

ALBUQUERQUE DEVELOPMENT COMMISSION

September 23, 2022

Local Economic Development Act Hearing

Case #2022-19

LEDA-23-2: Universal Hydrogen Co. LEDA Project

REQUEST: Approving an Ordinance for Universal Hydrogen Co. Pursuant to the Local Economic Development Act

PROJECT SUMMARY:

Universal Hydrogen Co., a California company registered to do business in New Mexico (“Universal Hydrogen”), is seeking the City of Albuquerque to be the fiscal agent for State LEDA funds to be used for the acquisition and construction of a manufacturing facility (the “Project”). Universal Hydrogen is seeking LEDA funding in the amount of \$12,000,000. The State has agreed to provide \$10,000,000 and the City proposes to provide \$2,000,000. The City will act as fiscal agent for the State’s LEDA funds. Universal Hydrogen will be eligible for reimbursement for costs of the renovation, expansion and improvement incurred following execution of the Project Participation Agreement (“PPA”).

Universal Hydrogen was founded in early 2020. Universal Hydrogen was founded by world-class aviation leaders with the goal of comprehensively decarbonizing aviation. To accomplish this, the company is building a complete, end-to-end solution including the development of hydrogen fuel cell-based powertrains to convert regional turboprop aircraft to hydrogen power and the fueling logistics to deliver hydrogen to these new aircraft. The company’s fueling network is based on “modular” fueling tanks, which we can be filled at the source of production and delivered to airports via the intermodal freight network, allowing the company to provide hydrogen in a flexible and affordable manner.

Universal Hydrogen anticipates occupying and operating its Project facilities and will hire and retain at least 500 employees as outlined in the Project Participation Agreement (PPA). Many of these jobs may provide opportunities and training for low/moderate income residents. Universal Hydrogen will maintain the Project’s operations in Albuquerque for a minimum of ten (10) years.

The ordinance would allow reimbursement of approved Project costs so the company can undertake the acquisition and renovation of its manufacturing facility located in Albuquerque of up to \$12,000,000. The total investment in the acquisition and construction for its new facility is estimated at \$393,900,000.

At the time of application, the company had no existing employees locally, but employed 88 employees at various locations. The company intends to create 500 new jobs at the Project location. Salaries will average \$71,000. The company expects the majority of these jobs are expected to be filled by Albuquerque residents. New jobs are in manufacturing and other related areas including assemblers, technicians, supervisors, engineers, and managers. These employees will work on activities including capsule and module manufacturing, warehousing, kit assembly,

and aftermarket support. The construction project is expected to create a significant number of construction jobs sourced from local labor pools.

Universal Hydrogen desires to build a new facility located at 2700 Girard Boulevard SE, Albuquerque, NM 87106. At the 50-acre site located at the Albuquerque Sunport, the company will construct a state-of-the-art facility to 1) manufacture our modular capsules and 2) assemble powertrain conversion kits for distribution to airline customers globally. This facility will need the following infrastructure: electrical feeds, water feeds, (potentially) natural gas lines, and an approach road capable of accommodating semi-trailers.

The Project will generate additional benefits and costs for local taxing districts, a summary of which is provided below. The source of specific benefits and costs are provided in greater detail for each taxing district on subsequent pages. Overall, the City will receive approximately \$8,729,672 in net benefits over the 10-year period and the Project will generate \$35,698,609 in total for all local taxing districts. The project is anticipated to have a Total Economic Impact of \$708,229,822 over the ten-year period.

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

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

- 1. An industry for the manufacturing, processing, or assembling of any agricultural or manufactured products;**
- 3. A business in which all or part of the activities of the business involves the supplying of services to the general public or to the governmental agencies or to a specific industry or customer, but, other than as provided in subsection (5) of this definition, not including businesses primarily engaged in the sales of goods or commodities at retail;"**

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

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

This project includes a fiscal impact analysis provided to the City from the New Mexico Economic Development Department, utilizing the IMPACT DataSource economic impact model. The fiscal impact determination of the project is from information the company provided. The analysis shows that the company will be making a substantive contribution to the community.

FINDING:

1. LEDA 23-2 is a qualified project as defined by the State’s Local Economic Development Act and the City enabling legislation (F/S O-04-10); and
2. LEDA 23-2 would make positive substantive contributions to the local economy and community by creating 500 base jobs; and
3. Subject to the development of acceptable security documents, LEDA 23-2 would comply with the adopted City plans and policies, and meet community economic development priorities and objectives, including remaining in operation for 10 years; and
4. Subject to the development of acceptable security documents, LEDA 23-2 would adequately meet the evaluation criteria established by the City for Local Economic Development Act projects, including the requirement that the City recoup the value of its investment within 10 years.

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

I. PROJECT ELIGIBILITY

1. QUALIFYING ENTITY

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

As stated in the Summary, qualifying entities for these projects include:

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

- 1. An industry for the manufacturing, processing, or assembling of any agricultural or manufactured products;**
- 3. A business in which all or part of the activities of the business involves the supplying of services to the general public or to the governmental agencies or to a specific industry or customer, but, other than as provided in subsection (5) of this definition, not including businesses primarily engaged in the sales of goods or commodities at retail;”**

2. ECONOMIC DEVELOPMENT POLICIES AND OBJECTIVES

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

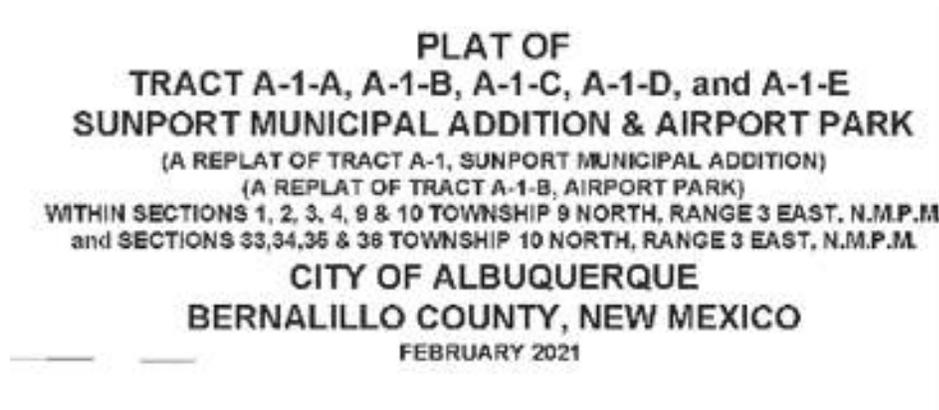
- (2) Private companies seeking to build, expand or relocate facilities;
- (3) Private companies which provide facilities or services which enhance the ability of Albuquerque businesses to operate;
- (4) Manufacturing firms (including intellectual property such as computer software);

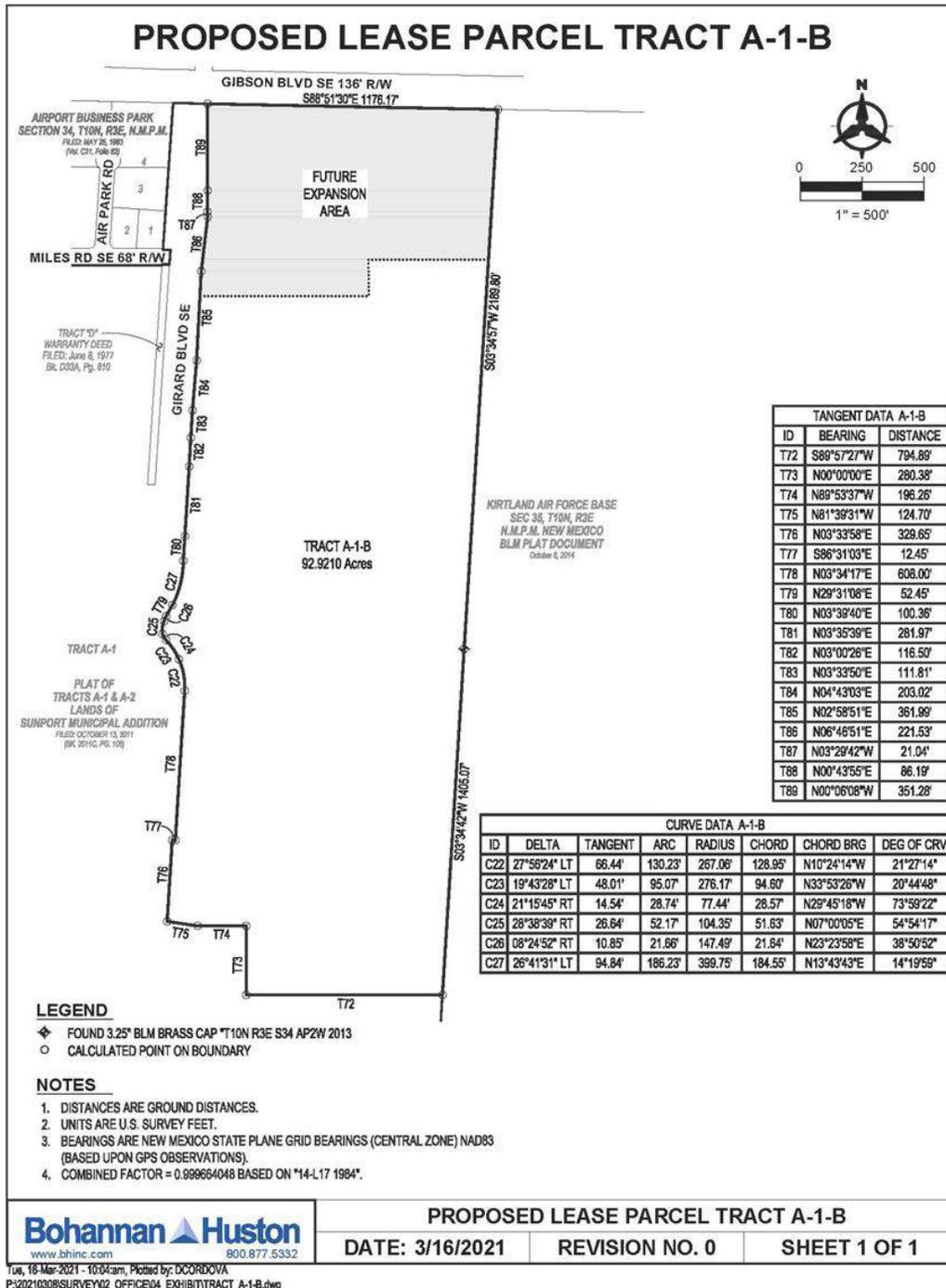
II. LAND USE, PLAN AND DESIGN ELEMENTS

1. PLAN & ZONING:

Legal Description

The proposed project is located at 2700 Girard Boulevard SE, Albuquerque, NM 87106.





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

2. LAND USE:

In general, the design of these renovations will represent a significant step up from the state of the existing building. Construction will consist of renovation of the warehouse space and refurbishment of the facade for that portion of the building. Enhancements and upgrades to the interior spaces will also be part of the project.

The site is currently vacant. It was previously leased by Theia, a satellite company, who performed an environmental assessment with a result of a categorical exclusion. The site is empty and is ready to begin construction. This land is a highly visible and desirable property that will benefit tremendously from the infusion of millions in construction, development and improvements. This project will greatly enhance the area.

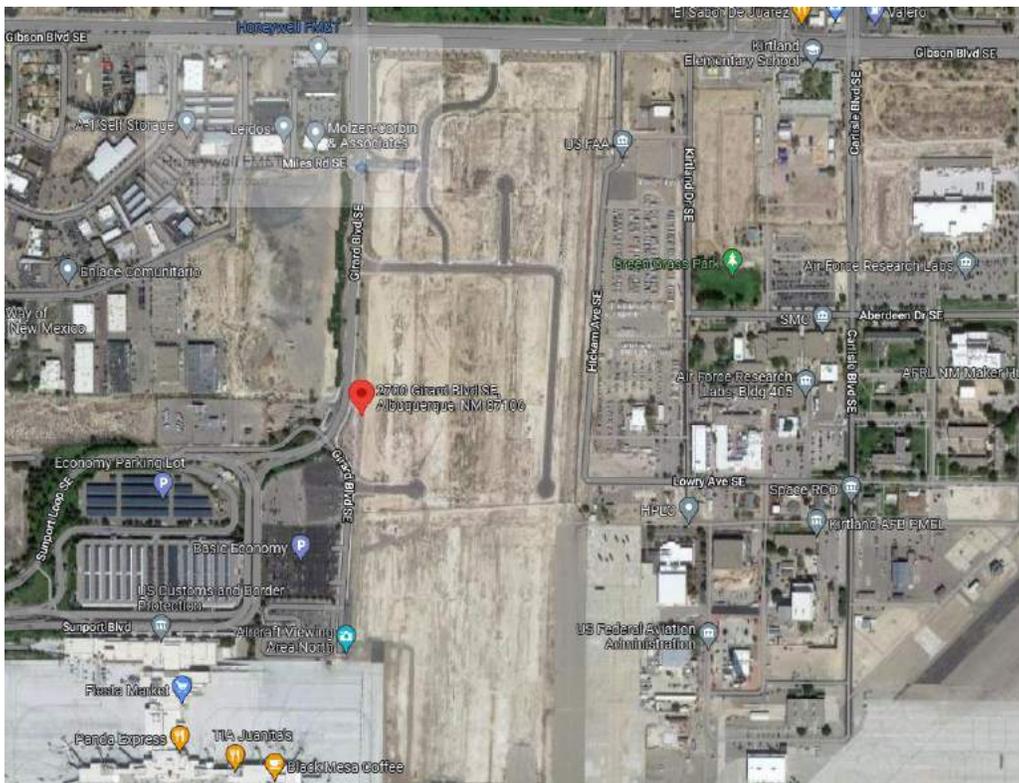
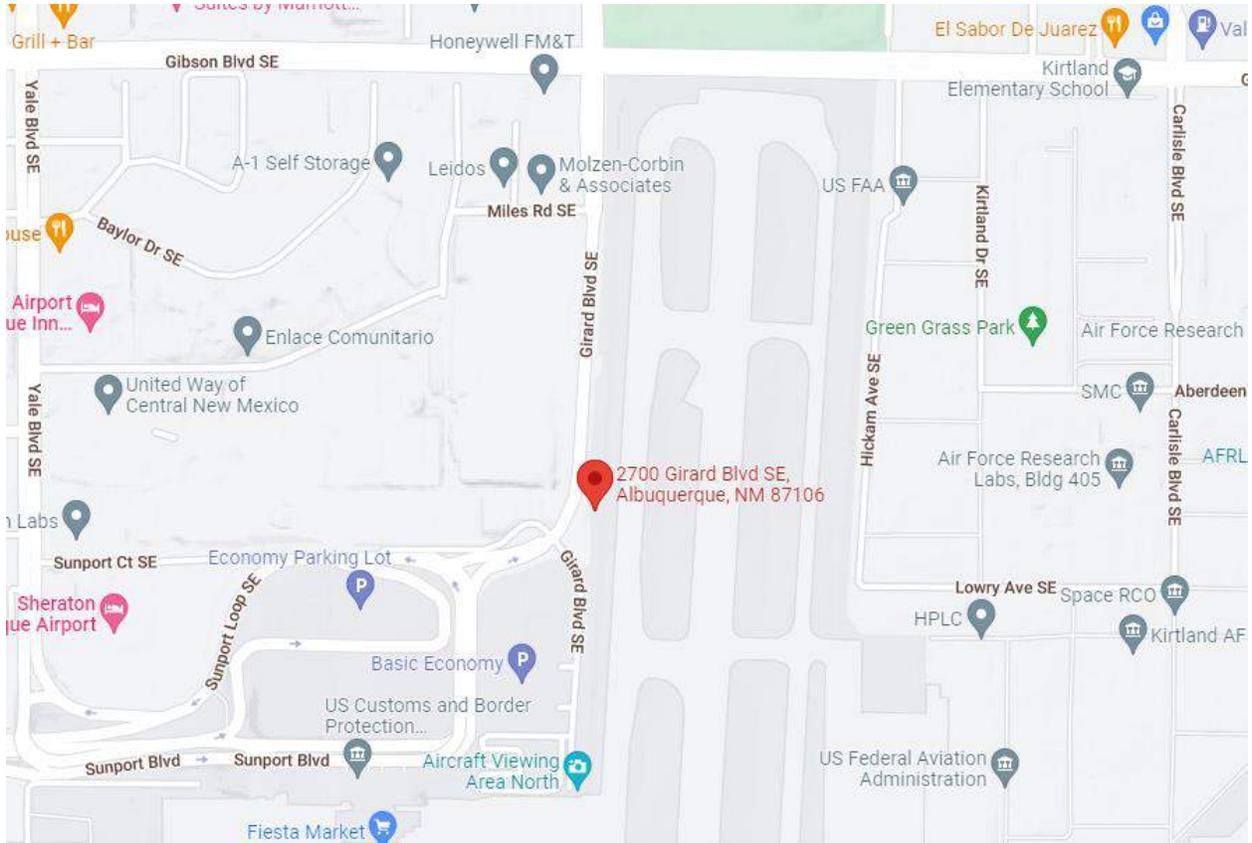
Present and Proposed Zoning

The is zoned NR-SU (Non-Residential/ Sensitive Use). The purpose of the NR-SU zone district is to accommodate highly specialized public, civic, institutional, or natural resource-related uses that require additional review of location, site design, and impact mitigation to protect the safety and character of surrounding properties. The project fits within the permitted uses.

3. INFILL:



LEDA 23-2: Universal Hydrogen Co. LEDA



4. DESIGN AND CONSERVATION:

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

5. RENEWABLE ENERGY:

In addition to producing renewable energy technologies, the company is exploring using renewable energy to power the facility's operations. They anticipate sourcing power from Public Service Company of New Mexico (PNM), and are investigating all options to power the facility with renewable energy. A few options being considered include: PNM Sky Blue, a voluntary, subscription-based renewable energy program for customers or PNM Solar Direct. Overall, Universal Hydrogen aspires for the facility to be powered by 100% renewable energy, likely through a combination of the above programs.

III. ECONOMIC BENEFITS

6. COMPETITION:

In the hydrogen storage and delivery space, Universal Hydrogen is the only company taking a modular approach. Traditionally, competitors in this space are gas distribution companies, who deliver hydrogen using pipelines. Given the time and expense of constructing hydrogen pipelines and corresponding storage infrastructure, the company does not view these companies as competition.

7. JOBS:

The project will positively impact existing industry and commerce both during and after construction. During construction, the project will create around 1,000 jobs. After construction, the project will further bolster existing industry and commerce, creating well over 500 permanent jobs, many of which will be highly skilled engineering or technician positions. These jobs will be highly paid, with comprehensive benefits. We are exploring the possibility of working with local colleges to create training programs, developing highly marketable skills in composites manufacturing and hydrogen technology. These employees will support existing businesses, while technical expertise in hydrogen, composites, and metallurgic applications will attract new businesses to the region, cementing Albuquerque's position as a hub for innovation and, in particular, its centrality in the energy economy during the transition to renewables.

During the onboarding process, employees receive general company training as well as position-specific training. The duration of the training can vary and is based on the specific requirements of the position.

IV. PROJECT FEASIBILITY

9. COST/ FEASIBILITY/ FINANCING:

The Universal Hydrogen project will be capitalized with the following capital structure:

- Equity - \$118,170,000.00
- Other Loans- Department of Energy Loan Program Office- \$275,730,000.00

LEDA funding is subject to City Council approval.

10. DEVELOPER'S RECORD:

Universal Hydrogen has been in operation for two years. The company has a proven track record of successful technology development and raising capital.

Additional information is available on: <https://hydrogen.aero/>

11. EQUITY:

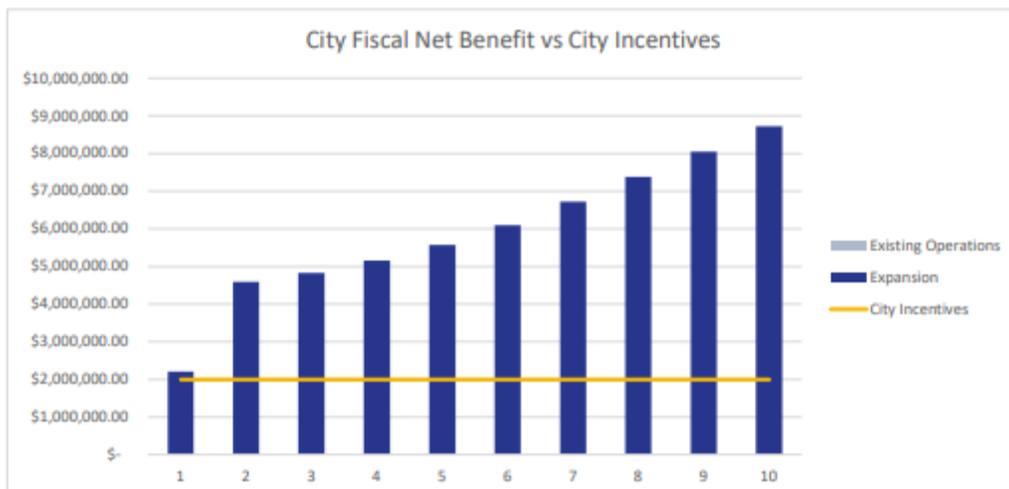
Based upon financial information provided, the company appears capable of managing and completing the project.

12. MANAGEMENT:

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

13. FISCAL IMPACT ANALYSIS

This project includes a fiscal impact analysis provided to the City from the New Mexico Economic Development Department, utilizing the IMPACT DataSource economic impact model.



City Combined Net Benefits

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 2,210,799	\$ 1,684	\$ 2,209,115	\$ 2,209,115
2	\$ 2,401,421	\$ 18,631	\$ 2,382,790	\$ 4,591,905
3	\$ 278,117	\$ 44,600	\$ 233,517	\$ 4,825,422
4	\$ 408,433	\$ 81,764	\$ 326,669	\$ 5,152,090
5	\$ 539,731	\$ 121,888	\$ 417,843	\$ 5,569,934
6	\$ 689,149	\$ 167,159	\$ 521,991	\$ 6,091,925
7	\$ 847,239	\$ 215,571	\$ 631,668	\$ 6,723,593
8	\$ 872,405	\$ 220,511	\$ 651,893	\$ 7,375,486
9	\$ 896,335	\$ 225,563	\$ 670,772	\$ 8,046,258
10	\$ 914,144	\$ 230,730	\$ 683,414	\$ 8,729,672

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

Taxes and Revenue	
Gross Receipt Taxes	\$ 6,702,924
Misc. Taxes and Revenue	\$ 446,091
Property Taxes	\$ 2,908,759
Subtotal of Benefits	\$ 10,057,774

V. PROJECT PARTICIPATION AGREEMENT

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

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

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

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

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

Company Contribution. Universal Hydrogen shall lease a 50 acre property and construct, improve and equip the Facility for the manufacturing and distribution of its products at an estimated total investment of \$393,900,000 over a ten year period (\$144,800,000 of LEDA eligible expenses for the leasing or property and construction and improvement of the Facility), and will hire and retain employees as contemplated by this Agreement all in accordance with the schedule and other terms and conditions set forth in this Agreement. Universal Hydrogen will maintain the Project's operations in Albuquerque for a minimum of ten (10) years. Universal Hydrogen will comply with all applicable laws in connection with the operation of the Project and will timely pay all personal property taxes with respect thereto.

The State Contributions; Procedure for Disbursement of the State Contributions. The City anticipates that the State Contribution of up to \$10,000,000 will be delivered to the City for subsequent disbursement to Universal Hydrogen, following enactment of the Project Ordinance and execution of this Agreement and an intergovernmental agreement between the State and the City. The City will submit an invoice to the State and request transfer of the State funds. Upon receipt, the City will place the State Contribution into a separate account established in connection with the Project, as required by law. If, and only if, the City receives the State Contribution, the City will disburse the State Contribution to Universal Hydrogen, upon demonstration of LEDA eligible expenses, in the manner as follows:

- 1) \$5,000,000 upon obtaining an Occupancy Permit for the Facility.
- 2) \$2,500,000 for hiring 100 additional full-time employees for total employment in New Mexico of 100.
- 3) \$2,500,000 for hiring 100 additional full-time employees and retention of 100 existing employees for total employment of 200.

The City Contribution. Pursuant to the Project Ordinance and the LEDA Ordinance, the City has committed the amount of \$2,000,000 for use in connection with the Project. As required

by the LEDA Ordinance, the City will deposit the proceeds of the City Contribution into a clearly identified separate account, which account will be subject to an annual independent audit. City funds will be dispensed upon Universal Hydrogen obtaining an Occupancy Permit for the Facility and hiring _____ employees.

Time Commitment. Universal Hydrogen intends to invest approximately \$393,900,000 over a ten year period for the leasing of property and construction, acquisition, equipping and improvement of the Facility (\$144,800,000 of LEDA eligible expenses for the leasing or property and construction and improvement of the Facility). Operations at the Facility are expected to begin following completion of the acquisition, renovation and improvement or as soon thereafter as possible. Universal Hydrogen will continue to operate the Facility and diligently conduct operations in the Facility in the manner contemplated by this Agreement at least through October __, 2032.

Use of Public Contributions. Universal Hydrogen will be eligible for reimbursement of up to \$12,000,000 for costs of leasing the property and constructing and improving the Facility actually incurred after the date hereof and paid for, subject to the receipt by the City of the State Contribution. The City will make payment to Universal Hydrogen following submission to the City of documentation reasonably satisfactory to the City evidencing receipt of the Occupancy Permit with respect to the Project, and meeting the occupancy, operations, and job creation targets set forth herein.

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

Job Commitment and Clawbacks.

A. Number of Jobs. Universal Hydrogen will increase employment, above the current level of zero New Mexico employees, by (i) at least twenty full-time employees as measured as of close of business on December 31, 2023 for a total employment of twenty, (ii) at least forty full-time additional employees as measured as of close of business on December 31, 2024 for a total employment of sixteen, (iii) at least sixty full-time additional employees as measured as of close of business on December 31, 2025 for a total employment of one hundred twenty, (iv) at least eighty-five full-time additional employees as measured as of close of business on December 31, 2026 for a total employment of two hundred five, (v) at least ninety full-time additional employees as measured as of close of business on December 31, 2027 for a total employment of two hundred ninety-five, (vi) at least one hundred full-time additional employees as measured as of close of business on December 31, 2028 for a total employment of three hundred ninety-five, and (iii) at least one hundred five full-time employees as measured as of close of business on December 31, 2029 for a total employment of five hundred, at an average salary of approximately \$71,000 plus benefits, and maintenance of at least 90% of projected employees

through December 31, 2032 as measured for the preceding year on an annual basis beginning December 31, 2023. A Job will represent an employment position for a person for at least one pay period consisting of at least 32 hours of work per week and offering the employee the full range of benefits offered to other similarly situated Universal Hydrogen employees. Positions filled by contract, part-time and temporary workers will not be considered Jobs. All references herein to “employees” mean employees in Jobs as contemplated by this Section 7.A.

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

C. Performance Clawbacks. If Universal Hydrogen does not employ and maintain at least 90% of the required number of full-time employees as set forth in Section 7.A herein by December 31, 2023, or by December 31 of any year thereafter through the year 2032, then subject to the remainder of this Section 8.C, Universal Hydrogen will repay to the City, within sixty (60) days of the due date of the annual report referred to in Section 12 below, the State Contribution and City Contribution paid on behalf of Universal Hydrogen pursuant to this Agreement that has already been disbursed to Universal Hydrogen for such year as of the date of repayment (the “Performance Clawback”) in accordance with the following table:

<i>Job Creation Commitment and Schedule</i>						
<i>Year</i>	<i>Annual Full Time Job Creation Target</i>	<i>Min Job (90% of target new jobs)</i>	<i>Cumulative Payroll for New Jobs</i>	<i>Job Determination Period</i>		<i>%- Clawback</i>
1	20	18	\$1,298,198	Ordinance Date	12/31/23	100%
2	20+40=60	54	\$3,991,960	01/01/24	12/31/24	100%
3	60+60=120	108	\$8,183,518	01/01/24	12/31/25	100%
4	120+85=205	185	\$14,329,680	01/01/26	12/31/26	100%
5	205+90=295	266	\$21,136,278	01/01/27	12/31/27	75%
6	295+100=395	356	\$29,008,646	01/01/28	12/31/28	50%
7	395+105=500	450	\$37,637,800	01/01/29	12/31/29	50%
8	Retain 500	450	\$38,578,745	01/01/30	12/31/30	25%
9	Retain 500	450	\$39,543,215	01/01/31	12/31/31	25%
10	Retain 500	450	\$40,531,795	01/01/32	12/31/32	25%

	Additional Notes: Starting Headcount of zero as of 6/30/2022 as defined by ES903A or its equivalent shown as Exhibit B
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For the purposes of this table:

(i) The “Clawback Penalty” is a penalty that Universal Hydrogen will be required to pay to the City upon Universal Hydrogen’s failure to meet the Job Target on or before the conclusion of the applicable Job Determination Period, if such Job Target is not otherwise reached by Universal Hydrogen during the Cure Period. The Clawback Penalty shall be equal to the product of the Percentage Hiring Shortfall (as defined herein), multiplied by the total amount of funds paid under this Agreement to Universal Hydrogen as of that time. For purposes of this subsection, the “Percentage Hiring Shortfall” shall be the quotient of (i) the Minimum Full-Time Job Creation for the applicable Job Determination Period, minus the actual number of jobs Universal Hydrogen maintains at the Facility at that time, divided by (ii) the Minimum Full-Time Job Creation for the applicable Job Determination Period. See Exhibit D hereto for examples of Clawback Penalty Calculations. Notwithstanding anything herein to the contrary, in no event shall the aggregate Clawback Penalty paid by Universal Hydrogen exceed the total amount of funds paid under this Agreement.

(ii) “Cure Period” is the period of 180 days after the end of each Job Determination Period during which time Universal Hydrogen shall have the opportunity to cure any shortfall in meeting the Minimum Full-Time Job Creation. For the avoidance of doubt, if Universal Hydrogen meets the Minimum Full-Time Job Creation at any time during the Cure Period, Universal Hydrogen shall have no obligation to pay a Clawback Penalty corresponding to the applicable Job Determination Period. If Universal Hydrogen fails to reach the Job Target during the Cure Period, then Universal Hydrogen shall pay the City a Clawback Penalty determined in accordance with the table set forth above.

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

If the City determines that Business Climate Changes affect Universal Hydrogen’s ability to maintain employment levels, it may waive or modify the Performance Clawback, but only related to the City Contribution and the City shall consult with the State EDD as to any potential waiver of the Performance Clawback or a portion thereof related to the State Contribution. Any Performance Clawback due will be paid within 30 days after the City notifies Universal Hydrogen

of its decision or the decision of the State EDD. If Universal Hydrogen does not attribute the failure to meet employment requirements to Business Climate Changes, the payment of any Performance Clawback due will be submitted to the City within ten (10) days after the due date of the annual report reflecting the failure to maintain the required employment level.

D. Project Closure Clawback. Should Universal Hydrogen cease operations, or notify the City of its intent to cease operations, of the Project (i.e., cease to conduct operations at the Project) before December 31, 2032, Universal Hydrogen shall, within ninety (90) days of the cessation of operations at the Facility, pay to the City, in cash, an amount equal to a specified percentage of the amount of the City Contribution and State Contribution paid pursuant to this Agreement, with the specific percentage based on the date of cessation of operations in accordance with the following table (each percentage inclusive of any Performance Clawback already paid by Universal Hydrogen):

Date of Cessation of Operations	Percent of Public Contributions to be Repaid
On or before December 31, 2027	100%
From January 1, 2028 through December 31, 2029	60%
From January 1, 2030 through December 31, 2032	25%

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

E. Maximum Clawback; Unpaid Payments. Notwithstanding anything herein to the contrary, the maximum aggregate clawback and reimbursement payable hereunder will be \$12,000,000, not including interest. Any clawbacks not paid when due shall bear interest at the Prime Rate plus 2% per annum from the due date until paid. “Prime Rate” means the U.S. prime rate as reported from time to time in *The Wall Street Journal* in its Bonds, Rates and Yields table, or successor table.

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

amount of funds provided by the State and the City or the liability of the clawbacks as provided in Section 7, herein, whichever is less.

Events of Default and Remedies.

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

B. Notice of Event of Default. If any Event of Default occurs, the City shall notify Universal Hydrogen in writing, and Universal Hydrogen shall have thirty (30) days in which to cure such Event of Default. If the Event of Default is not cured within such thirty-day period, the City shall have and may exercise any remedies available at law or in equity.

Fees. Universal Hydrogen will promptly pay or reimburse the City for all reasonable third-party expenses incurred by the City in connection with this Agreement and the Project, provided, however, that Universal Hydrogen shall not be liable for costs incurred by the City that are the responsibility of the City in the ordinary course of business. If so determined by the City, in its sole discretion, such third-party expenses may be offset against or reimbursed from the City Contribution or the State Contribution. Although the City does not anticipate incurring significant third party expenses during the term of this Agreement, such expenses could include, without limitation, expenses associated with performance reviews or audits with respect to the Project and legal fees for outside counsel in the event of any proposed amendment to this Agreement or any necessary enforcement action with respect to this Agreement.

Reporting Requirement, Performance Review and Termination. Quarterly, on or before each January 31, April 30, July 31 and October 31, Universal Hydrogen will provide to the City and to State EDD the company's 903A or its equivalent filed with New Mexico's Department of Workforce Solutions for the previous quarter regarding the workforce for Universal Hydrogen and such other information necessary for the City or its independent contractor to determine whether Universal Hydrogen has met its obligations under this Agreement. As required by the LEDA Ordinance, the Project will be subject to an annual performance review conducted by City staff, which will evaluate whether the Project is attaining the requirements of this Agreement. This review shall be presented to the City administration and the City Council. If the requirements of this Agreement are not being satisfied, the City Council at a public hearing may cause the enforcement of this Agreement, including the right of the City to any Performance Clawbacks and other remedies set forth herein. In addition, pursuant to LEDA, if Universal Hydrogen has ceased

LEDA 23-2: Universal Hydrogen Co. LEDA

operations and paid all amounts due to the City as provided herein, the City may enact an ordinance terminating the LEDA Ordinance.

FINDINGS:

1. LEDA 23-2 is a qualified project as defined by the State's Local Economic Development Act and the City enabling legislation (F/S O-04-10); and
2. LEDA 23-2 would make positive substantive contributions to the local economy and community by creating 500 base jobs; and
3. Subject to the development of acceptable security documents, LEDA 23-2 would comply with the adopted City plans and policies, and meet community economic development priorities and objectives, including remaining in operation for 10 years; and
4. Subject to the development of acceptable security documents, LEDA 23-2 would adequately meet the evaluation criteria established by the City for Local Economic Development Act projects, including the requirement that the City recoup the value of its investment within 10 years.

STAFF RECOMMENDATION:

Based on the above findings, staff recommends approval of LEDA 23-2 as proposed in the project plan application.

Lisa Abeyta, Deputy Director
Economic Development Department



3/3/2022

FISCAL IMPACT ANALYSIS AND ECONOMIC IMPACT OF THE EXPANSION OF UNIVERSAL HYDROGEN CO.

Prepared by:

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





Purpose and Limitations:

This report and analysis, provided by the New Mexico Economic Development Department, relies on prospective estimates of business activity. These estimates, which are provided by the company, may not be realized due to unforeseen events that are outside the control of the company and unknown to the New Mexico Economic Development Department.

The New Mexico Economic Development Department made reasonable efforts to ensure that the estimates provided by the company, are realistic estimates of future activity.

The model was created by the New Mexico Economic Development Economists and used assumptions to generate the final report. The report and analysis provided by the New Mexico Economic Development Department is not a guarantee that any of the estimates or results contained in this report will actually be achieved.

Introduction:

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

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

Description of the Company:

At Universal Hydrogen, our mission is to fuel carbon-free flight and reduce the climate impact of air travel. We are stitching together the end-to-end hydrogen value chain for aviation, both for hydrogen fuel and hydrogen-powered airplanes. We are building a transport and logistics network that moves hydrogen from production facilities to airports over the existing freight infrastructure, eliminating the need for costly new pipelines and storage facilities. Our system utilizes specialized capsules that safely store hydrogen during transit and also act as modular fuel tanks that load directly onto aircraft. We are also developing powertrain conversion kits to retrofit existing airplanes and enable new airplanes to fly on hydrogen. Founded by former executives from Airbus, United Technologies, Google, and DARPA, and backed by investors such as Playground Global, JetBlue, Toyota, and Airbus, we are convinced that hydrogen is the best and only scalable solution to truly decarbonize aviation, and we want to bring it to market decades sooner—by 2025.

Description of the Project:

Universal Hydrogen will be building a facility to manufacture and distribute our hydrogen storage modules, perform aftermarket and maintenance services for our products, and conduct administrative activities of our business. These products and services are a key part of our broader company mission to decarbonize hard to abate greenhouse gas emissions categories such as air and water travel.



Total Impacts

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

Cumulative Net Benefits

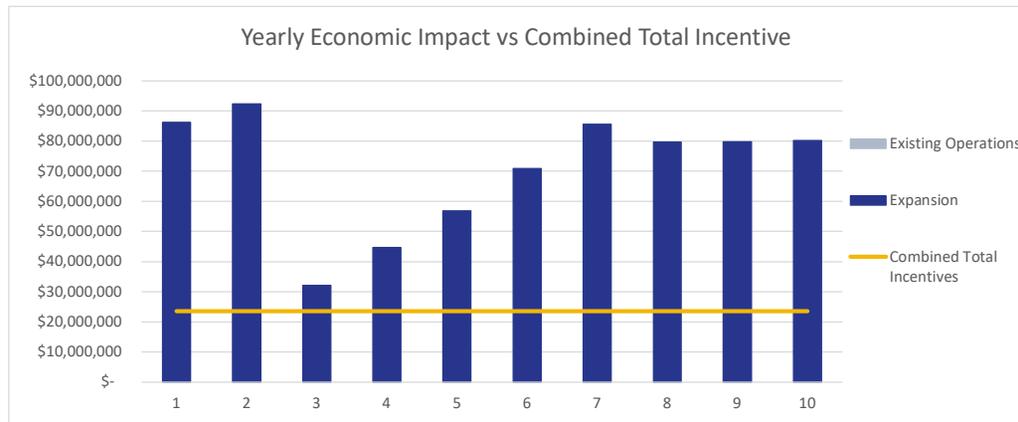
	Existing Operations	Expansion	Existing & Expanded Operations	Present Value of Net Benefits*
State of New Mexico	\$ -	\$ 24,007,471	\$ 24,007,471	\$ 19,556,163
County	\$ -	\$ 2,806,882	\$ 2,806,882	\$ 2,479,173
City	\$ -	\$ 8,729,672	\$ 8,729,672	\$ 7,554,377
School District	\$ -	\$ 78,651	\$ 78,651	\$ 58,383
Special Taxing District	\$ -	\$ 75,933	\$ 75,933	\$ 56,364
Total	\$ -	\$ 35,698,609	\$ 35,698,609	\$ 29,704,459

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

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

Total Economic Impact

	Total
Estimated Economic Impact Over 10 Years:	\$ 708,229,822
Combined Total Incentive Over 10 Years:	\$ 23,525,010
Economic Impact Rate of Return:	2,911%

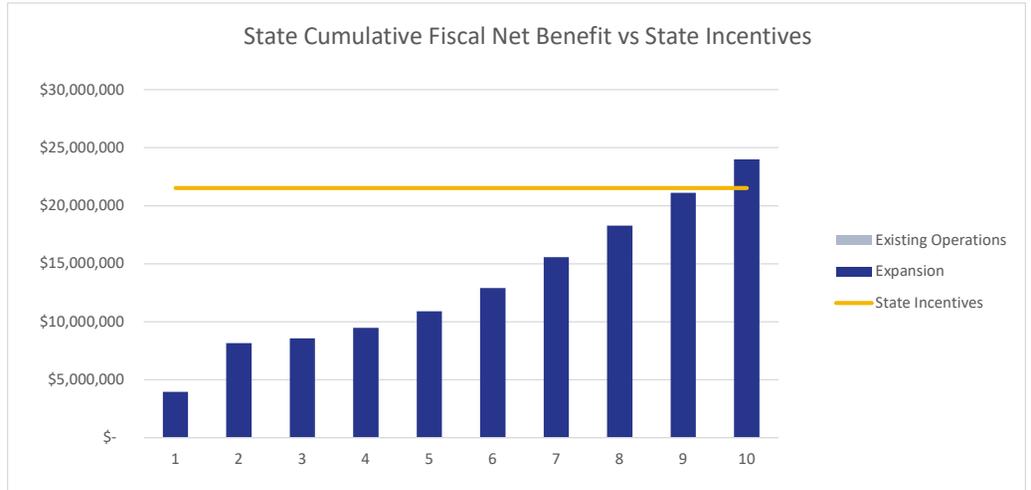


Workers and New Residents over 10 years

	Direct	Indirect and Induced
Number of Jobs Created:	500	975
Estimated Number of Construction Workers:	1258	
Estimated Number of New Residents to the State:	175	
Estimated Number of New Residents to the County:	343	
Estimated Number of New Residents to the City:	329	

State Impacts





Incentives

Total State Incentive:	\$ 21,525,010
State Incentive Per Job:	\$ 43,050

Combined Payback and Return

State Payback Period Combined:	9.14 Years
State Rate of Return Combined:	-9%

Expansion Only Payback and Return

State Payback Period Expansion:	9.14 Years
State Rate of Return Expansion:	-9%

State Net Benefits Of Current Operations

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

State Net Benefits Of Expansion

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 3,958,403	\$ 8,004	\$ 3,950,399	\$ 3,950,399
2	\$ 4,224,810	\$ 24,552	\$ 4,200,258	\$ 8,150,657
3	\$ 475,644	\$ 49,657	\$ 425,987	\$ 8,576,644
4	\$ 988,317	\$ 85,557	\$ 902,760	\$ 9,479,404
5	\$ 1,541,496	\$ 124,311	\$ 1,417,185	\$ 10,896,589
6	\$ 2,181,969	\$ 168,029	\$ 2,013,940	\$ 12,910,529
7	\$ 2,878,753	\$ 214,776	\$ 2,663,977	\$ 15,574,506
8	\$ 2,957,112	\$ 219,609	\$ 2,737,504	\$ 18,312,009
9	\$ 3,037,486	\$ 224,550	\$ 2,812,936	\$ 21,124,946
10	\$ 3,112,128	\$ 229,602	\$ 2,882,526	\$ 24,007,471

State Combined Net Benefits

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 3,958,403	\$ 8,004	\$ 3,950,399	\$ 3,950,399
2	\$ 4,224,810	\$ 24,552	\$ 4,200,258	\$ 8,150,657
3	\$ 475,644	\$ 49,657	\$ 425,987	\$ 8,576,644
4	\$ 988,317	\$ 85,557	\$ 902,760	\$ 9,479,404
5	\$ 1,541,496	\$ 124,311	\$ 1,417,185	\$ 10,896,589
6	\$ 2,181,969	\$ 168,029	\$ 2,013,940	\$ 12,910,529
7	\$ 2,878,753	\$ 214,776	\$ 2,663,977	\$ 15,574,506
8	\$ 2,957,112	\$ 219,609	\$ 2,737,504	\$ 18,312,009
9	\$ 3,037,486	\$ 224,550	\$ 2,812,936	\$ 21,124,946
10	\$ 3,112,128	\$ 229,602	\$ 2,882,526	\$ 24,007,471

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

Taxes and Revenue

Gross Receipt Taxes	\$ 9,370,223
Personal Income Taxes	\$ 13,878,948
Corporate Income Taxes	\$ -
Misc. Taxes and Revenue	\$ 2,106,948
Subtotal of Benefits	\$ 25,356,119

Costs

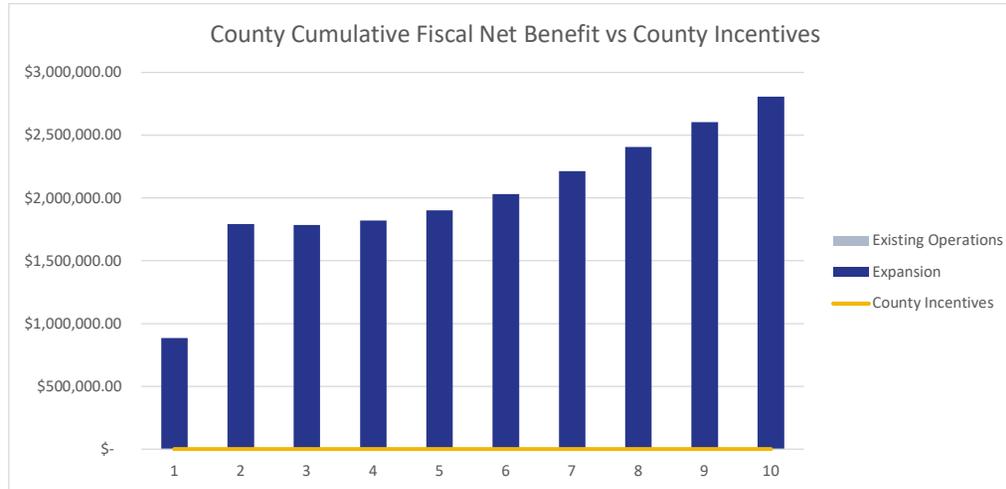
Costs	\$ 1,348,647
Subtotal of Costs	\$ 1,348,647

Net Benefits

Net Benefits	\$ 24,007,471
Present Value	\$ 19,556,163

County Impacts





Incentives

Total County Incentive:	\$	-
County Incentive Per Job:	\$	-

Combined Payback and Return

County Payback Period Combined:	-	Years
County Rate of Return Combined:		N/A

Expansion Only Payback and Return

County Payback Period Expansion:	-	Years
County Rate of Return Expansion:		N/A

County Net Benefits Of Current Operations

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

County Net Benefits Of Expansion

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 885,586	\$ 922	\$ 884,664	\$ 884,664
2	\$ 911,801	\$ 2,829	\$ 908,972	\$ 1,793,636
3	\$ (1,449)	\$ 5,722	\$ (7,171)	\$ 1,786,464
4	\$ 45,335	\$ 9,859	\$ 35,475	\$ 1,821,940
5	\$ 93,097	\$ 14,325	\$ 78,772	\$ 1,900,711
6	\$ 148,977	\$ 19,363	\$ 129,613	\$ 2,030,325
7	\$ 209,085	\$ 24,750	\$ 184,335	\$ 2,214,660
8	\$ 216,445	\$ 25,307	\$ 191,138	\$ 2,405,797
9	\$ 224,009	\$ 25,877	\$ 198,133	\$ 2,603,930
10	\$ 229,411	\$ 26,459	\$ 202,952	\$ 2,806,882

County Combined Net Benefits

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 885,586	\$ 922	\$ 884,664	\$ 884,664
2	\$ 911,801	\$ 2,829	\$ 908,972	\$ 1,793,636
3	\$ (1,449)	\$ 5,722	\$ (7,171)	\$ 1,786,464
4	\$ 45,335	\$ 9,859	\$ 35,475	\$ 1,821,940
5	\$ 93,097	\$ 14,325	\$ 78,772	\$ 1,900,711
6	\$ 148,977	\$ 19,363	\$ 129,613	\$ 2,030,325
7	\$ 209,085	\$ 24,750	\$ 184,335	\$ 2,214,660
8	\$ 216,445	\$ 25,307	\$ 191,138	\$ 2,405,797
9	\$ 224,009	\$ 25,877	\$ 198,133	\$ 2,603,930
10	\$ 229,411	\$ 26,459	\$ 202,952	\$ 2,806,882

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

Taxes and Revenue

Gross Receipt Taxes	\$ 2,853,113
Misc. Taxes and Revenue	\$ 45,434
Property Taxes	\$ 63,750
Subtotal of Benefits	\$ 2,962,297

Costs

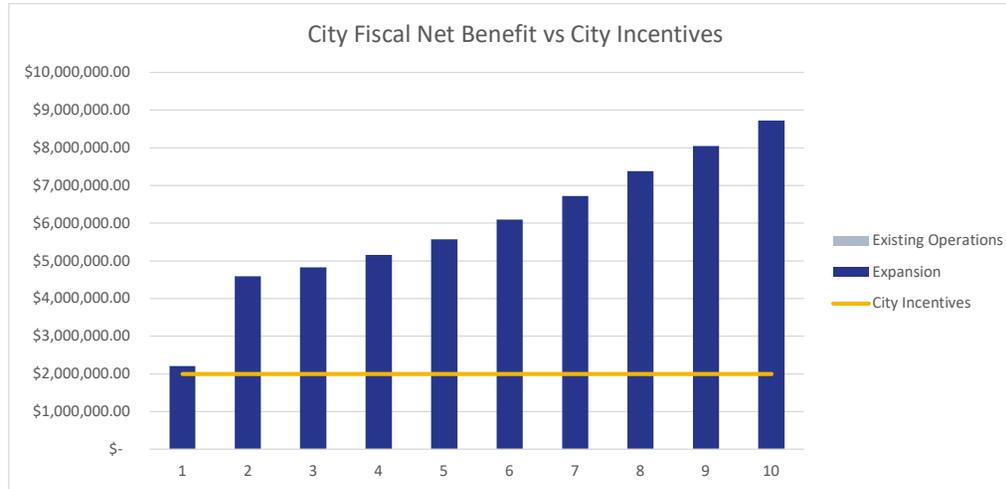
Costs	\$ 155,415
Subtotal of Costs	\$ 155,415

Net Benefits

Net Benefits	\$ 2,806,882
Present Value	\$ 2,479,173

City Impacts





Incentives

Total City Incentive:	\$ 2,000,000
City Incentive Per Job:	\$ 4,000

Combined Payback and Return

City Payback Period Combined:	0.91 Years
City Rate of Return Combined:	278%

Expansion Only Payback and Return

City Payback Period Expansion:	0.91 Years
City Rate of Return Expansion:	278%

City Net Benefits Of Current Operations

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

City Net Benefits Of Expansion

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 2,210,799	\$ 1,684	\$ 2,209,115	\$ 2,209,115
2	\$ 2,401,421	\$ 18,631	\$ 2,382,790	\$ 4,591,905
3	\$ 278,117	\$ 44,600	\$ 233,517	\$ 4,825,422
4	\$ 408,433	\$ 81,764	\$ 326,669	\$ 5,152,090
5	\$ 539,731	\$ 121,888	\$ 417,843	\$ 5,569,934
6	\$ 689,149	\$ 167,159	\$ 521,991	\$ 6,091,925
7	\$ 847,239	\$ 215,571	\$ 631,668	\$ 6,723,593
8	\$ 872,405	\$ 220,511	\$ 651,893	\$ 7,375,486
9	\$ 896,335	\$ 225,563	\$ 670,772	\$ 8,046,258
10	\$ 914,144	\$ 230,730	\$ 683,414	\$ 8,729,672

City Combined Net Benefits

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 2,210,799	\$ 1,684	\$ 2,209,115	\$ 2,209,115
2	\$ 2,401,421	\$ 18,631	\$ 2,382,790	\$ 4,591,905
3	\$ 278,117	\$ 44,600	\$ 233,517	\$ 4,825,422
4	\$ 408,433	\$ 81,764	\$ 326,669	\$ 5,152,090
5	\$ 539,731	\$ 121,888	\$ 417,843	\$ 5,569,934
6	\$ 689,149	\$ 167,159	\$ 521,991	\$ 6,091,925
7	\$ 847,239	\$ 215,571	\$ 631,668	\$ 6,723,593
8	\$ 872,405	\$ 220,511	\$ 651,893	\$ 7,375,486
9	\$ 896,335	\$ 225,563	\$ 670,772	\$ 8,046,258
10	\$ 914,144	\$ 230,730	\$ 683,414	\$ 8,729,672

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

Taxes and Revenue

Gross Receipt Taxes	\$ 6,702,924
Misc. Taxes and Revenue	\$ 446,091
Property Taxes	\$ 2,908,759
Subtotal of Benefits	\$ 10,057,774

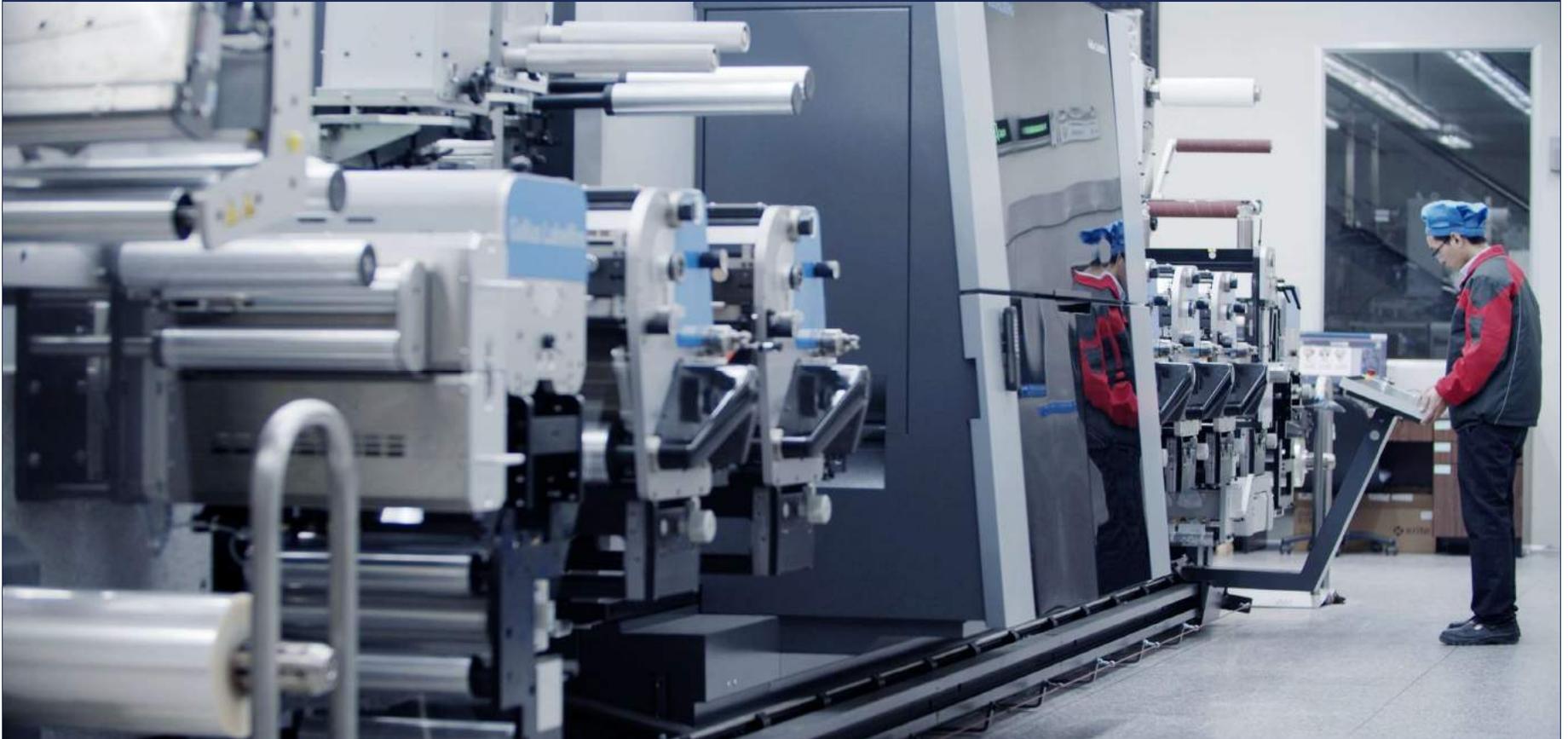
Costs

Costs	\$ 1,328,102
Subtotal of Costs	\$ 1,328,102

Net Benefits

Net Benefits	\$ 8,729,672
Present Value	\$ 7,554,377

Special Taxing District and Public Schools



Special Taxing District

Special Taxing District Net Benefits of Current Operations

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

Special District Net Benefits of Expansion

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 463	\$ -	\$ 463	\$ 463
2	\$ 1,400	\$ -	\$ 1,400	\$ 1,863
3	\$ 2,818	\$ -	\$ 2,818	\$ 4,681
4	\$ 4,844	\$ -	\$ 4,844	\$ 9,525
5	\$ 7,026	\$ -	\$ 7,026	\$ 16,551
6	\$ 9,484	\$ -	\$ 9,484	\$ 26,035
7	\$ 12,106	\$ -	\$ 12,106	\$ 38,141
8	\$ 12,349	\$ -	\$ 12,349	\$ 50,490
9	\$ 12,596	\$ -	\$ 12,596	\$ 63,085
10	\$ 12,847	\$ -	\$ 12,847	\$ 75,933

Special District Combined Net Benefits

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 463	\$ -	\$ 463	\$ 463
2	\$ 1,400	\$ -	\$ 1,400	\$ 1,863
3	\$ 2,818	\$ -	\$ 2,818	\$ 4,681
4	\$ 4,844	\$ -	\$ 4,844	\$ 9,525
5	\$ 7,026	\$ -	\$ 7,026	\$ 16,551
6	\$ 9,484	\$ -	\$ 9,484	\$ 26,035
7	\$ 12,106	\$ -	\$ 12,106	\$ 38,141
8	\$ 12,349	\$ -	\$ 12,349	\$ 50,490
9	\$ 12,596	\$ -	\$ 12,596	\$ 63,085
10	\$ 12,847	\$ -	\$ 12,847	\$ 75,933

Public Schools

Public Schools Net Benefits of Current Operations

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

Public Schools Net Benefits of Expansion

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 480	\$ -	\$ 480	\$ 480
2	\$ 1,450	\$ -	\$ 1,450	\$ 1,930
3	\$ 2,919	\$ -	\$ 2,919	\$ 4,848
4	\$ 5,017	\$ -	\$ 5,017	\$ 9,866
5	\$ 7,278	\$ -	\$ 7,278	\$ 17,143
6	\$ 9,823	\$ -	\$ 9,823	\$ 26,967
7	\$ 12,540	\$ -	\$ 12,540	\$ 39,507
8	\$ 12,791	\$ -	\$ 12,791	\$ 52,297
9	\$ 13,047	\$ -	\$ 13,047	\$ 65,344
10	\$ 13,307	\$ -	\$ 13,307	\$ 78,651

Public Schools Combined Net Benefits

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 480	\$ -	\$ 480	\$ 480
2	\$ 1,450	\$ -	\$ 1,450	\$ 1,930
3	\$ 2,919	\$ -	\$ 2,919	\$ 4,848
4	\$ 5,017	\$ -	\$ 5,017	\$ 9,866
5	\$ 7,278	\$ -	\$ 7,278	\$ 17,143
6	\$ 9,823	\$ -	\$ 9,823	\$ 26,967
7	\$ 12,540	\$ -	\$ 12,540	\$ 39,507
8	\$ 12,791	\$ -	\$ 12,791	\$ 52,297
9	\$ 13,047	\$ -	\$ 13,047	\$ 65,344
10	\$ 13,307	\$ -	\$ 13,307	\$ 78,651

Property Tax Exemptions and Industrial Revenue Bonds



Property Tax Exemptions and Industrial Revenue Bonds

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

Land:	Yes
Building and Property Improvements:	Yes
Furniture, Fixtures and Equipment:	Yes

Property Tax Percentage Exemptions On Land and Building

County	City	Schools	Special Taxing District
90%	90%	90%	90%

Property Tax Percentage Exemptions On Furniture, Fixtures and Equipment

County	City	Schools	Special Taxing District
90%	90%	90%	90%

Value of Exemption Through 10 Years:	\$ 7,862,727	\$ 7,411,113	\$ 894,032	\$ 821,082
*Value of Payment in Lieu of Taxes Through 10 Years:	\$ -	\$ 2,824,871	\$ -	\$ -

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

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

Year	State	County	City
1	100%	100%	100%
2	100%	100%	100%
3	100%	100%	100%
4	100%	100%	100%
5	100%	100%	100%
6	100%	100%	100%
7	100%	100%	100%
8	100%	100%	100%
9	100%	100%	100%
10	100%	100%	100%
Value of Exemption Through 10 Years:	\$ 2,340,000	\$ 712,500	\$ 1,672,500

FY22 LEDA Application-ABQ

Applicant	Ariel Neumann
Applicant ID	APP-015789
Company Name	Universal Hydrogen Co.
Phone	917-597-7629
Email	aneumann@hydrogen.aero
Status	Submitted
Application Amount	\$0.00
Funded/Approved	<input type="checkbox"/>
LEDA Starting Job Count	0
LEDA PPA Job Count Target	500

Contact Information

Question: Legal Company Name

Universal Hydrogen Co.

Question: Trade Name (dba)

Not Answered

Question: Project Name

Universal Hydrogen Manufacturing and Kitting Facility

Question: Company Street Address

3914 W 120th St

Question: Company City

Hawthorne

Question: Company State

CA

Question: Company Zip

90250

Question: Phone

(424) 209-2855

Question: Website

<https://hydrogen.aero/>

Question: Primary Contact Person First Name

Ariel

Question: Primary Contact Person Last Name

Neumann

Question: Federal Tax ID #

84-5151125

Question: NM State Tax and Revenue Identification Number

84-5151125

Question: City/County Business License Registration will be pursued

Yes

No

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

336411, 336412, 336413

Question: DUNS # (preferred but not required)

11-788-8603

Question: This Business is organized as a:

C-Corporation

S-Corporation

LLC

Partnership

Sole Proprietorship

B-Corporation

Question: Incorporation Papers

[Universal Hydrogen Certificate of Incorporation.PDF](#) (8/1/2022, 11:43 AM)

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

No Attachments

Question: Company Contact for Project Administration (if different from above)

Not Answered

Question: Title

Not Answered

Question: Telephone

Not Answered

Question: Cell Phone

Not Answered

Question: Email

Not Answered

Project Information

Please include detailed information such as:

- Executive Summary; Business description and history
 - Infrastructure Development/Needs
 - Market analysis and strategy
 - Summary of competition
 - Tax Reporting Status
 - Effect on Existing Industry and Commerce during and after Construction
-

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

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

Business Description and History

Universal Hydrogen was founded by world-class aviation leaders with the goal of comprehensively decarbonizing aviation. Based on our deep industry experience, we believe that green hydrogen is the solution to enable aviation to meet Paris Agreement targets.

To meet this challenge, we are developing a complete, end-to-end solution. First, we are developing hydrogen fuel cell based powertrains to convert regional turboprop aircraft to hydrogen power. Second, we are developing fueling logistics to deliver hydrogen to these new aircraft. Our fueling network is based on our innovative “modular” fuelling tanks, which we can fill at the source of production and deliver to airports via the intermodal freight network, allowing us to provide hydrogen in a flexible and affordable manner.

Infrastructure Development/Needs

We will lease a 50-acre site that is part of the Albuquerque Sunport. At this site, we will construct a state of the art facility to 1) manufacture our modular capsules and 2) assemble our powertrain conversion kits for distribution to airline customers globally. This facility will need the following infrastructure: electrical feeds, water feeds, (potentially) natural gas lines, and an approach road capable of accommodating semi trailers.

Market Analysis and Strategy

Our strategy is to provide conversion kits to customers at little-to-no cost, stimulating demand for hydrogen, and making revenue by selling hydrogen to these customers.

Regional aviation is the first sector we target. The economics of regional hydrogen flight are

favorable. Our retrofit will be low in cost, minimizing expenses on and off the airport, and hydrogen itself is on track to be cost-competitive with jet fuel by the early-to-mid 2020s. These favorable economics will facilitate widespread adoption of our technology for regional aircraft. There is a strong climate incentive for regional airlines to adopt our technology, and no financial barrier to doing so.

Summary of Competition

There are two aspects of our business: first, we are a producer of hydrogen powertrain technology, and second, we are a provider of hydrogen storage and delivery services.

In the hydrogen powertrain space, we have little US competition. UK-based hydrogen powertrain developer ZeroAvia focuses on smaller planes and (unlike us) does not address hydrogen fuel logistics. Airbus's hydrogen efforts, meanwhile, will likely focus on the larger single aisle segment and not provide competition to our regional turboprop.

In the hydrogen storage and delivery space, to our knowledge, we are the only company taking a modular approach. Our closest competitors in this space are gas distribution companies, who deliver hydrogen using pipelines. Given the time and expense of constructing hydrogen pipelines and corresponding storage infrastructure, we do not view these companies as competitive when compared to our flexible, scalable, infrastructure-light modular capsule technology. Further, to our knowledge, none of the traditional oil and gas companies have committed to green hydrogen.

Tax Reporting Status

Our 2021 taxes are currently in progress, to be filed in October.

Effect on Existing Industry and Commerce

The project will positively impact existing industry and commerce both during and after construction. During construction, the project will create around 1,000 jobs. After construction, the project will further bolster existing industry and commerce, creating well over 500 permanent jobs, many of which will be highly skilled engineering or technician positions. These jobs will be highly paid, with comprehensive benefits. We are exploring the possibility of working with local colleges to create training programs, developing highly marketable skills in composites manufacturing and hydrogen technology. These employees will support existing businesses, while technical expertise in hydrogen, composites, and metallurgic applications will attract new businesses to the region, cementing Albuquerque's position as a hub for innovation and, in particular, its centrality in the energy economy during the transition to renewables.

Land Acquisition

We are leasing the land from the City of Albuquerque. We have signed an LOI to lease the site.

Local Purchasing

We intend to purchase locally where possible.

Water Conservation

We plan to build a LEED-certified facility. As part of that effort, we will investigate methods of water conservation.

Construction Schedule

Target Close Date:

January 2023 for hiring general contractor, June 2023 for signing site lease

General Contract Signed:

January 2023 for hiring general contractor, June 2023 for signing site lease

Construction Start: Q4 2022.

Construction End: Q2 2024.

New Facility Operational Date:2025.

Operations plan

Shameek Ghosh, our Director of Manufacturing Engineering and New Product Introduction, is building the facility team, including engaging a contractor and architect.

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

Most immediately, we plan to use the funds to hire a construction manager who will help us develop the facility design and oversee the construction process. We will also hire three manufacturing engineers to work with the construction manager and architect to develop the facility design. In the longer term, we plan to use the funds for other hiring.

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

Not Answered

Question: Supporting Documentation

No Attachments

Financial Information

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

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

[Income \(002\).png](#) (8/2/2022, 12:39 PM)

[Cash Flow \(002\).png](#) (8/2/2022, 12:39 PM)

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

[Universal Hydrogen Financial Statements as of Dec 31, 2020 - Final \(1\).xlsx](#) (8/2/2022, 12:45 PM)

[Universal Hydrogen Co. - 2020 Tax Return \(1\).pdf](#) (8/2/2022, 12:44 PM)

[Universal Hydrogen Financial Statements as of Dec 31, 2020 - Final \(1\).xlsx](#) (8/2/2022, 12:43 PM)

[Universal Hydrogen Co. - 2020 Tax Return \(1\).pdf](#) (8/2/2022, 12:43 PM)

[UH 2021 Consolidated Financials - UH Global \(1\).pdf](#) (8/2/2022, 12:42 PM)

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

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

Question: What is the method of appraisal for stated security (if Security Mortgage or Lien were selected above)?

Market data.

Question: What is the equity investment from the applicant?

\$118,170,000.00

Question: External Equity Investment Sources

Equity from our investor base in the US and globally.

Question: External Equity Investment Amount

\$118,170,000.00

Question: City/County Funding Source

Private investment funds and strategic investors in US and abroad.

Question: City/County Funding Amount

\$118,170,000.00

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

None.

Question: Bank Loans Amount Total

\$0.00

Question: Other Loans Source

We are in the process of applying for a loan from the Department of Energy Loan Program Office.

Question: Other Loans Amount

\$275,730,000.00

Question: Other Sources

None.

Question: Other Sources Amount

\$0.00

Question: Total Project Amount (Sum of above)

\$393,900,000.00

Question: Supporting financial documentation

No Attachments

Company History and Background

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

Universal Hydrogen is two years old. We were founded in early 2020.

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

88.00

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

Universal Hydrogen's cofounders own 29%, of which our CEO, Paul Eremenko, controls 100% of the voting rights. Our only investor who owns more than 20% is Playground Global.

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

Yes.

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

No.

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

None.

Community Aspects

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

The facility will need the following infrastructure: an approach road capable of accommodating semi trailers, electrical feeds, water feeds, and (potentially) natural gas lines. Of these, the approach road already exists, though changes might be needed to enable semi trailers to access it. The other items will need to be put in place.

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

We are not requesting any incentives from the community besides the previously-discussed incentive package from Albuquerque and New Mexico.

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

The City of Albuquerque is leasing us the site for the facility. We have entered into an LOI to lease this site.

Job Creation / Performance

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

- [Job Creation Worksheet](#)

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

We anticipate creating approximately 594 long-term jobs, including assemblers, technicians, supervisors, engineers, and managers. These employees will work on activities including capsule and module manufacturing, warehousing, kit assembly, and aftermarket support.

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

Our payscale is as follows:

Technician I / Coordinator/ Specialist - \$69,550 per year

Engineer / Analyst - \$90,950 per year

Technician II - \$96,300 per year

Sr. Engineer / Manager - \$107,000 per year

Pr. Engineer / Sr. Manager - \$128,400 per year

Director / Fellow - \$149,800 per year

VP - \$181,900 per year

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

We provide health, dental, and vision insurance benefits to all employees. In these plans, Universal Hydrogen pays a subsidy of premiums for the employee, their spouse or domestic partner, and any legal dependents. Health, dental, and vision plans include PPO, ACO, HMO, and HDHP plans offered by top national and regional networked carriers.

We also offer retirement and 401k plans with partial matching.

Additionally, we provide unlimited discretionary paid time off to all employees subject to manager approval. We also provide up to 12 weeks of parental leave after the birth or adoption of a child.

Other voluntary benefits include flexible spending accounts, health savings accounts, life insurance, long and short term disability benefits, commuter benefits, and legal assistance.

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

We plan to hire from the local employment pool where possible, and we are exploring the possibility of working with local colleges, such as SIPI, to develop STEM-related education and training programs to help fill these jobs.

Question: Attach job creation worksheet

[LEDA- Job creation worksheet \(1\).pdf](#) (8/2/2022, 12:46 PM)

Question: Starting Headcount (from worksheet above)

0.00

Question: Total new jobs to be created Year 1 (from worksheet above)

20.00

Question: Total new payroll Year 1 (from worksheet above)

\$1,605,000.00

Question: Total number of new jobs to be created Year 2 (from worksheet above)

40.00

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

\$2,889,000.00

Question: Total number of new jobs to be created Year 3 (from worksheet above)

60.00

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

\$4,494,000.00

Economic Impact Analysis

NMEDD will perform an Economic Impact Analysis to address the impact to the local tax base, the school system, etc. using the Impact Data Sheet provided by the applicant.

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

We plan to build a LEED-certified facility. As a part of this effort, we will evaluate environmental impacts and consider mitigation activities where appropriate, including, but not limited to, the following areas:

- Pollution reduction during the construction phase.
- Access to transit.
- Parking footprint and electrical vehicles.
- Open space.
- Indoor/outdoor water use.
- Energy performance and optimization.
- Renewable energy.
- Storage and collection of recyclables.
- Sourcing raw materials.

- Indoor air quality performance.
- Interior lighting and daylight.
- Acoustical performance.
- Ergonomics and safety.

If applicable, we will also evaluate and mitigate any issues related to air pollutant emissions, waste disposal, and waste water contamination.

Attachments

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

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

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

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

Please download the LEDA Application Affirmation Template here:

[LEDA Application Affirmation Template](#)

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

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

[Auth- exam and release of info \(2\).pdf](#) (8/2/2022, 12:49 PM)

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

[Placeholder.docx](#) (8/2/2022, 12:51 PM)

Question: Affirmation and any other supporting documents

[LEDA- Job creation worksheet \(1\).pdf](#) (8/2/2022, 12:50 PM)

City of Albuquerque Project Information

This section of the NMEDD LEDA Application contains information required by the City of Albuquerque Ordinance 0-04-10 and conforms with and complements the policies established for

the Local Economic Development Act pursuant to the Council action. This documentation is presented to demonstrate to the City of Albuquerque the public benefits of this project and to help the City evaluate its merit in comparison to other projects submitted.

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

[Site Location.png](#) (8/1/2022, 4:25 PM)

[Site Layout.png](#) (8/1/2022, 4:25 PM)

[COA-ZONEMAP_UHYD.PDF](#) (8/1/2022, 4:24 PM)

[ACE - Proposed Parcel Map.pdf](#) (8/1/2022, 4:23 PM)

Question: General Description-Statement of benefit to be gained by the Albuquerque community from this development

This project will benefit Albuquerque by creating jobs, supporting existing businesses, catalyzing a dynamic mixed-use area, and expanding Albuquerque's role in the hydrogen economy.

First, this facility will create well over 500 permanent jobs, in addition to 1,000 or more temporary construction jobs. Many of the permanent jobs will be highly skilled engineering or technician positions. The jobs created by our facility will be highly compensated, and will provide benefits including 401k savings, paid time off, and medical, vision, and dental insurance. As a result, our workforce will be empowered to financially support businesses in the surrounding Albuquerque community.

Over time, our project will also help to build a workforce with expertise in hydrogen. We are exploring working with local colleges, such as SIPI, to create training programs related to hydrogen technology and manufacturing. The strengthening of hydrogen expertise in Albuquerque will secure the city a central position in the growing hydrogen economy, building upon the area's history as a center for innovation. This, in turn, will attract other sustainability-focused businesses and investment to the area, particularly businesses involved in sustainable aviation, manufacturing, composites, or hydrogen technology.

Our facility will be one piece of a bustling mixed-use site. Besides our own facility, the site will also include Adacen, LLC, a data center and related services company. Further, we understand that a substantial portion of the site will be reserved for mixed-use commercial development by the city, which will likely include a grocery, restaurants, and shops. This mixed-use area will serve as a gateway between our facility and the greater Albuquerque community. The close proximity of these elements will create a dynamic area focused on technology, manufacturing, and commerce, which may continue to expand as other companies are attracted to the area. Ultimately, we envision this project as a catalyst for a thriving sustainability-focused ecosystem in Albuquerque.

Question: Site and Existing Conditions: Legal Description-Give both the precise and complete legal description and address or identification of location.

2700 Girard Boulevard SE, Albuquerque, NM 87106

Question: Prevailing Site Conditions: Describe the present use and development of the site, including any improvements, vacant land, etc.

The site is currently vacant. It was previously leased by Theia, a satellite company, who performed an environmental assessment with a result of a categorical exclusion. The site is empty and is ready to begin construction.

Question: Present Assessed Value: According to the Bernalillo County Assessor's office.

Not yet available.

Question: Present Zoning of Property

NR-SU

Question: Proposed Zoning: If change in zoning is required for the proposed use, enter the proposed new zone.

The zoning will not change.

Question: Status of Permitting/Regulatory matters needed for project.

We are planning to conduct a bidding process that will culminate in the selection of a contractor to manage construction. This contractor will develop a comprehensive list of permits necessary for the project.

As of now, we anticipate that the following permits will be required:

- Local site plan review / approval
- General construction
- HVAC
- Plumbing
- Electrical
- Fire protection
- Signage

We may also need permits related to noise ordinances, sightlines, and waste management.

Question: Sustainability Initiatives: Describe any sustainability initiatives or programs the company already has and/or plans to use in its facility operations and processes.

We plan to build a LEED-certified facility. As a part of this, we will evaluate environmental concerns and consider mitigation activities, including but not limited to the following areas:

- Pollution reduction during the construction phase.
- Access to transit.
- Parking footprint and electrical vehicles.
- Open space.
- Indoor/outdoor water use.
- Energy performance and optimization.
- Renewable energy.
- Storage and collection of recyclables.
- Sourcing raw materials.
- Indoor air quality performance.
- Interior lighting and daylight.

- Acoustical performance.
- Ergonomics and safety.

If applicable, we will also evaluate and mitigate any issues related to air pollutant emissions, waste disposal, and wastewater contamination.

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

The technologies produced by the facility – both our hydrogen powertrain kits and our modular capsules – are renewable energy technologies. These technologies will enable aircraft to operate on zero-carbon-emissions green hydrogen produced using renewable energy such as solar or wind power.

In addition to producing renewable energy technologies, we are exploring using renewable energy to power the facility's operations. We anticipate sourcing power from Public Service Company of New Mexico (PNM), and we are investigating all our options to power the facility with renewable energy. We may use PNM Sky Blue, a voluntary, subscription-based renewable energy program for customers, as well as PNM Solar Direct. Overall, we aspire for the facility to be powered by 100% renewable energy, likely through a combination of the above programs.

Question: Products and Process: Will the proposed development generate air, noise or waste pollution or traffic congestion? If so, what plans are in place for the reduction and disposal of waste and/or project emissions?

Due to employees' vehicles, as well as delivery vehicles, the facility will increase the flow of traffic in the area. Because the facility will be located on a major thoroughfare, we do not foresee a significant additional traffic burden on the roads. However, we plan to perform a traffic assessment, through which we will determine the optimal hours for shipping in order to avoid disrupting normal traffic flows to the airport and in the city. We will also evaluate noise and waste generated by our manufacturing processes, and we plan to implement mitigations accordingly.

Question: Competition: The Development Commission and City Council do not wish to make public funds available for projects with local competition. Describe any competition in the same area of commerce or industry existing in the City.

To our knowledge, there is no direct competition in the area.

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

Construction Jobs

We estimate that the project will create 1,000 or more construction jobs over the next three years.

Increased Employment

In addition to temporary construction jobs, this facility will create well over 500 permanent jobs, including engineering and technician positions, as well as positions in warehousing and

aftermarket support. These jobs will be highly paid and will provide comprehensive benefits, including a 401k program and medical, vision, and dental insurance.

Increased Sales

The facility's operations will require raw materials, which we will explore sourcing from Albuquerque-based subsuppliers. Additionally, the facility will support nearby businesses. We currently provide employees at our Hawthorne and Toulouse facilities with company-sponsored lunches from nearby restaurants, and we may institute a similar benefit at the Albuquerque facility. This would support local restaurants. Moreover, we understand that a substantial portion of the adjacent area will be reserved for mixed-use commercial development by the city, anticipated to include a grocery, restaurants, and shops. Our presence in the area will help increase sales at these businesses as well.

New Industrial Base and Spin-Off Businesses

The facility will contribute to building hydrogen expertise in the Albuquerque area, supporting Albuquerque's continuing prominence as a center for innovation and advanced technologies by making Albuquerque a key location in the burgeoning hydrogen economy. Albuquerque will be well-placed to support industrial needs, including not only sustainable aviation but also other hydrogen-powered vehicles and stationary applications. Moreover, our operations will contribute to expertise around advanced composites and metallurgic applications in the area, further supporting Albuquerque's continuing role as a center for advanced technologies. In the medium and long term, this project will help attract other companies focused on sustainability, hydrogen, composites, and metallurgic applications to the city.

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

We plan to construct a 630,000 square foot facility on the north side of the site, including space for manufacturing, a warehouse for incoming parts and outgoing products, an aftermarket office, a distribution center, and an aircraft hangar. We are currently engaged in hiring an architect and contractor to develop a more complete facility design and construction plan.

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

No.

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

No demolition will be required.

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

We don't anticipate relocation of utility or road systems.

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

The placement of our facility will enhance the area by contributing to creating a dynamic mixed-use space. The other tenants on the site will include Adacen, LLC, and a planned mixed-use commercial development with a grocery store, restaurants, and shops. We expect the close proximity of our facility, Adacen's facility, and this mixed-use area to create a busy, exciting area for workers, shoppers, and others to frequent. In the longer term, we believe that this area will be highly attractive to other businesses considering locating in Albuquerque.

The facility will also be very close to the decommissioned Kirtland Air Force Base rail spur. We plan to explore the possibility of rehabilitating this rail spur for shipping our products to customers. Rehabilitating the rail spur would create value not only for Universal Hydrogen, but also for nearby Kirtland AFB and Sandia National Lab.

Moreover, we intend to develop a facility design that will enhance the area visually. We plan to work with both our own design team and with the site's other tenants to create a cohesive, appealing aesthetic for our facility and its surroundings. This visual design, combined with the factors described above, will contribute to an attractive and thriving area.

Question: Local Purchasing: Provide and estimated annual expenditure on goods and services locally procured that are subject to the New Mexico gross receipts tax, and an estimated annual increase in such an expenditure.

We estimate taxable purchases subject to gross receipt tax of approximately \$294,000, with an estimated annual increase of 5%.

Question: Water Conservation: Estimate average daily and monthly water consumption and include any plans for reduction or re-use of water.

We estimate that the site will consume around 3,750,000 gallons per month and around 123,287 gallons per day.

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

No individuals, families or businesses will be displaced.

Question: Corporate Citizenship Policy/Plan: List any company policies/plans regarding community charitable and civic donations and volunteerism.

We have not yet defined plans regarding charitable and civic donations and volunteerism.

Question: Positive Contributions: List all positive contributions that the project will make to the neighborhood.

The project will make the following positive contributions to the neighborhood:

- Creating high-paying jobs with benefits.
- Supporting existing businesses.
- Training students in STEM skills.
- Developing hydrogen expertise in the area.
- Contributing to a dynamic, aesthetically-attractive mixed-use area.
- Attracting other sustainability-focused companies to the area.

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

Universal Hydrogen will manage the project.

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

We estimate that the value of the project after completion will be in excess of \$400 million.