a modern, nationally branded hospitality asset that enhances the corridor's visual character through contemporary architecture, landscaping, and integrated site planning. Located adjacent to X-Ray Associates of New Mexico and near major employment centers, the hotel will provide convenient lodging accommodations for out-of-town patients, visiting professionals, and business travelers. This proximity-based lodging option supports medical-related travel demand and reinforces the corridor's role as a key commercial and employment destination within Albuquerque.

P. Management

Who will manage the project? If the project will be managed by someone other than the applicant, does the applicant have any long-range involvement?

Sun Capital will serve as the development entity for the Project. Upon completion, the Project will be professionally managed by Sun Capital Hotels, with both the management and development company owned and operated by Deepesh Kholwadwala. Sun Capital Hotels currently oversees operations for the Dreamcatcher group's hospitality portfolio and maintains excellent standing with major brands including Hilton, Marriott, and IHG.

The applicant entity will retain long-term ownership and operational involvement in the Project. The development is intended as a long-term investment within the Albuquerque market, with ongoing oversight and asset management provided by the ownership group.

IV. PROJECT FINANCING

A. Cost of Improvements, Bond Amount and Private Financing

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

The total estimated cost of improvements for the Project is approximately \$25,008,118, which includes site work, vertical construction, furnishings, fixtures and equipment (FF&E), soft costs, and other eligible development expenses.

The anticipated Industrial Revenue Bond issuance amount is \$25,008,118, which will be used solely for eligible project costs in accordance with IRB program guidelines. The bond amount requested will not exceed the amount necessary to complete the Project in combination with private financing and equity contributions.

The Project is expected to be financed through a combination of conventional debt and private capital, including:

Senior Construction Financing: approximately \$18,756,088 (subject to final underwriting), representing approximately 75% loan-to-value financing provided by a local credit union lender.

Private Capital Contribution: approximately \$6,252,029, consisting of:

Land and existing improvements contributed at an estimated value of \$1,336,451, and

Cash equity contributions of approximately \$4,915,578.

Final capital structure and financing amounts will be confirmed upon completion of lender underwriting and closing documentation.

B. Estimated Value After Completion

Indicate the estimated appraised value of the project after completion.

The estimated appraised value of the Project immediately following completion of construction is anticipated to be approximately \$25,008,118,

based on projected development costs and market assumptions. Upon stabilization and achievement of projected operating performance, the pro forma stabilized value of the Project is anticipated to be approximately \$27,047,269, subject to prevailing market conditions, capitalization rates, and operating performance.

C. Feasibility

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

Please See Attached

D. Construction Schedule

Give the date of anticipated beginning and completion of construction.

Construction Start: June 2026 (pending IRB approval); Construction End: October 2027

E. Issuance of Bonds

Provide the anticipated date of bond issuance.

Tuesday, June 2nd, 2026

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

FISCAL IMPACT ANALYSIS

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

1. Describe the type or nature of project operations.

The Project will operate as a professionally managed, nationally branded hospitality property providing transient lodging accommodations and related guest services. Daily operations will include guest check-in and check-out services, housekeeping, maintenance, property management, and limited food and beverage offerings consistent with Hilton brand standards. The property

will serve business travelers, tourists, and short-term visitors to Albuquerque, operating on a year-round basis with professional hotel management oversight to ensure compliance with brand standards and industry best practices.

2. Total number of new employees to be created as a result of the proposed Industrial Revenue Bond project, a total net payroll and an estimated annual pay increase in future years.

Total New Employees: 32 - 37; Total Net Payroll: \$1,030,000 with 3-5% increases Year over Year

3. Number of new employees by title or job classification and respective salaries.

The Project is expected to create approximately 32 - 37 permanent new positions. Estimated positions and compensation ranges are as follows:

General Manager (1) – \$70,000 to \$90,000
 Assistant General Manager (1) – \$45,000 to \$55,000
 Director of Sales (1) – \$55,000 to \$65,000
 Executive Housekeeper (1) – \$45,000 to \$55,000
 Chief Engineer (1) – \$45,000 to \$55,000
 Front Desk Manager (1–2) – \$35,000 to \$45,000
 Accounting / Administrative Support (1) – Approximately \$25,000
 Front Desk Agents (6–10) – \$25,000 to \$30,000
 Night Auditors (2–3) – \$25,000 to \$30,000
 Housekeepers / Room Attendants (10) – \$25,000 to \$30,000
 Laundry Attendants (2) – \$25,000 to \$30,000
 Maintenance Technicians (2) – \$25,000 to \$30,000
 Breakfast Attendants / Food Service Staff (3) – \$25,000 to \$30,000

4. Optional employee benefits and an estimated value of such benefits and an estimated value of such benefits, either by amount or percentage of net pay. If employees contribute to such benefits, indicate their contributions in amount or percentage.

The Project will offer a competitive benefits package designed to support employee health, financial stability, and long-term retention. Eligible employees will have access to medical, dental, and vision insurance, with the employer covering 50% of healthcare premium costs. The company will also offer a 401(k)-retirement plan with an employer match of 50% of employee contributions up to 3% of eligible compensation.

Employees will receive Paid Time Off (PTO) based on tenure and years of service. Additional benefits include employer-paid basic life insurance coverage of approximately \$10,000, access to voluntary ancillary benefits (including disability and supplemental insurance options), and discounted

global hotel room rates for personal travel through brand-affiliated employee programs.

5. An estimated total annual expenditure of goods and services locally procured, identification of such goods and services (only those over \$10,000 per year), and an estimated annual increase in total expenditure.

The Project is anticipated to generate approximately \$1 million in annual expenditures for locally procured goods and services. Major categories exceeding \$10,000 annually are expected to include guest consumables (including complimentary breakfast items and food supplies), housekeeping and cleaning products, maintenance equipment and supplies, landscaping services, waste management, utilities-related services, and other operational support services. These expenditures will support local vendors and service providers within Albuquerque and New Mexico. Annual local procurement spending is expected to increase over time in line with inflation, wage growth, and operational scaling of the property.

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

The Project is anticipated to generate approximately \$1 million in annual expenditures for locally procured goods and services that are subject to New Mexico gross receipts tax, with expected increases over time due to inflation, wage growth, and operational scaling. Major categories include guest consumables (including complimentary breakfast items and food supplies), housekeeping and cleaning products, maintenance equipment and supplies, landscaping services, waste management, utilities-related services, and other operational support services. Anticipated GRT collection will total \$76,250 in the first year increasing to \$79,300 (representing a 4% increase, which will continue year over year thereafter)

7. An estimated total annual expenditure of goods procured out-of-state and subject to the New Mexico compensating tax, and an estimated annual increase in total expenditure.

The Project is anticipated to generate out-of-state expenditures subject to New Mexico compensating tax, which is applied at the combined state and local gross receipts tax rate, through both recurring operational payments and periodic capital improvements. Annual franchise and brand-related fees paid to Hilton are estimated at approximately \$510,000 per year, which is expected to generate approximately \$38,888 annually in compensating tax revenue based on current projections.

In addition, periodic replacement of furniture, fixtures, and equipment (FF&E), including scheduled renovations required under the franchise agreement approximately every seven years, will result in additional out-of-state purchases. These capital expenditures are estimated at approximately \$1 million per renovation cycle (or 143,000 per year) which annualizes to approximately \$10,893 in compensating tax revenue.

In total, the Project is anticipated to generate approximately \$49,780 annually in compensating tax revenue from out-of-state goods and services, with these amounts expected to increase over time in line with revenue growth, inflation, and operational scaling.

8. An estimated annual local sale of goods and services that are subject to the New Mexico gross receipts.

Room revenue is subject to NM GRT. With an anticipated \$5,100,000 Total Room Revenue, we estimate approximately \$388,875 of GRT revenue.

9. Costs of land, site improvement, and building, respectively.

Cost of Land Contributed Value to JV: \$1,336,451; Building Cost \$15,450,000

10. Total costs of equipment, fixtures, and furnishings to be purchased with the proceeds of the bond, and an amount of such purchases in New Mexico and out-of-state, respectively.

All FF&E will be purchased out of state, totaling \$3,100,000

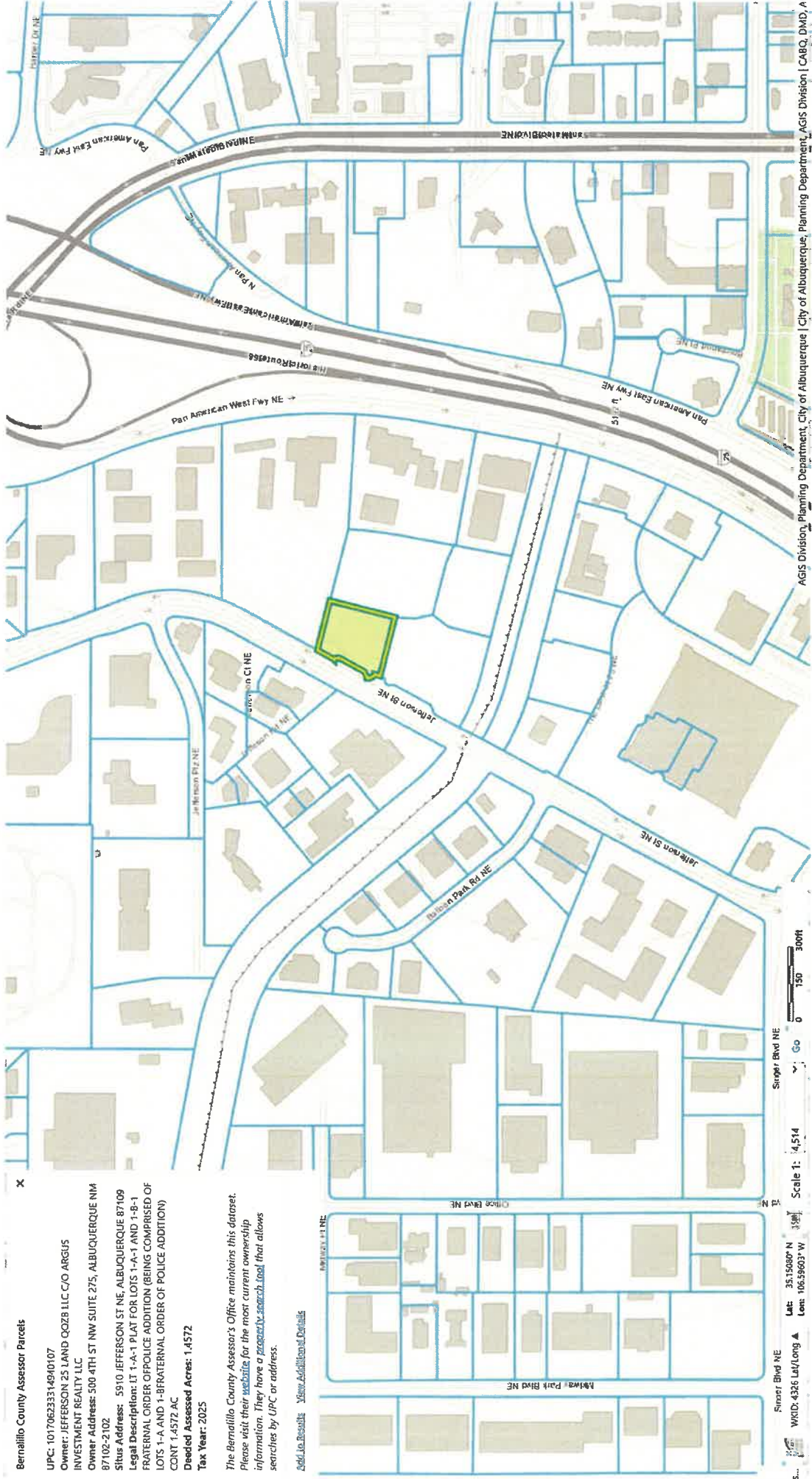
11. An estimated incremental New Mexico corporate income tax as a result of the proposed Industrial Revenue Bond project, and an estimated annual increase.

The applicant entity is structured as a pass-through entity for tax purposes and therefore is not expected to generate New Mexico corporate income tax liability at the entity level. Instead, project-generated income will flow through to the individual owners and be reported on their respective personal income tax returns.

Based on current projections, the Project is anticipated to generate approximately \$720,000 annually subject to personal income taxation. Accordingly, the Project is expected to generate incremental New Mexico personal income tax revenue through increased taxable income attributable to project operations and ownership distributions. These amounts are expected to grow over time in line with operational performance, revenue growth, and inflation.

12. An estimated amount of capital expenditures to be qualified for the New Mexico investment tax credit.

Capital expenditures related to the Project are not anticipated to utilize the New Mexico Investment Tax Credit.



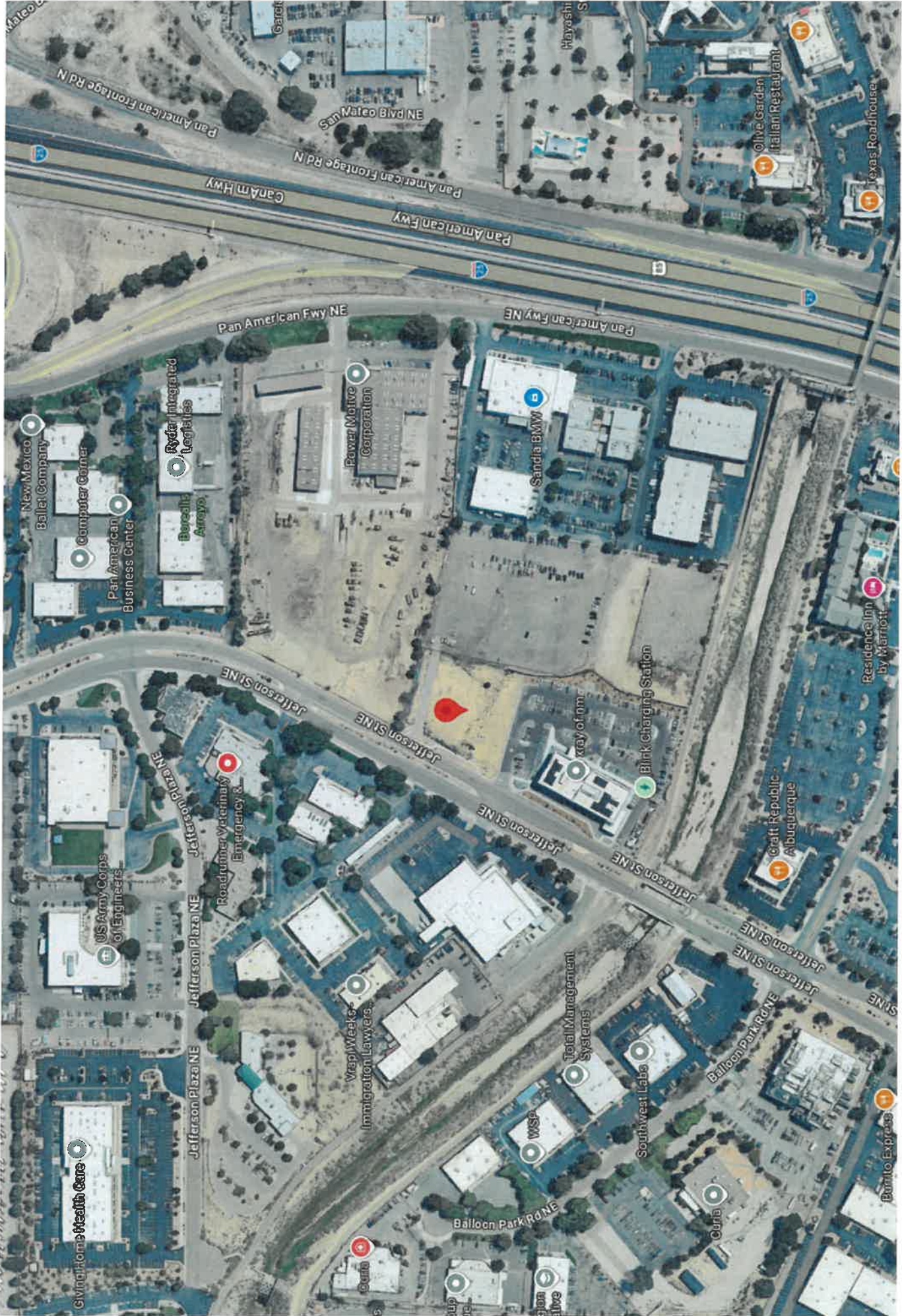
Bernalillo County Assessor's Parcels

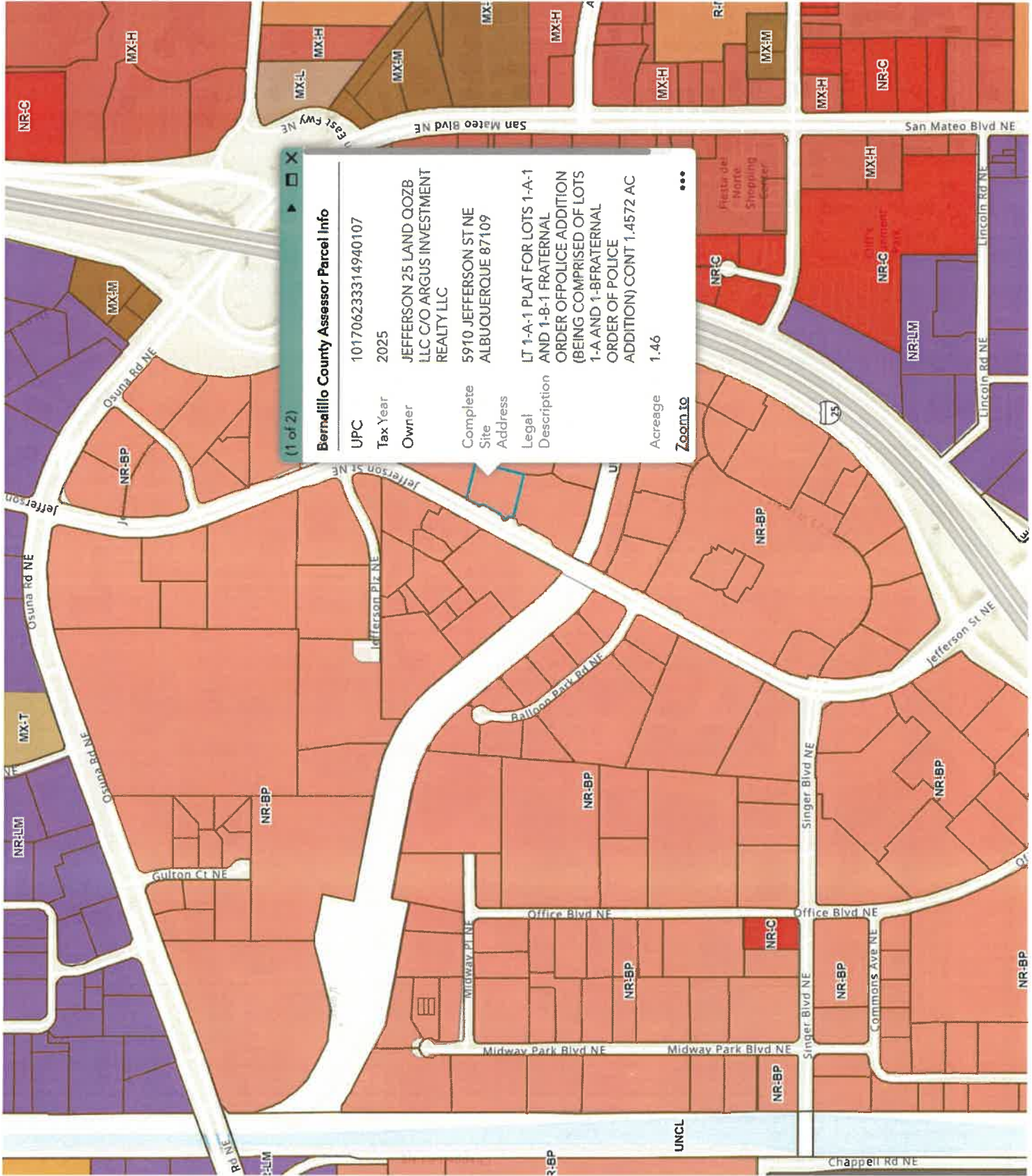
UPC: 10170623314040107
Owner: JEFFERSON 25 LAND QOZB LLC C/O ARGUS INVESTMENT REALTY LLC
Owner Address: 500 4TH ST NW SUITE 275, ALBUQUERQUE NM 87102-2102
Situs Address: 5910 JEFFERSON ST NE, ALBUQUERQUE 87109
Legal Description: L1 1-A-1 PLAT FOR LOTS 1-A-1 AND 1-B-1 FRATERNAL ORDER OFFICE ADDITION BEING COMPRISED OF LOTS 1-A AND 1-B FRATERNAL ORDER OF POLICE ADDITION CONT 1.4572 AC
Deeded Assessed Acres: 1.4572
Tax Year: 2025

The Bernalillo County Assessor's Office maintains this dataset. Please visit their [website](#) for the most current ownership information. They have a [property search tool](#) that allows searches by UPC or address.

[Add to Results](#) [View Additional Details](#)

as... WKID: 4326 Lat/Long ▲ Lat: 35.15080° N Lon: 106.58603° W Scale 1: 4,514





Dreamcatcher Journal Center Hotel Debt Liquidation

The attached pro forma demonstrates that the Project is reasonably expected to generate sufficient revenue to service and liquidate the proposed debt. The total estimated project cost is approximately \$25,008,118, consisting of \$1,336,451 in land value and \$23,671,667 in construction and related development costs. The Project is anticipated to be financed with approximately \$18,756,088 in senior construction financing, representing approximately 75% loan-to-value, and approximately \$6,252,029 in equity contributions.

The projected loan terms assume a 6.50% interest rate with a 25-year amortization schedule, resulting in estimated annual debt service of approximately \$1,519,709.

Operational projections are based on:

104 guest rooms

Average Daily Rate (ADR): \$154.34

Average Occupancy: 86.90%

RevPAR: \$134.12

Projected Stabilized Gross Revenue: \$5,091,251

Applying the Sun Capital portfolio expense ratio of 42.5%, the Project is projected to generate approximately \$2,163,782 in Net Operating Income. After payment of annual debt service, projected income before reserves is approximately \$644,072, resulting in a projected Debt Service Coverage Ratio (DSCR) of 1.42x, demonstrating the Project's ability to meet debt obligations under reasonable operating assumptions.

For purposes of evaluating debt liquidation capacity, applying an 8% capitalization rate to projected NOI results in an estimated stabilized value of approximately \$27,047,269. This value exceeds the anticipated principal debt amount of \$18,756,088, providing an equity cushion of approximately \$8,291,181.

Based on these projections, the Project is reasonably expected to generate sufficient revenue to service and liquidate the proposed debt in accordance with lender underwriting standards and industry norms.

Dreamcatcher Journal Center Hotel Debt Liquidation

Project Cost

Land Cost	\$1,336,451
Construction Cost	\$23,671,667
Total Project Cost	\$25,008,118

Loan Info

Loan Amount	\$18,756,089
Equity Required	\$6,252,030

LTV	75%
Interest Rate	6.50%
Ammortization Term (yrs)	25

Monthly Debt Service	(\$126,642)
Annual Debt Service	(\$1,519,709)

Rooms	104
ADR Stabilized Average	\$154.34
Occupancy Stabilized Average	86.90%
RevPAR Stabilized Average	\$134.12

Top Line Revenue Stabilized	\$5,091,251
Sun Capital Portfolio NOI Margin	42.50%

Net Operating Income	\$2,163,782
Annual Debt Service	(\$1,519,709)
Income After Debt before Reserves	\$644,072
Debt Service Coverage Ratio (DSCR)	1.42x

Debt Liquidation

Value of Hotel at 8% cap	\$27,047,269
Principal Debt Amount	\$18,756,089
	\$8,291,180