

**ALBUQUERQUE DEVELOPMENT COMMISSION  
Industrial Revenue Bond Hearing**

**December 6, 2021**

Case #2021-8

**IRB-21--4:** Hope Christian Schools, Inc. Project

**REQUEST:** Approval of \$8,500,000 in City Industrial Revenue Bonds is requested.

**PROJECT SUMMARY:**

Hope Schools is requesting approval of the issuance and sale of tax-exempt industrial revenue bonds in an amount of \$8,500,000 to refinance existing debt that financed the construction of new educational facilities at Hope Schools' Albuquerque location. Hope Schools is not seeking the abatement of any other taxes imposed by state or local law. Rather, Hope Schools is requesting that the City serve as a conduit issuer of direct purchase bonds to be purchased by PNC Mortgage Corporation (as a successor in interest to BBVA) or an affiliate thereof so that interest on the bonds can be excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended. The refinancing will reduce Hope Schools' debt service obligations on its outstanding debt.

Hope Christian Schools, Inc. ("Hope Schools") is a New Mexico non-profit corporation headquartered in the City of Albuquerque. It is a private non-denominational Christ-centered school in Albuquerque, NM offering Preschool, Elementary School, Middle & High School. It has over 1,100 students enrolled with approximately 150 employees housed on about 20 acres of land. The current student body represents communities throughout the greater Albuquerque area such as: Los Lunas, Belen, Rio Rancho, Bernalillo, Placitas, Algodones, Tijeras, Cedar Crest and others.

If approved, the Series 2022 Bonds will be issued for the purpose of (i) refinancing Hope Schools' existing taxable loans with BBVA USA which financed the costs of acquiring, constructing, improving and operating and/or equipping Hope Schools' existing educational facilities located at 8001 and 8005 Louisiana Avenue NE, and 6721, 6731 and 6800 Palomas Avenue NE in the City, (ii) funding any required reserves for the proposed bonds, and (iii) paying certain costs of issuing the Bonds. Hope Schools, a private Christian school, is a New Mexico nonprofit corporation and federally tax-exempt charitable organization under Section 501(c)(3) of the Internal Revenue Code. Hope Schools was founded in 1976, operates within the City of Albuquerque.

City IRBs are issued to support eligible projects that meet established policies and plans. Hope School is responsible for funding the purchase of the bonds; no City funds are utilized to purchase or pay off the bonds, and no City credit is used to enhance the bonds.

Pursuant to New Mexico Statutes Annotated, Sections 3-32-1 17 through 3-32-16 NMSA 1978, as amended, the City is authorized to issue industrial revenue bonds and to use the

proceeds thereof to finance or refinance a 501(c)(3) corporation project located within the City to promote public health, welfare, safety, convenience and prosperity.

This project does not include a fiscal impact analysis as it is not required for non-profit IRB applications.

**FINDINGS:**

1. IRB 21-4 complies with all adopted City plans and policies; and
2. IRB 21-4 is a qualified project as defined by the State’s Industrial Revenue Bond Act and the City enabling legislation; and
3. IRB 21-4 would adequately meet the evaluation criteria established by the City for Industrial Revenue Bond Act projects.

**Case #2021-8 IRB 21-4 Hope Christian Schools, Inc.**

• Recommended Motion: Based on the findings in the staff report, the ADC recommends to City Council approval for Case #2021-8 IRB 21-4 Hope Christian Schools.

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

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

1.Non-Profit Organization that meets statutory requirements	Pass
2. Satisfactory initial demonstration of ability to service debt or self-fund purchase of the bonds, or evidence of an acceptable financing commitment.	Pass
3. Conforms to City planning and zoning policies.	Pass
4. Firm has no outstanding substantive federal, state or local tax issues.	Pass
5. Proposed project complies with all federal, state, and local environmental laws, regulations, and rules.	Pass
8. Other additional factors.	
RESULT	PASS

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

1. PLAN & ZONING:

Legal Description

The proposed project is located at 8001 Louisiana Blvd NE, 6721, 6731 and 6800 Palomas Ave NE, Albuquerque, NM 87109. A map is attached as Exhibit A of the attached IRB Application.

The site is more particularly described as:

PARCEL 1:

LEGAL DESCRIPTION FOR LOT "A"

A certain parcel of land situate within projected Section 24, Township 11 North, Range 3 East, New Mexico Principal Meridian, County of Bernalillo, State of New Mexico, with The Elena Gallegos Grant and comprised of the remaining portion of Lot "A", Block, 11, Tract A, Unit A, North Albuquerque Acres, said Lot "A" is shown and designated on the map which was recorded in the Office of the County Clerk of Bernalillo County, New Mexico, on September 19, 1984, in Volume C25, Folio 23; and being more particularly described as follows:

BEGINNING, FOR A TIE, at the USC&GS Brass Cap stamped "HEAVEN 1969" and having New Mexico State Plane (Central Zone) coordinate values of X=407,051.31 and Y=1,518,737.03, whence, the ACS Brass Cap Stamped "10-D18, 1978" having New Mexico Plane (Central Zone) coordinate values of X=404,876.27 and Y=1,515,687.39 bears S. 35 deg. 29' 49"W., a distance of 3747.10 feet: thence,

N. 89 deg. 57' 19" W., a distance of 2239.76 feet to the POINT OF COMMENCEMENT of the parcel of land herein described, being also a point on curve on the existing westerly right-of-way line of Louisiana Boulevard, N.E. and the northeast corner of said remaining portion of Lot "A"; thence,

Southeasterly, a distance of 64.44 feet along the westerly right-of-way line of Louisiana Boulevard, N.E. and along the arc of a curve to the right (said arc having a radius of 100.00 feet, a central angle of 36 deg. 55' 13" and a chord which bears S. 18 deg. 37' 23" E, a distance of 63.33 feet) to a Point of Tangency; thence,

S. 02 deg. 06' 16" E., a distance of 328.99 feet continuing along the westerly right-of-way line of Louisiana Boulevard, N.E. to a Point of Curvature; thence,

Southwesterly, a distance of 48.26 feet leaving the westerly right-of-way line of Louisiana Boulevard, N.E. along the arc of a curve to the right (Said arc having radius of 30.00 feet, a central angle of 92 deg. 09' 48", and a chord which bears S. 43 deg. 58' 38" W., a distance of 43.22 feet) to a Point of Tangency on the northerly right-of-way line of Palomas Avenue, N.E. thence,

N. 89 deg. 56' 27" W. a distance of 234.65 feet along the northerly right-of-way line of Paloma Avenue, N.E. to the southwest corner of the parcel of land herein described being also the southeast corner of Lot 13A, Block 11, Tract A, Unit A, North Albuquerque Acres, said Lot 13A is shown and designated on the map recorded in the

Office of the County Clerk of Bernalillo County, New Mexico, on January 14, 1991, in Volume 91C, Folio 18; thence,

N. 00 deg. 10' 45" E., a distance of 420.36 feet distance leaving the northerly right-of-way line of Palomas Avenue, N.E. to the northwest corner of the parcel of land herein described; thence

S. 89 deg. 49' 20" E., a distance of 231.04 feet to the northeast corner and POINT OF COMMENCEMENT of the parcel of land herein described.

#### LEGAL DESCRIPTION FOR R/W TRANSFER PARCEL

A certain parcel of land situate within projected Section 24, Township 11 North, Range 3 East, New Mexico Principal Meridian, County of Bernalillo, State of New Mexico, within the Elena Gallegos Grant and comprised of a parcel of land previously dedicated as right-of-way, and further described in the document entitled "Quitclaim Deed" which was recorded on September 16, 1999, in Book 9912, Page 9922, records of Bernalillo County, New Mexico and lying north of, and adjacent to, the north boundary line of Lot "A", Block 11, Tract A, Unit A, North Albuquerque Acres, said Lot "A" is shown and designated by the map which was recorded in the Office of the County Clerk of Bernalillo County, New Mexico, on September 19, 1984, in Volume C25 Folio 23; and being more particularly described as follows:

BEGINNING, FOR A TIE, at the USC&GS Brass Cap stamped "HEAVEN 1969" and having New Mexico State Plane (Central Zone) coordinate values of X=407,051.31 and Y=1,518,737.03, whence, the ACS Brass Cap stamped "10-D18, 1978" having New Mexico State Plane (Central Zone) coordinate values of X=404,876.27 and Y=1,515,687.39 bears a S. 35 deg. 29' 49"W., a distance of 3747.10 feet: thence,

N. 89 deg. 57' 19" W., a distance of 2239.76 feet to the POINT OF COMMENCEMENT of the parcel of land herein described, being also 1) a point on curve on the existing westerly right-of-way line of Louisiana Boulevard, N.E. 2) the northeast corner of said remaining portion of said Lot "A" and 3) the southeast corner of the parcel of land herein described; thence,

N. 89 deg. 49' 20" W., a distance of 231.04 feet distance leaving the westerly right-of-way line of Louisiana Boulevard, N.E. along said north boundary line of Lot "A" to the southwest corner of the parcel of land herein described being also a point on the easterly boundary line of Lot 13A, Block 11, Tract A, Unit A, North Albuquerque Acres, said Lot 13A, is shown and designated on the map recorded in the Office of the County Clerk of Bernalillo County, New Mexico, on January 14, 1991, in Volume 91C, Folio 18; thence,

N. 00 deg. 10' 44" E., a distance of 38.80 feet distance along said easterly boundary line of Lot 13A to the northwest corner of the parcel of land herein described thence,

S. 89 deg. 32' 22" E., 191.64 feet distance leaving said easterly boundary line to a point of curvature; thence,

Southeasterly, 54.73 feet distance along the arc of a curve to the right (said arc having a Radius of 270.95 feet, a central angle of 11 deg. 34' 26", and a chord which bears S. 45 deg. 58' 09" E., a distance of 54.64 feet distance) to the southeast corner and POINT OF COMMENCEMENT of the parcel of land herein described

PARCEL 2:

Tract lettered "B", of Plat of Tract B HOPE CHRISTIAN SCHOOL, PROJECTED SECTION 24, T. 11 N., R. 3 E., N.M.P.M., ELENA GALLEGOS GRANT, CITY OF ALBUQUERQUE, BERNALILLO COUNTY, NEW MEXICO, being a replat of Lots Six (6), Seven (7), Eight-A (8A), Nine-A-1 (9A1), Ten (10) and Twenty-Six (26) in Block 11 of Tract A, Unit A, North Albuquerque Acres, as the same is shown and designated on the plat filed in the Office of the County Clerk of Bernalillo County, New Mexico on April 7, 2009 in Volume 2009C, Folio 52 as Document No. 2009036923.

PARCEL 3:

All of the Plat of HOPE CHRISTIAN SCHOOL, Block 12, Tract A, Unit A, North Albuquerque Acres, Albuquerque, New Mexico, as the same is shown and provided for on the plat thereof, filed in the office of the County Clerk of Bernalillo County, New Mexico on March 24, 1994 in Plat Book 94C, page 97.

PARCEL 4:

Lot Numbered Twenty-three-A (23-A), Block Eleven (11), Tract A, Unit A, North Albuquerque Acres, Albuquerque, New Mexico, as the same is shown and provided for on the plat thereof, filed in the office of the County Clerk of Bernalillo County, New Mexico on September 27, 2010 in Plat Book 2010C, page 113.

Prevailing Site Conditions

The site is currently used for school facilities. There will be no change of use of the school facilities. Because the Project consists of refinancing an existing building, the Project is not expected to significantly affect the area.

Present Assessed Value

An appraisal of the premises completed on May 22, 2019 reflected that the "as is" value of the school facilities prior the construction of improvements was \$15,300,000 and the "upon completion" value to be \$22,800,000. All construction has been completed.

Present and Proposed Zoning

The premises is currently zoned as MX-M and no change will be needed to complete the Project. The project fits within the permitted uses.

2. LAND USE/INFILL/DESIGN AND CONSERVATION:

Because the Project consists of refinancing an existing building and minor improvements, the Project is not expected to significantly affect the area.

3. RENEWABLE ENERGY

No renewable energy-related issues associated with the Project.

4. DEMOLITION

No major external demolition is planned.

5. RELOCATION

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

6. INFRASTRUCTURE

The Project will not require any extension or relocation of utility or road systems.

### III ECONOMIC BENEFITS

1. COMPETITION

Hope Schools is a non-profit corporation and does not compete in commerce. The school is not seeking the abatement of any other taxes imposed by state or local law. The refinancing will reduce Hope Schools' debt service obligations on its outstanding debt.

Effect on Existing Industry and Commerce during and after Construction

Hope Schools expects total debt service savings related to the refinancing of their existing indebtedness which will provide additional funds to Hope's operations. Further, the improvement of Hope's facilities may help increase enrollment and revenue.

Hope Schools hired a local contractor with roughly 15 full time employees and numerous subcontractors to complete the Project.

Though local contractors and subcontractors were hired for the construction of the Project, the Project will not create any additional full-time jobs. With respect to additional hires at Hope Schools in the future, please see the following answers:

1. What percentage of the permanent new jobs is expected to be filled by current Albuquerque area residents, as opposed to people relocated from elsewhere?  
100%
2. Will jobs benefit low and moderate income residents? Yes
3. Will the jobs meet or exceed median wages for the industry within the community? Yes

4. Will the jobs match skills of current city residents? Yes
5. Will new employees be trained to fill the positions? Yes
6. What stated advancement opportunities are there? None
7. Will “Job Training Incentive Program” or other job training programs be used?  
No
8. Will at least 50% of health insurance premiums be covered for employees? Yes

#### Corporate Citizenship Policy/Plan

As a Christian school, Hope Schools encourages charitable giving and community involvement though there is no written policy. Faculty and staff actively support the school community. For instance, nearly every coach at the school is a volunteer.

### **IV. PROJECT FEASIBILITY**

#### **1. COST/ FEASIBILITY/ FINANCING:**

Funding is subject to City Council approval. Hope Schools is responsible for their own and the City’s fees related to the IRB applications and associated legal or other administrative fees, including the fiscal impact analysis.

The initial bond amount covers a total of \$8.5 million for the refinancing of the properties.

#### **2. DEVELOPER’S RECORD:**

Hope Schools has been in Albuquerque for over 40 years. Over the years, the school has steadily grown in both enrollment and in its facilities.

Additional information is available on [www.hopechristianschool.org/](http://www.hopechristianschool.org/)

#### **3. EQUITY:**

The IRB proceeds will not be used to acquire land, since the property is owned by Hope Schools. The Project consists of refinancing an existing building and minor improvements.

#### **4. MANAGEMENT:**

Hope Schools’ leadership team includes:

#### **Dr. Daniel Hedges, Executive Director**

Dr. Daniel Hedges has been an educator and Christian minister specializing in education and in leadership of non-profit organizations for over thirty years. He has served as a university professor, educational consultant, corporate executive and board member for schools and nonprofit organizations in New Mexico, Virginia, Oklahoma and California. He was educated at the University of New Mexico, William Jessup University, Pepperdine University, and McCormick Seminary at the University of Chicago where he earned bachelors, masters and Doctoral degrees. He served on the graduate faculties of Regent University and Oral Roberts

University and lecturer at many other universities and professional conferences. He also served on the Board of Trustees for Life Pacific University for over ten years.

**Terry Heisey, Head of School**

Terry Heisey has been an educator and administrator for thirty years. He holds a Bachelor of Arts – Health and Physical Education degree from Messiah College and a Master of Arts – Educational Leadership from University of New Mexico. He is a graduate of Hope Christian School and has served as Head of School for Hope for the past four years.

**Teresa Groom, Finance Manager**

Teresa Groom, CPA has been with Hope Christian Schools approximately six years and has over twenty years of non-profit experience. She also has experience in the for-profit sector as well as in public accounting and is a graduate of Oklahoma Christian College.

**Andrea Trujillo, Business Manager**

Andrea Trujillo holds a Bachelor of Business Administration degree from Anderson Schools of Management, University of New Mexico. She has over twenty years of experience in business management in several different industries and has been with Hope Christian School for the past three years.

**5. FISCAL IMPACT ANALYSIS**

Because this application is for a non-profit corporation, this Project does not include an impact analysis prepared by the University of New Mexico’s Bureau of Business and Economic Research (BBER).

**STAFF RECOMMENDATION:**

Based on the above findings, staff recommends approval of LEDA 21-4 as proposed in the project plan application.

Damian Lara, Acting Director  
Economic Development Department



APPLICATION  
for  
INDUSTRIAL REVENUE BOND  
Project Approval

---

**Name of Project:** City of Albuquerque, New Mexico  
Tax Exempt Industrial Revenue Bonds  
(Hope Christian Schools, Inc. Project)  
Series 2021

**Location of Project:** 8001 and 8005 Louisiana Avenue NE, and 6721 and 6800  
Palomas Avenue NE, Albuquerque, New Mexico 87109

**Company Name:** Hope Christian Schools, Inc.

**Contact Person:** Teresa Groom, Finance Manager

**Address:** 8005 Louisiana Avenue NE, Albuquerque, New Mexico 87109

**Telephone:** 505-998-5933

**Email:** [tkgroom@hcsnm.org](mailto:tkgroom@hcsnm.org)

**Bond Counsel:** Roxann Gallagher, Esq.  
Sacks Tierney P.A.

**Address:** 4250 N. Drinkwater Blvd. 4th Floor  
Scottsdale, AZ 85251

**Telephone:** 480-425-2673

**Bond Amount Requested:** Not to exceed \$8,500,000 Fee

Submitted: \_\_\_\_\_

**FOR STAFF USE**

Staff Assigned: \_\_\_\_\_  
Case Number: \_\_\_\_\_  
Fee Received: \$ \_\_\_\_\_  
ADC Hearing Date: \_\_\_\_\_  
Council Dates (Tentative): Introduction \_\_\_\_\_  
Committee \_\_\_\_\_ Council Hearing \_\_\_\_\_

**GENERAL DESCRIPTION**

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

The applicant is Hope Christian Schools, Inc. (“**Hope**”). Hope is a New Mexico nonprofit corporation operating within in the City of Albuquerque (the “**City**”) as a non-denominational private Christian school founded in 1976 offering instruction for grades preschool through 12th grade.

Hope’s proposed project shall consist of (i) refinancing existing taxable loans with BBVA USA (“**BBVA**”) which financed the costs of acquiring, constructing, improving and operating and/or equipping, HOPE’s existing school facilities located at 8001 and 8005 Louisiana Avenue NE, and 6721, 6731 and 6800 Palomas Avenue NE, Albuquerque, New Mexico 87109 (the “**Project**”), (ii) funding any required reserves for the proposed bonds, and (iii) paying costs of issuance associated with the proposed bonds.

Hope is requesting that the City serve as a conduit issuer of direct purchase bonds to be purchased by PNC Mortgage Corporation (as a successor in interest to BBVA) or an affiliate thereof so that interest on the bonds can be excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “**Code**”). Hope is not seeking the abatement of other taxes imposed by state or local law.

## **SITE AND EXISTING CONDITIONS**

### **Legal Description**

The proposed project is located at 8001 Louisiana Blvd NE, 6721, 6731 and 6800 Palomas Ave NE, Albuquerque, NM 87109. A map is attached as Exhibit A.

The site is more particularly described as:

PARCEL 1:

#### LEGAL DESCRIPTION FOR LOT “A”

A certain parcel of land situate within projected Section 24, Township 11 North, Range 3 East, New Mexico Principal Meridian, County of Bernalillo, State of New Mexico, with The Elena Gallegos Grant and comprised of the remaining portion of Lot “A”, Block, 11, Tract A, Unit A, North Albuquerque Acres, said Lot “A” is shown and designated on the map which was recorded in the Office of the County Clerk of Bernalillo County, New Mexico, on September 19, 1984, in Volume C25, Folio 23; and being more particularly described as follows:

BEGINNING, FOR A TIE, at the USC&GS Brass Cap stamped “HEAVEN 1969” and having New Mexico State Plane (Central Zone) coordinate values of X=407,051.31 and Y=1,518,737.03, whence, the ACS Brass Cap Stamped “10-D18, 1978” having

New Mexico Plane (Central Zone) coordinate values of X=404,876.27 and Y=1,515,687.39 bears S. 35 deg. 29' 49"W., a distance of 3747.10 feet: thence,

N. 89 deg. 57' 19" W., a distance of 2239.76 feet to the POINT OF COMMENCEMENT of the parcel of land herein described, being also a point on curve on the existing westerly right-of-way line of Louisiana Boulevard, N.E. and the northeast corner of said remaining portion of Lot "A"; thence,

Southeasterly, a distance of 64.44 feet along the westerly right-of-way line of Louisiana Boulevard, N.E. and along the arc of a curve to the right (said arc having a radius of 100.00 feet, a central angle of 36 deg. 55' 13" and a chord which bears S. 18 deg. 37' 23" E, a distance of 63.33 feet) to a Point of Tangency; thence,

S. 02 deg. 06' 16" E., a distance of 328.99 feet continuing along the westerly right-of-way line of Louisiana Boulevard, N.E. to a Point of Curvature; thence,

Southwesterly, a distance of 48.26 feet leaving the westerly right-of-way line of Louisiana Boulevard, N.E. along the arc of a curve to the right (Said arc having radius of 30.00 feet, a central angle of 92 deg. 09' 48", and a chord which bears S. 43 deg. 58' 38" W., a distance of 43.22 feet) to a Point of Tangency on the northerly right-of-way line of Palomas Avenue, N.E. thence,

N. 89 deg. 56' 27" W. a distance of 234.65 feet along the northerly right-of-way line of Paloma Avenue, N.E. to the southwest corner of the parcel of land herein described being also the southeast corner of Lot 13A, Block 11, Tract A, Unit A, North Albuquerque Acres, said Lot 13A is shown and designated on the map recorded in the Office of the County Clerk of Bernalillo County, New Mexico, on January 14, 1991, in Volume 91C, Folio 18; thence,

N. 00 deg. 10' 45" E., a distance of 420.36 feet distance leaving the northerly right-of-way line of Palomas Avenue, N.E. to the northwest corner of the parcel of land herein described; thence

S. 89 deg. 49' 20" E., a distance of 231.04 feet to the northeast corner and POINT OF COMMENCEMENT of the parcel of land herein described.

#### LEGAL DESCRIPTION FOR R/W TRANSFER PARCEL

A certain parcel of land situate within projected Section 24, Township 11 North, Range 3 East, New Mexico Principal Meridian, County of Bernalillo, State of New Mexico, within the Elena Gallegos Grant and comprised of a parcel of land previously dedicated as right-of-way, and further described in the document entitled "Quitclaim Deed" which was recorded on September 16, 1999, in Book 9912, Page 9922, records of Bernalillo County, New Mexico and lying north of, and adjacent to, the north boundary line of Lot "A", Block 11, Tract A, Unit A. North Albuquerque Acres, said Lot "A" is shown and designated by the map which was recorded in the Office of the County Clerk

of Bernalillo County, New Mexico, on September 19, 1984, in Volume C25 Folio 23; and being more particularly described as follows:

BEGINNING, FOR A TIE, at the USC&GS Brass Cap stamped "HEAVEN 1969" and having New Mexico State Plane (Central Zone) coordinate values of X=407,051.31 and Y=1,518,737.03, whence, the ACS Brass Cap stamped "10-D18, 1978" having New Mexico State Plane (Central Zone) coordinate values of X=404,876.27 and Y=1,515,687.39 bears a S. 35 deg. 29' 49"W., a distance of 3747.10 feet: thence,

N. 89 deg. 57' 19" W., a distance of 2239.76 feet to the POINT OF COMMENCEMENT of the parcel of land herein described, being also 1) a point on curve on the existing westerly right-of-way line of Louisiana Boulevard, N.E. 2) the northeast corner of said remaining portion of said Lot "A" and 3) the southeast corner of the parcel of land herein described; thence,

N. 89 deg. 49' 20" W., a distance of 231.04 feet distance leaving the westerly right-of-way line of Louisiana Boulevard, N.E. along said north boundary line of Lot "A" to the southwest corner of the parcel of land herein described being also a point on the easterly boundary line of Lot 13A, Block 11, Tract A, Unit A, North Albuquerque Acres, said Lot 13A, is shown and designated on the map recorded in the Office of the County Clerk of Bernalillo County, New Mexico, on January 14, 1991, in Volume 91C, Folio 18; thence,

N. 00 deg. 10' 44" E., a distance of 38.80 feet distance along said easterly boundary line of Lot 13A to the northwest corner of the parcel of land herein described thence,

S. 89 deg. 32' 22" E., 191.64 feet distance leaving said easterly boundary line to a point of curvature; thence,

Southeasterly, 54.73 feet distance along the arc of a curve to the right (said arc having a Radius of 270.95 feet, a central angle of 11 deg. 34' 26", and a chord which bears S. 45 deg. 58' 09" E., a distance of 54.64 feet distance) to the southeast corner and POINT OF COMMENCEMENT of the parcel of land herein described

#### PARCEL 2:

Tract lettered "B", of Plat of Tract B HOPE CHRISTIAN SCHOOL, PROJECTED SECTION 24, T. 11 N., R. 3 E., N.M.P.M., ELENA GALLEGOS GRANT, CITY OF ALBUQUERQUE, BERNALILLO COUNTY, NEW MEXICO, being a replat of Lots Six (6), Seven (7), Eight-A (8A), Nine-A-1 (9A1), Ten (10) and Twenty-Six (26) in Block 11 of Tract A, Unit A, North Albuquerque Acres, as the same is shown and designated on the plat filed in the Office of the County Clerk of Bernalillo County, New Mexico on April 7, 2009 in Volume 2009C, Folio 52 as Document No. 2009036923.

PARCEL 3:

All of the Plat of HOPE CHRISTIAN SCHOOL, Block 12, Tract A, Unit A, North Albuquerque Acres, Albuquerque, New Mexico, as the same is shown and provided for on the plat thereof, filed in the office of the County Clerk of Bernalillo County, New Mexico on March 24, 1994 in Plat Book 94C, page 97.

PARCEL 4:

Lot Numbered Twenty-three-A (23-A), Block Eleven (11), Tract A, Unit A, North Albuquerque Acres, Albuquerque, New Mexico, as the same is shown and provided for on the plat thereof, filed in the office of the County Clerk of Bernalillo County, New Mexico on September 27, 2010 in Plat Book 2010C, page 113.

**Prevailing Site Conditions**

The site is currently used for school facilities. There will be no change of use of the school facilities.

**Present Assessed Value**

An appraisal of the premises completed on May 22, 2019 reflected that the “as is” value of the school facilities prior the construction of improvements was \$15,300,000 and the “upon completion” value to be \$22,800,000. All construction has been completed.

**Present and Proposed Zoning; Regulatory Issues**

The premises is currently zoned as MX-M and no change will be needed to complete the Project.

**PROJECT PLAN**

**Information Concerning Applicant**

Hope is a New Mexico nonprofit corporation designated as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

Hope is a non-denominational private Christian school founded in 1976 offering instruction for grades preschool through 12th grade. It is a member of the Association of Christian Schools International and is accredited by the International Christian Accrediting Association. Its athletic programs consist of football, basketball, volleyball, soccer, track, softball, drill, cross country and golf. The school also offers a dual credit program with Colorado Christian University allowing students to earn college credits in addition to satisfying their high school credit requirements.

Exhibit B is a list of the officers and directors of the Board of Directors of Hope.

Exhibit C is a list of management personnel together with brief resumes for each listed executive.

#### Sandia Skies LLC (Guarantor)

In 2013 Hope purchased a 588-unit self-storage facility adjacent to the Hope campus with the intention of building a gym and a high school when Hope was ready to support the additional indebtedness. Hope has retained the management group to operate the facility under the entity Sandia Skies LLC until operations eventually cease. No portion of the proceeds of the proposed bonds will be used to finance, either directly or indirectly, any costs associated with the self-storage facility.

#### Hope Foundation of NM Inc. (Guarantor)

The Hope Foundation of NM is an entity created to raise funds for Hope. Financial reporting primarily consists of donations, investments/investment income, intercompany loans with Hope and Sandia Skies, and financial aid awarded.

#### **Tax Issues**

The applicant is a nonprofit organization described in Section 501(c)(3) of the Code and has received a determination letter from the Internal Revenue Service confirming that status. As a result, the applicant is exempt from federal and New Mexico income taxation on income related to its exempt purpose. Hope has no outstanding substantive federal, state or local tax issues.

#### **Information Concerning Products and Process**

This transaction refunds existing indebtedness only. There is no construction component.

#### **Competition**

As a private school providing educational choice, the applicant competes with other district and private education options. Hope is not seeking any abatement of state or local taxes related to the Project and is only requesting the City to serve as a conduit for tax-exempt bonding purposes.

#### **Effect on Existing Industry and Commerce during and after Construction**

Hope expects total debt service savings related to the refinancing of their existing indebtedness which will provide additional funds to Hope's operations. Further, the improvement of Hope's facilities may help increase enrollment and revenue.

Hope hired a local contractor with roughly 15 full time employees and numerous subcontractors to complete the Project.

### **Land Acquisition**

Hope currently owns and operates the Project premises. No bond proceeds will be used to acquire additional land.

### **Description of Proposed Development**

Not applicable.

### **Infrastructure**

The Project will not require any extension or relocation of utility or road systems.

### **Area Enhancement**

Because the Project consists of refinancing an existing building and minor improvements, the Project is not expected to significantly affect the area.

### **Local Purchasing**

Hope is a nonprofit entity exempt from gross receipts tax on most of its purchases. As such, Hope's estimated annual expenditure on goods and services procured locally that are subject to New Mexico gross receipts tax is minimal.

### **Sustainability Issues**

**Energy:** Movement sensors were installed in the Project to conserve energy in vacant spaces.

**Water Conservation:** The Project will not create an increase in Hope's water usage.

**Any other programs, processes, sponsorships other than those mentioned here or in other/sections, such as III. C. (Information on Products and Processes) or III. I. (Area Enhancement)?** Not applicable.

### **Relocation of Individuals or Businesses**

No individuals, families, or businesses will be displaced by the Project.

### **Number and Types of Jobs Created**

Though local contractors and subcontractors were hired for the construction of the Project, the Project will not create any additional full-time jobs. With respect to additional hires at Hope in the future, please see the following answers:

What percentage of the permanent new jobs is expected to be filled by current Albuquerque area residents, as opposed to people relocated from elsewhere? 100%

Will jobs benefit low and moderate income residents? Yes

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

Will the jobs match skills of current city residents? Yes

Will new employees be trained to fill the positions? Yes

What stated advancement opportunities are there? None

Will “Job Training Incentive Program” or other job training programs be used? None

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

### **Corporate Citizenship Policy/Plan**

As a Christian school, Hope encourages charitable giving and community involvement though there is no written policy. Faculty and staff actively support the school community. For instance, nearly every coach at the school is a volunteer.

### **Positive Contributions**

It has a 40+ year history and is the largest private school in New Mexico. Hope educates approximately 1300 students per year from Pre-K through 12th grade. Hope is known for its accelerated curricula, championship athletics, award-winning arts and biblical worldview approach to everything curricular and extracurricular.

### **Management**

The Project will be managed by Hope.

## **PROJECT FINANCING**

### **Cost of Improvements, Bond Amount and Private Financing**



The cost of refinancing Hope's existing indebtedness is \$7889,435. The proposed tax exempt bonds will be purchased directly by PNC Mortgage Corporation and no credit enhancement or rating will be needed.

The bonds are expected to be structured as follows:

The bonds will mature in ten years from the date of issuance and will be amortized over a 30-year period from the date of issuance.

Principal and interest of the bonds will be paid on a monthly basis with all amounts due and payable upon maturity.

The bonds will bear interest at a variable rate. However, Hope will enter into an interest rate swap agreement which will obligate Hope to pay a fixed rate of interest for the term of the bonds.

The total amount of bonds requested will not exceed \$8,500,000.

The bonds may be prepaid subject to the payment of any swap termination payment.

The bonds will be secured by a mortgage creating a first priority lien on the Project premises and all other property of Hope and the guarantors located at 8001 and 8005 Louisiana Avenue NE, and 6721 and 6800 Palomas Avenue NE, Albuquerque, New Mexico 87109.

### **Estimated Value After Completion**

An appraisal of the premises completed on May 22, 2019 reflected that the "as is" value of the school facilities prior the construction of improvements was \$15,300,000 and the "upon completion" value to be \$22,800,000.

### **Feasibility**

The bonds will be purchased directly by PNC Mortgage Corporation which has committed to purchase the bonds on general terms and conditions set forth herein. The bond purchaser has underwritten the transaction and made an independent election to purchase the bonds based on its own underwriting.

### **Construction Schedule**

Not applicable.

### **Issuance of Bonds**

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

Proposed ADC initial hearing date November 2021

---

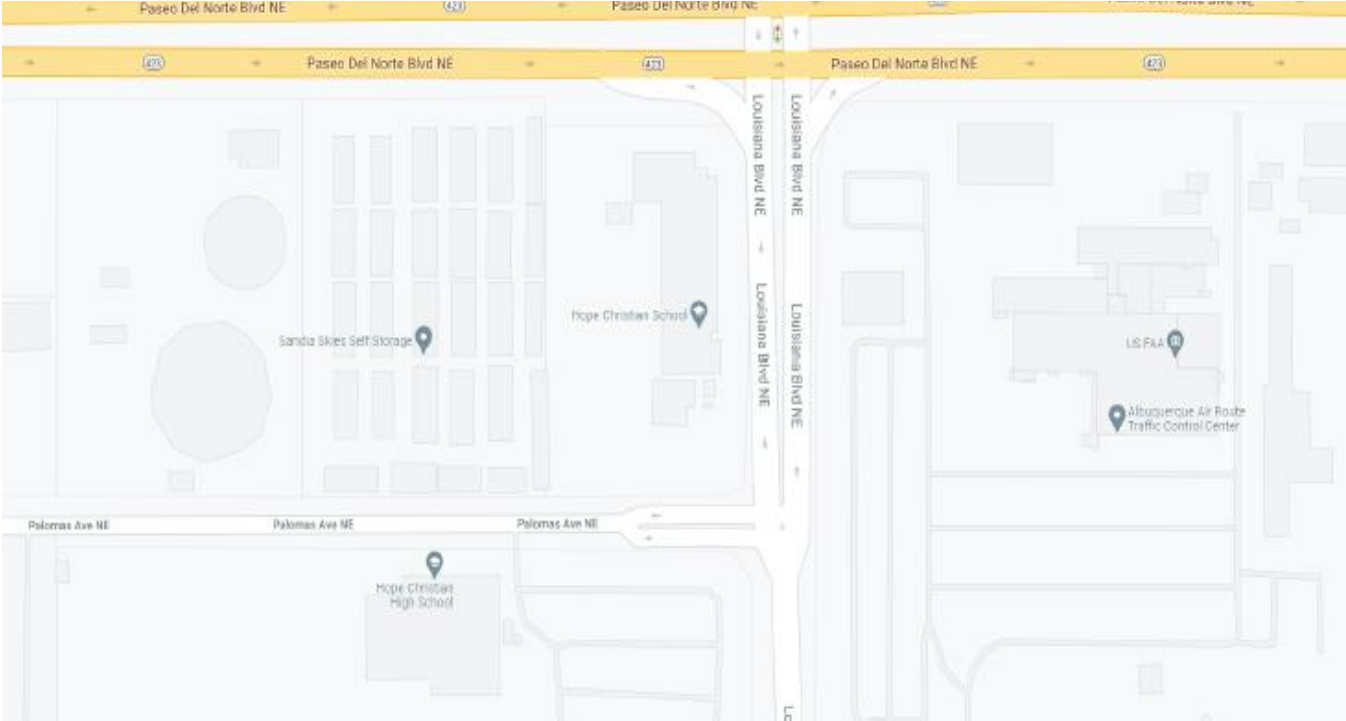
Proposed closing date December 2021

**FISCAL IMPACT ANALYSIS**

The bonds will be purchased directly by PNC Mortgage Corporation. The bond purchaser has underwritten the transaction and made an independent election to purchase the bonds based on its own underwriting. Therefore this section is not applicable.

**EXHIBIT A**

**Map of Albuquerque, New Mexico**



**EXHIBIT B**

**BOARD OF DIRECTORS  
HOPE CHRISTIAN SCHOOLS**

Donald Swaim  
Jim Tate  
Tom Crow  
Greg Kruse  
Lance Milford

Chair  
Vice-Chair  
Member  
Member  
Member

**EXHIBIT C**

**Executive Staff**

**Dr. Daniel Hedges, Executive Director**

Dr. Daniel Hedges has been an educator and Christian minister specializing in education and in leadership of non-profit organizations for over thirty years. He has served as a university professor, educational consultant, corporate executive and board member for schools and nonprofit organizations in New Mexico, Virginia, Oklahoma and California. He was educated at the University of New Mexico, William Jessup University, Pepperdine University, and McCormick Seminary at the University of Chicago where he earned bachelors, masters and Doctoral degrees. He served on the graduate faculties of Regent University and Oral Roberts University and lecturer at many other universities and professional conferences. He also served on the Board of Trustees for Life Pacific University for over ten years.

**Terry Heisey, Head of School**

Terry Heisey has been an educator and administrator for thirty years. He holds a Bachelor of Arts – Health and Physical Education degree from Messiah College and a Master of Arts – Educational Leadership from University of New Mexico. He is a graduate of Hope Christian School and has served as Head of School for Hope for the past four years.

**Teresa Groom, Finance Manager**

Teresa Groom, CPA has been with Hope Christian Schools approximately six years and has over twenty years of non-profit experience. She also has experience in the for-profit sector as well as in public accounting and is a graduate of Oklahoma Christian College.

**Andrea Trujillo, Business Manager**

Andrea Trujillo holds a Bachelor of Business Administration degree from Anderson Schools of Management, University of New Mexico. She has over twenty years of experience in business management in several different industries and has been with Hope Christian School for the past three years.