

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

**January 14, 2020**

Case #2021-2

**LEDA 20-9:** Build with Robots Inc. project

**REQUEST:** Approval of the City of Albuquerque to be a fiscal agent for Local Economic Development Act (LEDA) funds is requested.

**PROJECT SUMMARY:**

Build with Robots Inc. (BWR), a Delaware corporation legally registered and headquartered in New Mexico, is seeking the City of Albuquerque to be the fiscal agent for Local Economic Development Act (LEDA) funds to be used for lease payments. This will offset office space expansion, for purposes of engineering, light manufacturing, robotic demonstration, and research and development. BWR is requesting \$360,000 in State LEDA funds for lease reimbursement for the its locations for two years, up to \$45,000 per quarter.

The company continues to grow and it will require additional space. BWR currently is located in FUSE Makerspace at 101 Broadway Blvd. NE #3100 near Central and Broadway at the Innovate ABQ campus in downtown Albuquerque. BWR's first step toward expansion is to fully-occupy the Verge Building, f/k/a the J.S. Brown Mercantile Building, located at 317 Commercial St. NE. This will serve as a temporary headquarters. However, most of the staff is currently working remotely and is not in the office regularly. When COVID allows BWR to move into an office space safely, it has plans to occupy 429 Commercial St. NE (corner of 119 E. Marquette St.) which is tentatively planned for second quarter of 2021. These properties are in the same neighborhood in downtown Albuquerque and the company's expansion will bring much needed jobs into the area.

The LEDA funds will reimburse up to 75% of lease payments (up to \$45,000 per quarter) for a total of \$360,000, for which the City would act as fiscal agent. The company has already received approval from the State. This transaction is not under review as part of this process.

The company was founded as Build with Robots LLC in 2017 in Albuquerque, by serial entrepreneur Chris Ziomek to establish New Mexico as a leader in automation expertise and technology. BWR is developing innovative solutions and incubating new business ventures that leverage robotic automation. These new technologies and business ventures are disrupting markets that are presently under-automated.

The company plans to create a total of 170 full-time jobs by 2029. However, for LEDA purposes, the company has agreed to maintain 58 total employee headcount. It will eventually occupy three Albuquerque locations, all of which were previously vacant.

The company would not require a change in zoning for any of the locations, and there are no environmental impacts associated with this project.

The company serves multiple local and national business sectors, including the private sector, municipal governments, transportation, and public facilities. Existing customers include the Albuquerque Sunport, Fortune 50 companies' warehouses and data centers, health care facilities, schools, and other entities.

The majority of the new positions are anticipated to be in engineering, manufacturing, and research and development (R&D). The positions are largely professional and highly technical in nature. Most of the positions qualify for the high-wage job tax credit. The company has an average salary of \$86,000 and pledges to maintain a minimum salary of \$70,000, plus benefits, for each of the LEDA-related positions. All of the added jobs are considered full-time positions, with full employee benefits. Employee benefits offered by the company include a 50% health insurance medical premium, paid holidays, a retirement package, training, and other performance-related benefits.

To date, the company has conducted 75% of its hiring within New Mexico. The company has utilized, and will continue to utilize, the State's Job Training Incentive Program (JTIP) in connection with the training of its employees. It has also successfully applied a local internship program designed to attract young professionals with the intent of helping them to develop the requisite skills for full-time work in the company.

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. According to State statute, 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;**
- (2) 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 Build with Robots and the City. The PPA is summarized in Section V, below.

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 derived from information the company provided. The analysis shows that the company will be making a substantive contribution to the community and that the City could realize net present value of \$8.6 million in taxes from the direct and indirect spending associated with this project over the next 10 years.

The project plan as shown in the application provides details of the project.

**FINDINGS:**

1. LEDA 20-9 is a qualified project as defined by the State’s Local Economic Development Act and the City’s enabling legislation (F/S O-04-10); and
2. LEDA 20-9 would make positive substantive contributions to the local economy and community by maintaining a minimum of 58 employee headcount; and
3. Subject to the development of acceptable security documents, LEDA 20-9 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
5. Subject to the development of acceptable security documents, LEDA 20-9 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**

The City’s 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. Build with Robots Inc. 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;**
- (2) 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. Build with Robots qualifies as the type of project that meets the City's identified economic development priorities under (F/S O-04-10) in the following categories:

- (1) Private companies seeking to build, expand, or relocate facilities;**
- (2) Manufacturing firms (including intellectual property such as computer software);**

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

### 1. PLAN & ZONING:

The company just moved into the Verge Building, f/k/a the J.S. Brown Mercantile Building, located at 317 Commercial St. NE. The property description is as follows:

TR ONE-A BLK 1 PLAT OF TRS ONE-A & ONE-B BLK 1 COMMERCIAL AD  
DN CONT 0.5000 AC M/L OR 21,780 SQ FT M/L

The company's next step as it grows is to add the property and establish it as the headquarters in 429 Commercial St. NE. (corner of 119 E. Marquette St.), Albuquerque, NM 87102. The site is more particularly described as LT 15A BLK 2 REPLAT OF LOTS 5-A, 11-A, 13-A AND 15-A, BLOCK2 COMMERCIAL ADDITION CONT .2048 +/- AC containing approximately .20 acres. The space the company will take in this building is just under 9,000 square feet, which is a sub-set of the larger building. The company will keep the other two properties and add this one.

The property at 429 Commercial St. NE is zoned NR-LM (Non-Residential Light Manufacturing) under the new Integrated Development Ordinance (zoning code). No changes are anticipated to the external character of the building. Build with Robots will occupy what is now a vacant building, bringing life and activity to the neighborhood. The landlord of the building at 429 Commercial St. NE has already made upgrades to the property that fits the company's specifications. The company conducts light manufacturing at these three locations through R&D and inventory management. The heavy product compiling is done through partnerships for contract manufacturing. A major partner is Fetch Robotics, <https://fetchrobotics.com>.

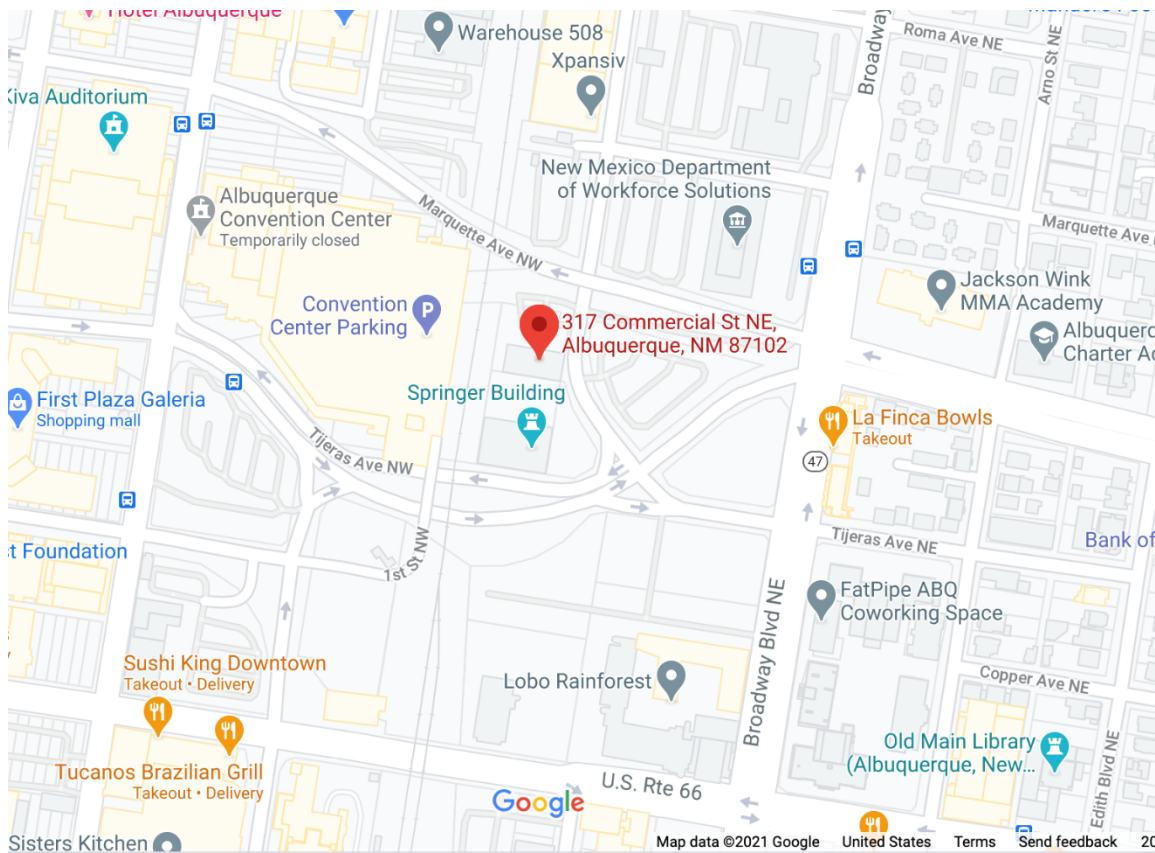
As stated in the IDO, "The purpose of the NR-LM zone district is to accommodate moderate-intensity commercial, light assembly, fabrication, and light manufacturing uses, while buffering adjacent lower-intensity, Residential and Mixed-use zone districts from the traffic, noise, and other impacts of those uses."

The 317 Commercial St. NE property is zoned Mixed-Use (MX-FB) under the IDO Subsection 2-4(E)(3)(c), which states: “The purpose of the MX-FB zone district is to allow a wide range of residential, commercial, and institutional uses subject to form-based zoning controls to ensure that the buildings they occupy establish or reinforce a well-defined urban character.”

## 2. LAND USE:

BWR occupies 412 square feet at the FUSE Makerspace, which houses multiple tenants and community partners.

The 317 Commercial St. NE location, which is near BWR’s other location in the downtown district, will serve as BWR’s temporary headquarters for administration and R&D. The company will occupy the basement - 2,705 square-feet of the Verge Building.



The landlord has agreed to complete some tenant improvements at the 429 Commercial St. NE building. BWR will occupy 8,595 square feet at this location, which will ultimately become the permanent company headquarters:



Any tenant improvements made by the landlords will be completed by local construction companies, and additional service will be completed by local firms as well, infusing capital into the local economy. More detail is provided in the fiscal impact analysis.

The Build with Robots project further supports the Economic Development Department's criteria for the use of incentives. It does this by implementing place-based strategies via occupancy of two large, existing vacant buildings; by supporting focused and positive ROI projects; and by agreeing to maintain 58 total employee headcount.

### 3. INFILL:

The project involves two previously vacant existing buildings. Infrastructure, parking, and utilities are already developed at both. There will be no extension or relocation of utility or road systems is anticipated. There are adequate utilities and roads to the buildings.

### 4. DESIGN AND CONSERVATION:

The CNM Maker's Space and Verge Building are existing leases. The office spaces have been kept in exceptionally good condition and repair over the years as they have undergone a number of renovations and improvements to maintain their high-quality appearance.

The company has stated that the water usage for the three sites should be that expected for any average office project.

No historic properties are involved.

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

5. RENEWABLE ENERGY:

The company will not create or produce renewable energy from the facility. The leasehold improvements will be done with environmentally-sound materials to the extent possible. Improvements will also be done with the intent of making the building more energy- and water-efficient through improved insulation, newer and more efficient HVAC equipment, and automated controllers (for lights, temperature, etc.), among other property improvements.

### III. ECONOMIC BENEFITS

6. COMPETITION:

There is not any local or statewide competition for Build with Robots. There are no other robotics disinfecting companies in the state. The company partners with Sandia National Laboratories, CNM – including FUSE Makerspace, and UNM. At the 317 Commercial property location is convenient to access all vital local partners.

7. JOBS:

The salaries for the jobs profiled meet or exceed the average for similar positions within the community. The company's wage will be at least \$70,000.

All added jobs are considered full-time positions and come with full employee benefits. Employee benefits offered by the company include a 50% health insurance medical premium, paid holidays, a retirement package, training, and other performance-based benefits.

These employment classifications and salaries are detailed below and attached as an exhibit to the application. The company intends to provide training to all new employees and to avail itself of the State's JTIP in connection with the training of its employees.

## Build with Robots LEDA 20-9

### BWR Inc. Staffing 2020-2029

Title	2020 Salary	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Co-Founders (CEO/CSO)	\$150,000	2	2	2	2	2	2	2	2	2	2
Office Manager	\$60,000	1	1	1	1	1	1	1	1	1	1
CFO	\$140,000		1	1	1	1	1	1	1	1	1
Accounting	\$75,000	1	1	1	2	3	3	5	6	7	8
IT	\$100,000		1	1	2	2	3	5	6	7	8
HR	\$75,000		1	1	1	2	2	3	3	4	4
Recruiter	\$100,000			1	1	1	1	2	2	2	2
VP of Business Development	\$125,000	1	1	1	1	1	1	1	1	1	1
Director of Marketing & PR	\$125,000		1	1	1	1	1	1	1	1	1
Marketing Communications	\$100,000	1	1	1	1	2	2	2	2	3	3
Media & Graphic Design	\$60,000	1	1	1	1	2	2	2	2	3	3
Chief Commercialization Officer	\$140,000	1	1	1	1	1	1	1	1	1	1
Market Segment Manager	\$125,000		1	1	2	2	3	3	4	4	4
Account Manager	\$120,000	1	2	4	5	5	7	10	12	13	15
Customer Relationship Manager	\$60,000	1	2	4	5	5	7	10	12	13	15
Director of Application Engineering	\$125,000	1	1	1	1	1	1	1	1	1	1
Sr. Application Engineer	\$100,000	1	1	2	5	5	8	8	8	8	8
Application Engineer	\$75,000	1	2	4	5	5	8	10	10	10	10
CTO/VP of Engineering	\$150,000	1	1	1	1	1	1	1	1	1	1
Director/Sr. Engineer (EE/ME/CE/CS)	\$125,000		1	2	3	6	6	6	6	8	8
Chemical Engineer	\$80,000		1	1	3	3	3	3	3	3	3
Electrical Engineer	\$75,000	1	2	2	4	4	4	4	4	4	6
Software Engineer	\$70,000	1	3	5	8	12	12	12	14	14	14
Mechanical Engineer	\$65,000	1	2	4	4	8	10	10	10	10	10
QA Engineer	\$75,000		1	1	2	3	4	6	6	6	6
VP of Operations	\$125,000	1	1	1	1	1	1	1	1	1	1
Director of Manufacturing Engineer	\$120,000		1	1	1	1	2	2	2	2	2
Manufacturing Engineer	\$85,000	1	1	3	4	5	5	7	7	7	7
Procurement Specialist	\$60,000		1	2	3	4	4	5	5	6	6
Technician	\$60,000	1	2	4	4	5	7	8	8	8	9
Sales Operations	\$75,000		2	4	4	5	7	7	8	8	9
		20	40	60	80	100	120	140	150	160	170

- 1) The company has done 75% of its hiring to date within New Mexico. No jobs will be relocated from another location.
- 2) The technicians and the procurement specialists could benefit low- and moderate-income residents. The higher compensated positions could indirectly benefit moderate- to low-income residents by local purchases of products and services in the downtown area and by sourcing supplies from local companies.
- 3) Yes, the jobs will exceed the median wages for the industry within the community.
- 4) Build with Robots' new jobs will match the skills of current city residents and students.
- 5) All of Build with Robots' employees undergo extensive training of approximately three months to six months upon beginning of employment.
- 6) Build with Robots provides extensive training to encourage employees to remain with their team and improve their skills. Build with Robots offers its employees opportunities to expand their skills through lateral movements into different programs, as well as advancement into supervisory and higher-skilled positions.
- 7) Build with Robots has submitted and been approved for three applications for the Job Training Incentive Program (JTIP) to date and anticipates continuing to do so.
- 8) Yes, Build with Robots offers several health insurance options to its employees and covers 50% of the premiums for employees. Build with Robots provides benefits valued at 20%-25% of an employee's salary.

The company anticipates an annual payroll of almost \$9 million by 2024.



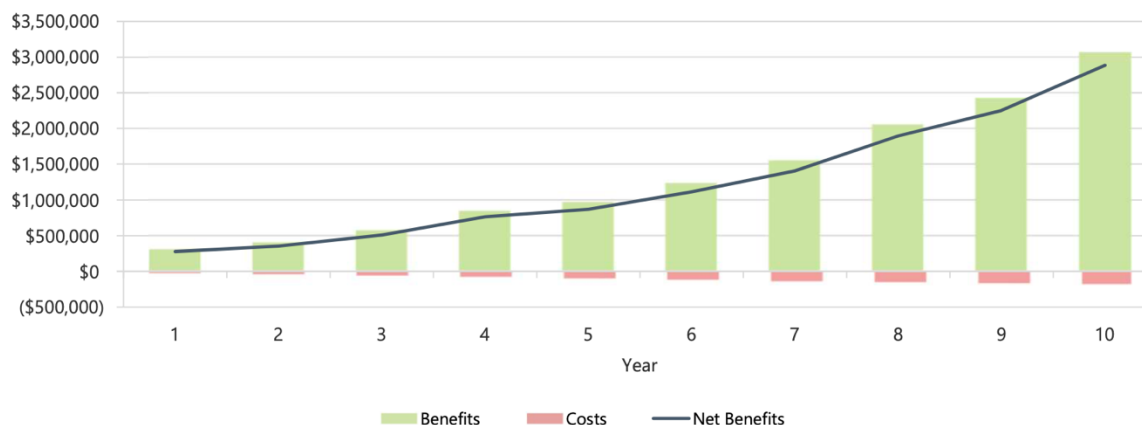
## 8. LOCAL PURCHASES

As shown in the table below, according to the economic impact model provided by the New Mexico Economic Development Department (NM EDD), the City would see a net present value of approximately \$8.6 million with the retention and potential growth of the business over the next 10 years.

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

	Amount
Gross Receipts Taxes	\$8,466,919
Real Property Taxes - Project	\$48,229
FF&E Property Taxes - Project	\$3,664,205
Property Taxes - New Residential	\$29,668
Utility Revenue	\$574,387
Utility Franchise Fees	\$57,710
Building Permits and Fees	\$150,000
Lodgers Taxes	\$12,279
Miscellaneous Taxes & User Fees	\$407,018
<u>Subtotal Benefits</u>	<u>\$13,410,416</u>
Cost of Providing Municipal Services	(\$470,359)
Cost of Providing Utility Services	(\$620,338)
<u>Subtotal Costs</u>	<u>(\$1,090,697)</u>
Net Benefits	\$12,319,719
<i>Present Value (5% discount rate)</i>	<i>\$8,665,167</i>

Figure 3. Annual Fiscal Net Benefits for the Albuquerque



Please refer to the NM EDD Economic Impact Analysis for projections of locally procured goods subject to the NM GRT.

#### IV. PROJECT FEASIBILITY

##### 9. COST/ FEASIBILITY/ FINANCING:

The following shows each building's current value. However, BWR will not occupy the entire building. It will be one tenant of many.

317 Commercial St. NE

**PARID: 101405732948713404**

**JS BROWN LLC,**

**317 COMMERCIAL ST**

##### **Values**

Tax Year	<b>2020</b>
Full Land Value	\$190,700.00
Agric. Land	\$0.00
Full Impv. Value	\$1,206,000.00
Full Total Value	\$1,396,700.00
Taxable (1/3 Full)	\$465,520.00

429 Commercial Street

**PARID: 101405833701241001**

**DOS VIENTOS LLC C/O EDWARD T GARCIA,**

**429 COMMERCIAL ST**

##### **Values**

Tax Year	<b>2020</b>
Full Land Value	\$62,800.00
Agric. Land	\$0.00
Full Impv. Value	\$128,800.00
Full Total Value	\$191,600.00
Taxable (1/3 Full)	\$63,860.00

NM EDD has approved \$360,000 in LEDA funds.

BWR has already received more than \$1 million in private investment. The company was also approved for \$2 million in funding from the New Mexico Finance Authority (NMFA). As mentioned above, the company has received numerous NM EDD JTIP awards.

10. DEVELOPER'S RECORD:

Build with Robots creates robots that use the latest-generation technology to enhance productivity for workers. The company is developing innovative solutions and incubating new business ventures that leverage robotic automation to improve jobs for people. This addresses complaints by workers of tasks that are dull, dirty and dangerous.

The Albuquerque Sunport is one of Build with Robots' customers. The Sunport uses an autonomous robot named "Breezy One" to do what is called 'fogging' to sanitize the airport. The company uses a patented, environmentally safe disinfectant through a partner called SpectraShield. The chemical which is fogged which was originally developed at Sandia National Labs.

Additional information is available at <https://buildwithrobots.com>.

11. EQUITY:

The City has committed to be the fiscal agent for the project. The State funds will be used to offset lease payments for all its locations for a period of two years, or up to \$45,000 per quarter, upon Certificate of Occupancy and commencement of operations, with submission of acceptable documentation until all funds are distributed.

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

12. MANAGEMENT:

The company is managed by its co-founders, Chris Ziomek and Matthew Ennis.

The two co-founders are Chris Ziomek (LinkedIn: [www.linkedin.com/in/cziomek/](http://www.linkedin.com/in/cziomek/)) and Matthew Ennis ([www.linkedin.com/in/matthew-ennis-003b86/](http://www.linkedin.com/in/matthew-ennis-003b86/)). They are seasoned, experienced entrepreneurs with previous successful exits. Their CVs are an attachment to the proposal. Profiles on the entire team is here: <https://buildwithrobots.com/about/>.

The new property is owned by the landlords, the Garcias. They are seasoned real estate developers with numerous properties in the region, as well as a decades-long track record with redevelopment and construction projects to benefit the City of Albuquerque, County of Bernalillo, and State of New Mexico.

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 an 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 derived from the information the company provided. The analysis shows that the company's operations will support employment and other positive economic impacts in the City. Information from the report is attached.

## **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 Build with Robots Project Participation Agreement are summarized and attached as an exhibit.

### **1. COMPANY CONTRIBUTION**

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

Renovation and improvement of a development lab, production center for light manufacturing, robotic demonstration area, and research and development lab as well as Corporate Headquarters located at 101 Broadway, 317 Commercial Street NE, and 429 Commercial Street NE all in Albuquerque, New Mexico (collectively, the "Project Facilities");

Occupy and operate the Project Facilities for the research, development, and testing of integrated smart robotic solutions into existing work flows and spaces. Develop new technologies and intellectual property for workplace safety;

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

Employment measured as of the close of business annually on December 31, commencing in 2021 and continuing through 2030, with total employment as follows: 2021-24 employees, 2022-44 employees, 2023-64 employees, at an average salary of at least \$70,000 plus benefits, and maintenance of at least 58 full-time employees (90% of total) through December 31, 2030 as measured for the preceding year on an annual basis beginning December 31, 2023; and

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

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

2. Company Contribution. BWR shall undertake certain acquisition, renovations and improvements to the Project Facilities; and anticipates occupying and operating the Project Facilities commencing on or about June, 2021, contingent upon the requisite City approvals; will use the Project Facilities for the research, development, and testing of integrated smart robotic solutions into existing work flows and spaces; 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. BWR will maintain the Project's operations in Albuquerque for a minimum of ten (10) years. BWR will comply with all applicable laws in connection with the operation of the Project Facilities and will timely pay all applicable property taxes with respect thereto.

3. The State Contributions; Procedure for Disbursement of the State Contributions. The City anticipates that the State Contribution of \$360,000 will be delivered to the City for subsequent disbursement to BWR, 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 BWR in the manner described in this Agreement. The State Contribution will be distributed quarterly to BWR in up to eight equal distributions of 75% of the total lease payments not to exceed \$45,000 a quarter upon achieving certain benchmarks.

A. \$45,000 in lease reimbursement distributed upon BWR (i) obtaining occupancy permits for the Project Facilities, (ii) providing a balance sheet documenting no less than \$1,500,000, and (iii) providing proof of three months of lease payments.

B. \$45,000 in lease reimbursements distributed upon BWR providing proof of three months of lease payments.

C. \$45,000 in lease reimbursements distributed upon BWR providing proof of three months of lease payments.

D. \$45,000 in lease reimbursements distributed upon BWR providing proof of three months of lease payments, (ii) hiring an additional 20 employees on or before December 31, 2021

E. \$45,000 in lease reimbursements distributed upon BWR providing proof of three months of lease payments,

F. \$45,000 in lease reimbursements distributed upon BWR providing proof of three months of lease payments.

G. \$45,000 in lease reimbursements distributed upon BWR providing proof of three months of lease payments.

H. \$45,000 in lease reimbursements distributed upon BWR providing proof of three months of lease payments, (ii) hiring an additional 20 employees on or before December 31, 2022

Pursuant to Section 11, reimbursement requests shall include a copy of BWR's most recent quarterly Department of Workforce Solutions 903A, or its equivalent, to substantiate current employment levels. Payments may be withheld if Company is not in good standing with City, State, or Federal agencies.

4. Time Commitment. BWR will commence certain renovations and improvements to the Project Facilities as soon as possible on or about June 30, 2021. Operations at the Project Facilities to begin following completion of improvements and renovations or as soon thereafter as possible. BWR will continue to occupy the Project Facilities and diligently conduct operations in the Project Facilities in the manner contemplated by this Agreement at least through December 31, 2030.

7. Use of Public Contributions. BWR will be eligible for reimbursement of up to \$360,000 lease reimbursements, related to the Project Facilities actually incurred after the date hereof and paid for by BWR, subject to the receipt by the City of the State Contribution. The City will make payment to BWR following submission to the City of documentation satisfactory to the City evidencing payment of eligible expenses related to lease reimbursements with respect to the Project Facilities.

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

8. Job Commitment and Clawbacks.

A. Number of Jobs. BWR will employ at least 24 full-time employees by December 31, 2021, 44 full-time employees by December 31, 2022, 64 full-time employees by December 31, 2023, at an average salary of approximately \$70,000 plus benefits, and maintain at least 58 full-time employees (90% of total) through December 31, 2030. 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 BWR 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 8.A.

B. Wages and Benefits. BWR anticipates that the Jobs will fall within the wage ranges and will come with the benefits shown on Exhibit B. However, failure to meet the wage and benefit projections shown on Exhibit B shall not constitute an Event of Default (defined below) or form the basis for any clawback payment as long as the wage and benefit projections fall within 90% of those projected in Exhibit B.

C. Performance Clawbacks. If BWR does not employ and maintain at least 90% of the required number of full-time employees as set forth in Section 8.A herein by December 31, 2023, or by December 31 of any year thereafter through the year 2030, then subject to the remainder of this Section 8.C, BWR 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 paid on behalf of BWR pursuant to this Agreement that has already been disbursed to BWR for such year as of the date of repayment (the “Performance Clawback”) in accordance with the following table:

Year		90% of Cumulative Full Time Job Creation and Retention	Percent of Public Contributions to be Repaid
1	Date of execution- 12/31/21	22	100%
2	01/1/22-12/31/23	40	100%
3	01/1/23-12/31/24	58	100%
4	01/1/25-12/31/26	58	100%
5	01/1/26-12/31/27	58	100%
6	01/1/27-12/31/28	58	75%
7	01/1/28-12/31/29	58	75%
8	01/1/29-12/31/30	58	50%
9	01/1/30-12/31/31	58	25%
10	01/1/31-12/31/32	58	0%
Job determination for compliance will be based on BWR 4 <sup>th</sup> quarter ES903A or its equivalent filed with the NM Department of Workforce Solutions			

Notwithstanding the foregoing, if BWR fails to employ the required full-time employees as identified in Section 7.A herein, and believes Business Climate Changes were the cause for its failure to meet such requirements, BWR 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 BWR, in the segment of the business management and support industry in which BWR operates, that cause a significant decrease in the amount of sales BWR is able to achieve. The shifting of BWR 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 the ability of BWR to maintain employment levels, it may waive or modify the Performance Clawback, but only related to the City Contribution and the City shall consult with the State EDD as to any potential waiver of the Performance Clawback or a portion thereof related to the State Contribution. Any Performance Clawback due will be paid within 15 days after the City notifies BWR of its decision or the decision of the State EDD. If BWR 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 BWR cease operation, or notify the City of its intent to cease operation, of the Project (i.e., cease to conduct operations at the Project Facilities) before December 31, 2030, BWR shall, within ninety (90) days of the cessation of operations, pay to the City, in cash, an amount equal to a specified percentage of the amount of the City Contribution and State Contribution paid pursuant to this Agreement, with the specific percentage based on the date of cessation of operations in accordance with the following table:

Date of Cessation of Operations	Percent of Public Contributions to be Repaid
Years 1-5 (Year 1 shall commence on the date of passing of this Ordinance. All subsequent years are based on anniversary dates of that signing.)	100%
Year 6	75%
Year 7	50%
Year 8	25%
Year 9	0%
Year 10	0%



Winding down of the Company's operations at the Project 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 payable hereunder will be \$360,000, not including interest. Any clawbacks not paid when due shall bear interest at the Prime Rate plus 2% per annum from the due date until paid. "Prime Rate" means the U.S. prime rate as reported from time to time in *The Wall Street Journal* in its Bonds, Rates and Yields table, or successor table.

9. Security. To secure the performance of its obligations under this Agreement, BWR prior to BWR receipt of any part of the State Contribution, BWR shall furnish the City with a surety bond, or some alternative form of security in a form mutually acceptable to the parties (the "Security"). The maximum obligation secured by the Security (the "Maximum Obligation") will be \$360,000.

10. Events of Default and Remedies.

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

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

12. Annual Reporting Requirement, Performance Review and Termination. Annually (beginning in 2022), on or before April 1 or other date specified by the City, BWR will provide to the City data for the previous calendar year regarding its workforce and such other information necessary for the City or its independent contractor to determine whether BWR has met its obligations under this Agreement. As required by the LEDA Ordinance, the Project will be subject to an annual performance

review conducted by City staff, which will evaluate whether the Project is attaining the goals and objectives set forth in Section 1 of this Agreement. This review shall be presented to the City administration and the City Council. If the goals and objectives are not being attained, the City Council at a public hearing may terminate assistance to the Project by passage of an ordinance which terminates this Agreement and specifies the disposition of all assets and obligations of the Project, after satisfying this Agreement and all rights of the parties arising under this Agreement through the date of such termination. In addition, pursuant to LEDA, the City may enact an ordinance terminating the LEDA Ordinance and dissolving or terminating any or all projects. In the event that the City terminates the LEDA Ordinance or this Agreement, the City will specify the disposition of all assets and obligations of the Project after satisfying this Agreement and all rights of the parties arising under this Agreement through the date of such termination.

Additionally, the Project will submit employment information quarterly in a form as required by the State Economic Development Department.

#### **FINDINGS:**

1. LEDA 20-9 is a qualified project as defined by the State's Local Economic Development Act and the City's enabling legislation (F/S O-04-10); and
2. LEDA 20-9 would make positive substantive contributions to the local economy and community by maintaining a minimum of 58 employee headcount; and
3. Subject to the development of acceptable security documents, LEDA 20-9 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
5. Subject to the development of acceptable security documents, LEDA 20-9 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 20-9 as proposed in the project plan application.

Economic Development Department

**Project Participation Agreement**  
**City of Albuquerque and BWR Power LLC**  
**Local Economic Development Act Project 20-9**

This Project Participation Agreement is made as of this \_\_\_\_ day of \_\_\_\_\_, 2021 by and between the CITY OF ALBUQUERQUE, NEW MEXICO (the “City”), and BUILD WITH ROBOTS, INC., a New Mexico corporation with a place of business at 101 Broadway Boulevard NE, Suite #3100, Albuquerque, New Mexico 87102 (“BWR”). Together the City and BWR are called the “Parties,” and individually each a “Party.”

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

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

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

Renovation and improvement of a development lab, production center for light manufacturing, robotic demonstration area, and research and development lab as well as Corporate Headquarters located at 101 Broadway, 317 Commercial Street NE, and 429 Commercial Street NE all in Albuquerque, New Mexico (collectively, the “Project Facilities”);

Occupy and operate the Project Facilities for the research, development, and testing of integrated smart robotic solutions into existing work flows and spaces. Develop new technologies and intellectual property for workplace safety;

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

Employment measured as of the close of business annually on December 31, commencing in 2021 and continuing through 2030, with total employment as follows: 2021-24 employees, 2022-44 employees, 2023-64 employees, at an average salary of at least \$70,000 plus benefits, and maintenance of at least 58 full-time employees (90% of total) through

December 31, 2030 as measured for the preceding year on an annual basis beginning December 31, 2023; and

WHEREAS, the State Economic Development Department (the “State EDD”) has committed up to \$360,000 in State LEDA funds (the “State Contribution”) for partial lease reimbursement not to exceed 75% of total lease amount for two years; and

WHEREAS, the City has reviewed the cost-benefit analysis conducted by the State EDD with respect to the Project, which shows that the City will recoup the value of its contribution within ten (10) years; and

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

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

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

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

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

WHEREAS, the City adopted Ordinance No. O-\_\_\_\_\_ on January \_\_, 2021 (the “Project Ordinance”) (i) finding that BWR is a qualifying entity as defined in Section 5-10-3(G) NMSA, (ii) approving the BWR Application for assistance with the Project pursuant to the LEDA Ordinance, which Application proposed that the City direct \$360,000 in funds to be received from the State EDD as the State Contribution, all to finance the statutorily eligible expense of the Project for lease reimbursements, and (iii) approving this Agreement;

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

13. 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 BWR Application.

14. Company Contribution. BWR shall undertake certain acquisition, renovations and improvements to the Project Facilities; and anticipates occupying and operating the Project Facilities commencing on or about \_\_\_\_\_, 2021, contingent upon the requisite City approvals and completion of construction; will use the Project Facilities for the research, development, and testing of

integrated smart robotic solutions into existing work flows and spaces; 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. BWR will maintain the Project's operations in Albuquerque for a minimum of ten (10) years. BWR will comply with all applicable laws in connection with the operation of the Project Facilities and will timely pay all applicable property taxes with respect thereto.

15. The State Contributions; Procedure for Disbursement of the State Contributions. The City anticipates that the State Contribution of \$360,000 will be delivered to the City for subsequent disbursement to BWR, 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 BWR in the manner described in this Agreement. The State Contribution will be distributed quarterly to BWR in up to eight equal distributions of 75% of the total lease payments not to exceed \$45,000 a quarter upon achieving certain benchmarks.

A. \$45,000 in lease reimbursement distributed upon BWR (i) obtaining occupancy permits for the Project Facilities, (ii) providing a balance sheet documenting no less than \$1,500,000, and (iii) providing proof of three months of lease payments.

B. \$45,000 in lease reimbursements distributed upon BWR providing proof of three months of lease payments.

C. \$45,000 in lease reimbursements distributed upon BWR providing proof of three months of lease payments.

D. \$45,000 in lease reimbursements distributed upon BWR providing proof of three months of lease payments, (ii) hiring an additional 20 employees on or before December 31, 2021

E. \$45,000 in lease reimbursements distributed upon BWR providing proof of three months of lease payments,

F. \$45,000 in lease reimbursements distributed upon BWR providing proof of three months of lease payments.

G. \$45,000 in lease reimbursements distributed upon BWR providing proof of three months of lease payments.

H. \$45,000 in lease reimbursements distributed upon BWR providing proof of three months of lease payments, (ii) hiring an additional 20 employees on or before December 31, 2022

Pursuant to Section 11, reimbursement requests shall include a copy of BWR's most recent quarterly Department of Workforce Solutions 903A, or its equivalent, to substantiate current employment levels. Payments may be withheld if Company is not in good standing with City, State, or Federal agencies.

16. Time Commitment. BWR will commence certain renovations and improvements to the Project Facilities as soon as possible on or about June 30, 2021. Operations at the Project Facilities to begin following completion of improvements and renovations or as soon thereafter as possible. BWR will continue to occupy the Project Facilities and diligently conduct operations in the Project Facilities in the manner contemplated by this Agreement at least through December 31, 2030.

7. Use of Public Contributions. BWR will be eligible for reimbursement of up to \$360,000 lease reimbursements, related to the Project Facilities actually incurred after the date hereof and paid for by BWR, subject to the receipt by the City of the State Contribution. The City will make payment to BWR following submission to the City of documentation satisfactory to the City evidencing payment of eligible expenses related to lease reimbursements with respect to the Project Facilities.

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

8. Job Commitment and Clawbacks.

A. Number of Jobs. BWR will employ at least 24 full-time employees by December 31, 2021, 44 full-time employees by December 31, 2022, 64 full-time employees by December 31, 2023, at an average salary of approximately \$70,000 plus benefits, and maintain at least 58 full-time employees (90% of total) through December 31, 2030. 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 BWR 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 8.A.

B. Wages and Benefits. BWR anticipates that the Jobs will fall within the wage ranges and will come with the benefits shown on Exhibit B. However, failure to meet the wage and benefit projections shown on Exhibit B shall not constitute an Event of Default (defined below) or form the basis for any clawback payment as long as the wage and benefit projections fall within 90% of those projected in Exhibit B.

C. Performance Clawbacks. If BWR does not employ and maintain at least 90% of the required number of full-time employees as set forth in Section 8.A herein by December 31, 2023, or by December 31 of any year thereafter through the year 2030, then subject to the remainder of this Section 8.C, BWR 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 paid on behalf of BWR pursuant to this Agreement that has already been disbursed to BWR for such year as of the date of repayment (the “Performance Clawback”) in accordance with the following table:

Year		90% of Cumulative Full Time Job Creation and Retention	Percent of Public Contributions to be Repaid
1	Date of execution- 12/31/21	22	100%
2	01/1/22-12/31/23	40	100%
3	01/1/23-12/31/24	58	100%

4	01/1/25-12/31/26	58	100%
5	01/1/26-12/31/27	58	100%
6	01/1/27-12/31/28	58	75%
7	01/1/28-12/31/29	58	75%
8	01/1/29-12/31/30	58	50%
9	01/1/30-12/31/31	58	25%
10	01/1/31-12/31/32	58	0%
Job determination for compliance will be based on BWR 4 <sup>th</sup> quarter ES903A or its equivalent filed with the NM Department of Workforce Solutions			

Notwithstanding the foregoing, if BWR fails to employ the required full-time employees as identified in Section 7.A herein, and believes Business Climate Changes were the cause for its failure to meet such requirements, BWR 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 BWR, in the segment of the business management and support industry in which BWR operates, that cause a significant decrease in the amount of sales BWR is able to achieve. The shifting of BWR 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 the ability of BWR to maintain employment levels, it may waive or modify the Performance Clawback, but only related to the City Contribution and the City shall consult with the State EDD as to any potential waiver of the Performance Clawback or a portion thereof related to the State Contribution. Any Performance Clawback due will be paid within 15 days after the City notifies BWR of its decision or the decision of the State EDD. If BWR 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 BWR cease operation, or notify the City of its intent to cease operation, of the Project (i.e., cease to conduct operations at the Project Facilities) before December 31, 2030, BWR shall, within ninety (90) days of the cessation of operations, pay to the City, in cash, an amount equal to a specified percentage of the amount of the City Contribution and State Contribution paid pursuant to this Agreement, with the specific percentage based on the date of cessation of operations in accordance with the following table:

Date of Cessation of Operations	Percent of Public
---------------------------------	-------------------

	Contributions to be Repaid
Years 1-5 (Year 1 shall commence on the date of passing of this Ordinance. All subsequent years are based on anniversary dates of that signing.)	100%
Year 6	75%
Year 7	50%
Year 8	25%
Year 9	0%
Year 10	0%

Winding down of the Company's operations at the Project 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 payable hereunder will be \$360,000, 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.

17. Security. To secure the performance of its obligations under this Agreement, BWR prior to BWR receipt of any part of the State Contribution, BWR shall furnish the City with a surety bond, or some alternative form of security in a form mutually acceptable to the parties (the "Security"). The maximum obligation secured by the Security (the "Maximum Obligation") will be \$360,000.

18. Events of Default and Remedies.

C. Failure to Comply With Obligations. Failure by BWR 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.

D. Notice of Event of Default. If any Event of Default occurs, the City shall notify BWR in writing specifying the alleged failure's nature and, where appropriate, how the alleged failure may be cured, and BWR shall have thirty (30) days in which to cure such Event of Default; but if the Event of Default is of a nature requiring more than thirty (30) days to cure, BWR shall have up to an additional sixty (60) days to cure the alleged failure unless the City agrees to provide BWR with



additional time to cure the alleged failure. If the Event of Default is not cured within such thirty-day period, the City shall have and may exercise any remedies available at law or in equity.

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

20. Annual Reporting Requirement, Performance Review and Termination. Annually (beginning in 2022), on or before April 1 or other date specified by the City, BWR will provide to the City data for the previous calendar year regarding its workforce and such other information necessary for the City or its independent contractor to determine whether BWR has met its obligations under this Agreement. As required by the LEDA Ordinance, the Project will be subject to an annual performance review conducted by City staff, which will evaluate whether the Project is attaining the goals and objectives set forth in Section 1 of this Agreement. This review shall be presented to the City administration and the City Council. If the goals and objectives are not being attained, the City Council at a public hearing may terminate assistance to the Project by passage of an ordinance which terminates this Agreement and specifies the disposition of all assets and obligations of the Project, after satisfying this Agreement and all rights of the parties arising under this Agreement through the date of such termination. In addition, pursuant to LEDA, the City may enact an ordinance terminating the LEDA Ordinance and dissolving or terminating any or all projects. In the event that the City terminates the LEDA Ordinance or this Agreement, the City will specify the disposition of all assets and obligations of the Project after satisfying this Agreement and all rights of the parties arising under this Agreement through the date of such termination.

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

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

22. Discrimination Prohibited. In performing the Services required hereunder, the parties hereto shall not discriminate against any person on the basis of race, color, religion, gender, sexual preference, sexual orientation, national origin or ancestry, age, physical handicap, or disability as defined in the Americans With Disabilities Act of 1990, as now enacted or hereafter amended.

23. ADA Compliance. In performing the Services required hereunder, Netflix agrees to meet all the requirements of the Americans with Disabilities Act of 1990, and all applicable rules and regulations (ADA), which are imposed directly on Netflix or which would be imposed on the City as a public entity. Netflix agrees to be responsible for knowing all applicable requirements of the ADA and to defend, indemnify and hold harmless the City, its officials, agents and employees from and against any and all claims, actions, suits or proceedings of any kind brought against said parties as a result of any acts or omissions of Netflix or its agents in violation of the ADA.

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

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

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

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

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

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

signed and that the electronic signatures appearing on the agreement are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility.

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

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

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

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

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

the City, at least five (5) days prior to such assignment's effective date, a copy of the assignment and (x) such confirmation of BWR's commitment or (y) such form of security reasonably satisfactory to the City. Notwithstanding any of the foregoing, BWR may terminate this Agreement in the event that BWR sells all, or substantially all, of BWR's assets.

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

36. Effective Date. This Agreement will be effective on \_\_\_\_\_, 2021 (the "Effective Date").

CITY OF ALBUQUERQUE,  
NEW MEXICO

BUILD WITH ROBOTS, INC.  
a New Mexico Corporation

By \_\_\_\_\_

Name: Sarita Nair, JD, MCRP

Title: Chief Administrative Officer

Date: \_\_\_\_\_

Address for notice:

One Civic Plaza NW

Albuquerque, NM 87102

Attention: Economic Development Director

Tel: (505)768-3000

Email: \_\_\_\_\_

By \_\_\_\_\_

Name: Matthew Ennis

Title: Founder/Chief Strategy Officer

Date: \_\_\_\_\_

Address for notice:

Attention:

Build with Robots

101 Broadway Blvd NE, #3100

Albuquerque, NM 87102

Tel: (505) 224-3955

Email: Matthew.ennis@buildwithrobots.com

With a copy to:

City Attorney

One Civic Plaza NW

Albuquerque, NM 87102

Tel: (505)768-3000

Email: \_\_\_\_\_

Mailing Address:

P.O. Box 1293

Albuquerque, NM 87103

Exhibits

Exhibit A      Application for LEDA Assistance

Exhibit B      Wages and Benefits

Exhibit C      Surety Bond

APPLICATION  
for  
LOCAL ECONOMIC DEVELOPMENT ACT (LEDA)  
Project Approval



Name of Project:

Build with Robots world headquarters and development lab

Location of Project: City of Albuquerque

Company Name: Build with Robots, Inc

Contact Person: Drew Tulchin

Address: 101 Broadway Blvd NE #3100 Albuquerque, NM 87102

Telephone: Direct number: 505-715-6927. Office: (505) 224-3955

Email: drew.tulchin@buildwithrobots.com

Counsel: VelaWood Law

Address: 101 Broadway Blvd NE #3100 Albuquerque, NM 87102

Telephone: 505-715-6927

Amount Requested: \$250,000

Fee Submitted:

**FOR STAFF USE**

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

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

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

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

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

Committee \_\_\_\_\_

Council Hearing \_\_\_\_\_



## PREFACE

This Application is being submitted to the Development Commission of the City of Albuquerque for review prior to consideration by the City Council of an Ordinance for the Local Economic Development Act in accordance with Council Ordinance 0-04-10. Pursuant to those Council actions this is the first step towards the issuance of an ordinance pursuant to: the Local Economic Development Act (5-10-1 to 5-10-13 NMSA 1978 as amended); or, pursuant to the home rule powers of the City given by Article X, Section 6 of the New Mexico Constitution and the City's Charter.

The Plan contains the information required by City Council Ordinance 0-04-10 and conforms with and compliments the policies established for the local Economic Development Act pursuant to that Council action.

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

## APPLICATION DESCRIPTION

Please prepare the LEDA 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 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 LEDA funds if approved.

Build with Robots, Inc is pleased to partner with the City of Albuquerque on this LEDA application for the construction of a development lab, production center for light manufacturing, robotic demonstration area, and move to our new headquarters.

The company has received preliminary approval from the state of New Mexico, NM EDD for a LEDA grant from the state of \$1.5 million. The City is invited to join us for \$250,000 in city funds. These funds will be used to renovate an existing structure with specialized



construction needs and support part of the lease rent payments for our new development lab to create a state-of-the-art production facility for light manufacturing, R&D lab, and robot demonstration center. This facility will be one block from our new headquarters.

This funding will enable Build with Robots, a New Mexican company since its inception, to move into a space that can fit our high growth and stay in Albuquerque (0 to 20+ jobs in year one, more than 170 full time positions projected as part of the LEDA funding). These are professional, high wage employment.

Our offices will be in Downtown Albuquerque where we will remodel an old warehouse. We will hold an initial lease of at least 10 years. And, we believe this location will be our permanent HQ. This move will add to the efforts to breath life and activity into our City's core.

Benefits from this funding includes ensuring there are more young professionals in the neighborhood where they can live and work. In addition to these jobs in the City, there is also extensive increase in tax revenue, additions to make the property more valuable, GRT and imports to our state due to sales made elsewhere from this NM based business, among many other benefits. The company has an internship program to bring in local hires from the neighborhood and surrounding area for professionals at the start of their careers.

From our new LEDA funded offices, our company is launching Build with Robots philanthropic activities. We will partner with schools in New Mexico. We will focus on those schools with parents of students who are first responders and essential workers. They are the people who are keeping our economy going and who need to ensure their health. This partnership will provide affordable disinfecting services to schools to ensure kids and teachers have a safe place to learn and work. In addition, this provides the school with a direct educational opportunity for STEM and hands on robotic education.

## II.1 SITE AND EXISTING CONDITIONS

### A. Legal Description

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

The property location for the lab is 701 John St NE at the corner of Lomas Blvd NE, Albuquerque, NM 87102. Please see the attached County document for legal description.

The property location for the headquarters is 573 Commercial Street NE, Albuquerque, NM 87107-3231. Please see the attached County document for legal description.

### B. Prevailing Site Conditions

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

The current site for the lab is an old warehouse and parking lot. It has been used over time for a variety of purposes. Most recently, it has been for document storage for a law firm and maintaining overflow inventory. I am told that historically the building was a beer distributor, as was the case with many other locations in that neighborhood.

Build with Robots, in partnership with our landlord partners, the Garcias, plan to do significant improvements to the property to bring it up to 21<sup>st</sup> century use, improve access, as well as upgrade it for its intended purpose: an R&D lab, manufacturing center and robot demonstration area for onsite and remote use. The property will be transformed from a 20<sup>th</sup> Century building into a new state-of-the-art location for a robotics technology start-up.

The main headquarters building will be for office, administration and sales. That property will be upgraded to have people in it, and tailored for company needs, as well as outfitted to address the challenges of the pandemic (and beyond). This property currently is and has been vacant for some time.

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.

Present assessed value follows Bernalillo County Assessment of the two properties.

For the main office HQ, the landlords are planning to make approximately \$200,000 in renovations for the location to be most appropriate for the company and to address the needs of the pandemic.

For the Development Lab, the landlords are planning to make \$500,000 in renovations and property improvements to convert the warehouse into lab and light manufacturing center, ensure Covid related safety and make green upgrades for energy efficiency.

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.

Current zoning of the property will be sufficient for the company's needs, as far as we understand it currently. The buildings will be used for office space, R&D development, light manufacturing, and product demonstration for sales.

E. Renewable Energy

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

The project does not plan for extensive energy or water use beyond what would be reasonable and customary for office space and the number of employees occupying

the space. Renewable energy is not currently called for in the planning, but we hope that it will be advanced.

The leasehold improvements will be done with environmental materials, as much as possible and seek to have the building be more energy and water efficient than currently through improved insulation, newer and more efficient HVAC equipment, better doors, and automated controllers (for lights, temperature, etc.), among other property improvements

### 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 principals, or other information which will bear on the experience and credibility of the development entity.

Build with Robots, Inc was legally incorporated in 2020 as a Delaware Corporation with New Mexico registration. This was a conversion from Build with Robots, LLC, which was formed in 2017. The business plan is included in this investment presentation. The company is operating, has revenues from local and national customers, has received more than \$1 million in private investment, \$2 million in a loan from New Mexico Finance Authority (NMFA), and multiple NM EDD JTIP allocations.

The two Co-Founders are Chris Ziomek (Linked In: [www.linkedin.com/in/cziomek/](http://www.linkedin.com/in/cziomek/)) and Matthew Ennis ([www.linkedin.com/in/matthew-ennis-003b86/](http://www.linkedin.com/in/matthew-ennis-003b86/)). They are seasoned experienced entrepreneurs with previous successful exits. Their CVs are attached. Profiles on the entire team is here: <https://buildwithrobots.com/about/>.

The Landlords are the Garcias. They will do the construction and renovation. They are longtime property owners in Albuquerque and have invested heavily in improvements to the neighborhood. They have extensive experience in construction and real estate. This includes numerous auto dealerships. They have partnered with NM EDD on previous successful LEDA projects. The most recent one was development of a film production property.

#### 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.

Build with Robots, Inc. as well as the predecessor company, Build with Robots, LLC has no outstanding federal, state or tax issues. Searches were conducted with the Secretaries of State for New Mexico and Delaware, which are the two states in which the company is registered. Both indicate clean records and no tax issues.

C. Information Concerning Products and Process

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

The proposed development will not generate air, noise, or waste pollution or traffic congestion. There are no specific special waste and/or project emissions. The construction efforts will be fully permitted and follow all applicable laws. The contractors are bonded and legally registered entities that will follow all applicable laws.

The use of the properties conforms with existing property use, and is more environmental than previous uses of the properties. All occupation of the current facilities is within existing standards. There is existing parking for the properties.

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 public funds available for projects with local competition, this statement is very important.

There is no competition to Build with Robots in the entire state of New Mexico. The company was founded in Albuquerque and intends to maintain offices here. We are signing a long-term lease of at least 10 years. There are no other robotics disinfecting companies in the state. The company partners with Sandia National Laboratories, CNM – including FUSE Maker’s Space, and UNM for local partnership, where this property location is convenient to access all of these vital local partners. Please see the attached business presentation for more information.

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. Construction and building renovations are projected to take six months. They will include 20 total construction jobs FTE equivalent during that period.

The two properties are currently unoccupied with no business activity in them.

Bringing Build with Robots will have more than 20 employees from January, 2021 with 31 from by the end of Q1 2021 and continued projected hiring of more than 170 full time, high wage, permanent jobs in the area over the LEDA period.

In addition to the hired positions, the company will generate extensive economic value for the City of Albuquerque, the County of Bernalillo, and the State of New Mexico. The NM EDD conducted an economic impact assessment study. Both the summary and full report are provided with this application. According to NM EDD data, this company and this LEDA funding will generate hundreds of millions of dollars in economic value over the funding period. This includes employment, sales, GRT, purchase of inventory, and industrial base, among other value generation by the company for the local community.

A. Property Acquisition

Indicate if LEDA proceeds will be used to acquire real property (land and/or buildings), and whether the real property is presently owned by the applicant, or is under option.

The property is currently owned by the landlord. It will be rented by the company with a long-term lease of at least 10 years.

B. Description of Proposed Development

Describe any 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). If project involves an existing facility, describe the facility.

Please refer to the square footage of each property cited in the previous sector.

The office space for Build with Robots headquarters will undergo renovations to adapt the space for the specific needs of our robotics and automation start-up. And, to provide pandemic related safety best practices.

The Development Lab existing building will be rehabilitated on the inside. The property will be upgraded to modern code requirements. And, environmental

improvements will be made, such as energy efficient HVAC, additional bathrooms, and appropriate access for all people. In addition, it will be built to the specifications for high tech requirements of R&D, light manufacturing, and robotics demonstration area.

C. No demolition is required for this project. 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?

NONE

A. Area Enhancement

Describe how project design and placement will enhance the area.

Please see previous sections for answers here.

B. Local Purchasing

Please provide an 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.

Please refer to the NM EDD Economic Impact Analysis for projections of locally procured goods subject to the NM GRT which total in the many millions of dollars. The estimated annual increase in such expenditures is significant as the two properties are currently vacant and have been for some time. Therefore, the existing baseline is \$0.

C. Water Conservation

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

Water use will be less than the average allocation for typical occupancy for these properties. The construction will include best practices in minimal water use. And, installation for the bathrooms and faucets will include best available water conservation products. The company will install water conservation measures to minimize water use, such as faucet automatic shut off sensors, low flow toilets, waterless urinals, among other measures.



D. Relocation of Individuals or Businesses

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

No individuals, families or businesses will be displaced by these activities. Both properties are currently empty and have been for some time.

A. 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.

Please see the attached detail of the jobs Build with Robots projects with these LEDA funds. The company has already exceeded its year one projections in 2020. We now have more than 20 FTE equivalents. We have partnered successfully with NM EDD JTIP on multiple requests. Those documents are included in this proposal for verification. This provides the training programs to ensure qualified staff.

The company qualifies for high wage tax credit. The overwhelming majority of these positions will qualify. The attached spreadsheet details the titles and types of employment. These positions meet or exceed median wages within the community. According to real estate data, median wages in the surrounding neighborhood within one mile are \$35,000 and \$39,000 within three miles.

The company has done 75% of its hiring to date locally. All JTIP qualifying hiring is local. The company has an internship program for the development of new professionals. The qualifications are to hire from the local communities. And, to have the company reflect the diversity and range of backgrounds of New Mexico.

As a high growth start-up company with a plan for more than 170 hires over the LEDA funding period, there are extensive opportunities for internal advancement of staff.

The company provides significant benefits for employees, including at least 50% health insurance premium coverage, holiday pay, retirement package, training and other performance benefits

B. Corporate Citizenship Policy/Plan

List any company policies/plans regarding community charitable and civic donations and volunteerism policy.

The company will put in place starting during the LEDA funding period donations, philanthropy and volunteerism. For volunteerism, each employee is encouraged to

do at least 40 hours a year. The company provides flex time for all employees to make their own schedules such that such work can be done anytime.

The company partners with local university and educational institutions to teach and mentor students, particularly engineering students. The company has an internship program to hire locals and train them. The JTIP program also develops professionals at the start of their careers.

The company's philanthropy policy is to contribute at least 1% of total revenues each year. This is in line with CSR (corporate social responsibility) best practices of such leading companies as Target and Wal-Mart. Build with Robots will partner with the public school districts of our customers. We will adopt a school to provide robotic disinfection services. This will ensure the location is safe for students, teachers and the public. And, it will also provide hands of STEM learning in robotics, automation, and more with the robots on site.

#### 0. Positive Contributions

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

The project will have a number of positive contributions to the neighborhood. In brief, a few include:

- **Occupying two properties which are currently vacant and have been for some time.**
- **Bringing 170 professionals to the neighborhood who will, Covid safety permitting, eat lunch, have coffee meetings, socialize after work, and do other things to interact with the local neighborhood.**
- **Hire locally into full time, sustainable high wage jobs.**
- **Bring local pride to City of Albuquerque, County of Bernalillo, and State of New Mexico with a national industry leading company which was launched here locally and who will maintain its world HQ here.**
- **Increased property values by adding to the tax assessed values of each of the real estate parcels.**
- **Increased GRT, as detailed in the economic impact report conducted by the NM EDD.**
- **Philanthropy and voluntary contributions by the company to the local school district of Albuquerque Public Schools (APS).**
- **Relationships with CNM, UNM, and Sandia National Laboratories, among others.**

C. 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?

The company is managed by its Co-Founders, Chris Ziomek and Matthew Ennis. Please see the previous sections for their backgrounds and CVS, as well as the bios of the entire team. The company will be directly and integrated in the long-range involvement of the property and its value creation.

The construction project is led by the landlords, the Garcias. They are seasoned real estate developers with numerous properties in the region, as well as decades-long track record with redevelopment and construction efforts to benefit City of Albuquerque, County of Bernalillo, and State of New Mexico.

IV. . PROJECT FINANCING

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

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

NM EDD LEDA has preliminarily approved state funding for \$1.5 million. The budget calls for City of Albuquerque contribution of \$250,000 to achieve project goals.

The company has already received more than \$1 million in private investment towards this goal. And, it was approved for \$2 million in funding from NMFA. The company has also received numerous NM EDD JTIP awards. This project will also add \$4 million in private capital from investment and contracts to advance the company towards its LEDA goals of more than 170 FTE hires over the funding period.

B. Estimated Value After Completion

Indicate the estimated appraised value of the project after completion.

The properties are projected to double in value over the LEDA period through the combination of property improvements from LEDA funding, increased use and improvement to the neighborhood from this and other related projects.

- C. The company is projected to significantly increase revenues over the next 3 years to over \$100M per year which this funding will help make happens. Feasibility

Present information to show that the project can reasonably be expected to remain viable, including sufficient revenue to liquidate any related debt, and/or maintain operations for ten (10) years. 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 third party 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 the attached financial projections which were submitted to the NM EDD for its LEDA preliminary approval. These projections detail how the company will exceed break-even in 2021 and be profitable thereafter. This level of profitability will enable the company to repay all debts and comply with its lease obligations, through the economic support of NM EDD and City of Albuquerque through LEDA.

The company has included verification of its \$1 million investment. This application includes copies of major contracts with nationally recognizable Fortune 100 clients, as well as public institutions including the City of Albuquerque Airport (the Sunport). These contracts are part of the private financing, part of the LEDA match, as well as show the demonstrated strength of the company and its continued revenues to ensure the company's continuation as a going concern.

- D. Construction Schedule

Give the date of anticipated beginning and completion of construction, if applicable.

Construction is planned for January to June, 2021, pending LEDA funding confirmation.

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.

Attached to this application are the following supplemental materials: Build with Robots, Inc, as part of its LEDA application to the City of Albuquerque, provides the following attachments:

- **County Parcel descriptions of the two locations**
- **Build with Robots Company presentation and business plan**

## LEDA 20-9: Build with Robots Inc. Project

- CVs of the Co-Founders
- NM EDD Economic Impact Analysis summary and full report on Build with Robots
- Build with Robots planned hiring
- Build with Robots financial projections / pro-forma
- Product information of Build with Robots' disinfecting product in the marketplace, Breezy One

Videos of Build with Robots and its disinfecting. This includes video here: [www.phlox.photo/p421460275/heb29dbb3#hebfd8c31](http://www.phlox.photo/p421460275/heb29dbb3#hebfd8c31) and from the Sunport how the company makes the location and its employees safe in our Covid world, [www.youtube.com/watch?v=ZTxB-QcD2os](https://www.youtube.com/watch?v=ZTxB-QcD2os)

Major media description of the company and its product in the marketplace, including Fast Company, <https://www.fastcompany.com/90557694/these-fog-spraying-robots-kill-the-coronavirus> and local media can be found here: <https://buildwithrobots.com/news/>

## LEDA Application

Applicant	Drew Tulchin
Applicant ID	APP-013853
Company Name	Build With Robots, LLC
Phone	(202) 256-2692
Email	drew@meowwolf.com
Status	Submitted
LEDA PPA Job Count Target	170

## Contact Information

**Question:** Legal Company Name

Build With Robots, Inc

**Question:** Trade Name (dba)

Build with Robots

**Question:** Project Name

Build with Robots new headquarters and LAB

**Question:** Company Street Address

101 Broadway Blvd NE, Suite 3100

**Question:** Company City

Albuquerque

**Question:** Company State

New Mexico

**Question:** Company Zip

87102

**Question:** Phone

(505) 228-3712

**Question:** Fax

None

**Question:** Primary Contact Person First Name

Drew

**Question:** Primary Contact Person Last Name

Tulchin

**Question:** Federal Tax ID #

85-0734750

**Question:** NM State Tax and Revenue (CRS) #

03-523942-00

**Question:** City/County Business License #

Not Answered

**Question:** NAICS Code(s)

333999, 333517, 333515, 333249, 333318, 423830

**Question:** DUNS #

08-076-1516

**Question:** This Business is organized as a:

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

**Question:** Incorporation Papers

[Build with Robots LLC - Incorporation papers Entity Binder.pdf](#) (10/20/2020 9:40 AM)

**Question:** Resumes of all principals (owners, partners, directors or officers; required for

businesses 1 years or younger)

[Ziomek\\_Ennis\\_Resumes.pdf](#) (10/20/2020 9:37 AM)

## 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.

Build with Robots, Inc is an Albuquerque based company that develops solutions to improve people's work. It addresses those tasks which are dangerous, dirty and/or repetitive to provide automation working alongside employees to make their professional experience better and safer.



The NM EDD LEDA funding will be used to secure office space that is an upgrade to our current work environment, ensure it is safe in these COVID times, as well as acquire / outfit a lab. This LAB will be for manufacturing products, R&D on new products, and robotics demonstration area.

The timeline is estimated to be six months of renovation / construction in an existing building in downtown Albuquerque in an economic redevelopment zone. After that period, the location will be occupied by the company. The LEDA funding will also be used for rent for this and the company's new headquarters next door.

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

Please see the financial budget for this project. The scope of work is:

- Renovation / Construction of a property for development of Build with Robots' LAB
- Build with Robots' new headquarters

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

Please see the attached document in question 23 for the business plan for the company.

**Question:** Supporting Documentation

[BWR PITCH DECK Oct 2020.pdf](#) (10/20/2020 7:12 AM)

## 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 .

[Build with Robots financial projections.pdf](#) (10/20/2020 11:47 AM)

**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.

[Build With Robots 2019 Tax Returns.pdf](#) (10/20/2020 11:53 AM)

[BWR Inc 2020.08\\_Profit&Loss.pdf](#) (10/20/2020 11:53 AM)

[BWR Inc 2020.08\\_BalanceSheet.pdf](#) (10/20/2020 11:52 AM)

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

☒ Yes

☐ No

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

- ☒ Corporate Guaranty
- ☐ Letter of Credit
- ☐ Mortgage Security
- ☐ Security Agreement/Escrow
- ☐ Security Agreement/Lien
- ☐ Security Interest/Equipment
- ☐ Security Interest/Lien
- ☐ TBD

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

City of Albuquerque stated tax records of property value. Signed legal affidavit by the owner of the property that those tax records are true and current. Signed legal affidavit by the owners of the company as to the value of the building. Lease of the company showing right to the property.

**Question:** What is the equity investment from the applicant?

\$5,000,000.00

**Question:** External Equity Investment Sources

Private investors

**Question:** External Equity Investment Amount

\$5,000,000.00

**Question:** City/County Funding Source

City of Albuquerque

**Question:** City Funding Amount

\$250,000.00

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

N/A

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**Question:** Bank Loans Amount Total

\$0.00

**Question:** Other Loans Source

N/A

**Question:** Other Loans Amount

\$0.00

**Question:** Other Sources

N/A

**Question:** Other Sources Amount

\$0.00

**Question:** Total Project Amount (Sum of above)

\$5,000,000.00

**Question:** Supporting financial documentation

[Build with Robots investors.pdf](#) (10/21/2020 11:40 AM)

## Company History and Background

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

2.5 years. Began as Build with Robots, LLC originally. Converted to Inc in Apr, 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.

20.00

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

Chris Ziomek, CEO, Co-Founder, President and Secretary  
Matthew Ennis, Chief Strategy Officer, Co-Founder  
These are the only two people with greater than 20% ownership stake. They are also the principal directors / officers.

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

Yes

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

No. All financial obligations are current.

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

None.

## Community Aspects

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

None.

**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.

None.

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

None. Request pending with City of Albuquerque for their contribution on top of LEDA.

## Job Creation / Performance

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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.

Build with Robots plans creating jobs in keeping with the NM EDD LEDA offer letter and the projections provided. These are all sustainable, FTE (or equivalent for totals) positions. They are all paid at or above living wages. Most employment at Build with Robots qualifies for the high

wage tax credit. Average salary is projected at \$90,000. These are largely professional, degreed positions in engineering, computer science, and chemistry.

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

Build with Robots plans creating jobs in keeping with the NM EDD LEDA offer letter and the projections provided. These are all sustainable, FTE (or equivalent for totals) positions. They are all paid at or above living wages. Most employment at Build with Robots qualifies for the high wage tax credit. Average salary is projected at \$90,000. These are largely professional, degreed positions in engineering, computer science, and chemistry.

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

All full time employees are offered an attractive benefits package. This includes health care for themselves and their family. The company will be offering retirement and other HR benefits typical and following industry best practices for a professional services firm.

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

Build with Robots is actively hiring from people within the local employment pool. The company has an existing partnership with NMEDD JTIP and has already been approved multiple times for positions there. The company has an existing and standard internship hiring, to bring on people who are young and/or early in their career in this field. The company has partnerships with CNM, UNM, NMSU, and other local institutions for graduates, recent grads, and current students. The company encourages referrals from existing employees, who were hired locally. In addition, job opportunities are distributed to local outlets and sources to hire locally.

**Question:** Attach job creation worksheet

[Build with Robots LEDA jobs Oct, 2020.xlsx](#) (10/20/2020 11:39 AM)

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

20.00

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

\$40.00

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

20.00

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

\$60.00

## Economic Impact Analysis



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

- [Economic Impact Datasheet](#)

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

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

[Build with Robots-Comprehensive Report.pdf](#) (10/20/2020 6:58 AM)

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

There are no known or anticipated impacts to the environment.

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

There are no known or anticipated permitting / regulatory matters needed for project.

## Attachments

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

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

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

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

Please download the LEDA Application Affirmation Template here:

[LEDA Application Affirmation Template](#)

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

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

[Notarized Authorization for Examination and Release Build with Robots.pdf](#) (10/23/2020 7:02 PM)

**Question:** Latest New Mexico employer's quarterly wage and contribution report submitted to

the Department of Workforce Solutions.

[Build with Robots 2020\\_Q2\\_NM ES 903A Worksheet.pdf](#) (10/21/2020 2:25 PM)

**Question:** Other supporting documents

[2019 LEDA Application Affirmation\\_Ennis.pdf](#) (10/20/2020 8:54 AM)