REQUEST: Approval of $5,000,000 in City Industrial Revenue Bonds is requested.

PROJECT SUMMARY: The Industrial Revenue Bond will be representative of two (2) aggregate projects divided into multiple series of the Industrial Revenue Bond.

HERITAGE DRIVEN
Heritage Driven Defender is one of a handful of highly specialized companies in the United States focused on the import, restoration, and modification of classic Land Rover Defender vehicles and has been recognized nationally by specialty publications such as Overland Journal and Alloy & Grit as a leader in these vehicle builds. The work involves custom fabrication, engineering, custom part design and manufacturing and automotive assembly.

The company is seeking to construct a modern, purpose-built, fabrication, light manufacturing, and restoration facility in the Wells Park neighborhood of Albuquerque which will be integrated into the redevelopment of an adjacent property. This part of town desperately needs quality infill and investment. The business is successful with 100% of its sales coming from outside the State of New Mexico. However, growth has been hampered by the lack of suitable facility space in the metropolitan area which has also impacted the ability to compete with similar out of state firms. The new facility will allow expansion of the business to meet the current sales demand and allow the company to hire at least 21 new trade-focused employees from the community over the next 10 years. Many of these jobs will provide opportunities and training for low/moderate income residents. The company has no competitors in the state or region."

AGENDA, LLC
Agenda is an award-winning boutique public affairs and integrated communications firm with unparalleled experience advancing key issues, interests, policies, and trends in the U.S. and across the globe. Headquartered in Albuquerque, New Mexico Agenda specializes in developing refined and targeted engagement programs that incorporate traditional, social, digital, and earned-media campaigns designed to build broad public awareness and support – or targeted action and mobilization – by leveraging cutting-edge tools to engage key audiences. Agenda represents leading foundations, institutions, universities, state and federal agencies, global food providers, energy companies, tribes, and multinational organizations such as NATO, USAID and the UN. Agenda has extensive branding, marketing, advertising, public relations, advocacy, and strategic planning experience and handles everything from multi-million-dollar, multi-market, campaigns to modest-budget efforts for a wide variety of industries, governments, and organizations. Agenda has long been ranked as one of the leading communications firms in New Mexico, has been ranked by O’Dwyers as one of the top five boutique public affairs firms in the United States and approximately 85% of Agenda’s revenue originates from out of state or out of the country.
The company, which currently has staff in Albuquerque, Washington, DC, Brussels, Belgium and Tbilisi, Georgia has planned to renovate and add on to an historic building located in the Wells Park neighborhood on 5th street (north of downtown Albuquerque) into its new headquarters. The project property is located in the Sawmill/ Wells Park Community Metropolitan Redevelopment Plan Area. When completed, the building will total approximately 16,600 SF and will be divided into 8,500 SF of corporate and creative offices, with the remaining portion of the redevelopment project anticipated to focus on lifestyle and restaurant services to the public, with no or incidental retail uses at the site.

(The company also is requesting assistance as a Local Economic Development Act—LEDA—project, but that will be analyzed separately.)

This project will create 35 full-time equivalent jobs over a ten-year period. It will also add 75-110 construction jobs of which the majority are expected to be filled from the Albuquerque area. Any construction employees hired from outside the Albuquerque area will contribute revenue to the lodging and restaurant industries.

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

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

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

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

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

This project includes a fiscal impact analysis prepared by the University of New Mexico’s Bureau of Business and Economic Research (BBER). The fiscal impact determination of the project is 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 a positive tax benefit with this project over the life of the bonds.
The project plan as shown in Exhibit 1 provides details of the project.

**FINDINGS:**

1. IRB 22- is a qualified project as defined by the State’s Industrial Revenue Bond Act and the City enabling legislation (Resolution R-196, Sixth Council (126-1985) as amended by Resolution 350 Sixth Council; and
2. IRB 22-1 would make positive substantive contributions to the local economy and community by creating 35 jobs; and
3. IRB 22-1 will continue the company’s expansion and creation of new high-paying jobs in Albuquerque; and
4. IRB 22-1 would comply with the adopted City plans and policies, and meet community economic development priorities and objectives; and
5. IRB 22-1 would adequately meet the evaluation criteria established by the City for Industrial Revenue Bond Act projects, including the requirement that the City recoup the value of its investment over the term of the bonds.

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

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

<table>
<thead>
<tr>
<th>Economic Base Company that meets statutory requirements</th>
<th>Pass</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Satisfactory initial demonstration of ability to service debt or self-fund purchase of the bonds, or evidence of an acceptable financing commitment.</td>
<td>Pass</td>
</tr>
<tr>
<td>3. Conforms to City planning and zoning policies.</td>
<td>Pass/(and Pending)</td>
</tr>
<tr>
<td>4. Firm has no outstanding substantive federal, state or local tax issues.</td>
<td>Pass</td>
</tr>
<tr>
<td>5. Proposed project complies with all federal, state, and local environmental laws, regulations, and rules.</td>
<td>Pass</td>
</tr>
<tr>
<td>6. Jobs created by the project meet or exceed the median wage for similar jobs in the community</td>
<td>Pass</td>
</tr>
<tr>
<td>7. Per state requirements, the firm covers 50% of health insurance premiums for employees.</td>
<td>Pass</td>
</tr>
<tr>
<td>8. Other additional factors.</td>
<td></td>
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</tbody>
</table>

RESULT  

PASS

1. 100% of Heritage Driven revenues are from out-of-state customers. 85% of Agenda’s revenue sources are from out-of-state customers.
2. Agenda / Heritage Driven has certified that it has no outstanding substantive federal, state, or local tax issues.

3. The project, in its design, complies with environmental regulations. Permits are required for the renovations and new developments.

4. Jobs for the positions meet or exceed the median wages for similar jobs in the community. The salaries and positions are more fully described in the application.

5. Agenda / Heritage Driven pays at least 50% percent of the health and dental insurance premiums for its employees.

6. The project and employment will bring economic growth and opportunities to an impoverished area of the Wells Park neighborhood.

The company has requested the approval of LEDA funds in the amount of $100,000 from the State and $30,000 from the City, with the City is acting as the fiscal agent, but that will be a separate review and approval process.

II. LAND USE, PLAN AND DESIGN ELEMENTS

1. PLAN & ZONING:

HERITAGE DRIVEN
The proposed project is located at 1701 5th St Nw, Albuquerque, NM 87102. The site is more particularly described as Lot number One (1) of Block numbered Three(3) of the IVES ADDITION a subdivision of a tract of land in Bernalillo County, New Mexico as the same is shown and designated on the map of said subdivision, filed in the Office of the County Clerk of Bernalillo County, New Mexico, on February 7, 1972, in Plat Book C2, Page 34, (.032 acres, more or less). The development site for Heritage Driven is currently zoned AS NON RESIDENTIAL – LIGHT MANUFACTURING (NR-LM)

AGENDA, LLC
The proposed project is located at 1715 and 1719 5th St NW, Albuquerque, NM 87102. The site is more particularly described as Tracts numbered One (1) and Two (2) of the Plat of Tracts 1 & 2 LANDS OF DEVEREUX & WATSON, projected Section 8, T. 10 N., R. 3 E., N.M.P.M., Town of Atrisco Grant, City of Albuquerque, Bernalillo County, New Mexico, as the same are shown and designated on the plat thereof filed in the office of the Country Clerk of Bernalillo County, New Mexico, on May 14, 2004, in Plat Book 2004C, page 152, containing approximately 1.4224 acres. The development site for Agenda, LLC is currently zoned AS NON RESIDENTIAL – LIGHT MANUFACTURING (NR-LM)

The project also conforms to the City’s Economic Development strategies:

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

2. LAND USE:

HERITAGE DRIVEN

New construction of a roughly 16,000 sq ft Automotive restoration facility. The proposed building is metal construction with creative facade to allow it to complement surrounding properties. Current business is successful but has been hampered in growth by lack of suitable shop space. The current restricted shop size impacts the businesses’ ability to compete with similar out of state firms. The new facility will allow expansion of the business to meet the current sales demand, allow the hiring of 21 new employees over the next 10 years, allow upholstery work to be brought fully in house and within New Mexico, and ensure the continued viability of the company.

AGENDA, LLC

The company, which currently has staff in Albuquerque, Washington, DC, Brussels, Belgium and Tbilisi, Georgia has planned to renovate and add on to an historic building located in the Wells Park neighborhood on 5th street (north of downtown Albuquerque) into its new headquarters. The project property is located in the Sawmill/ Wells Park Community Metropolitan Redevelopment Plan Area. When completed, the building will total approximately 16,600 SF and will be divided into 8500 SF of corporate and creative offices. The existing brick building will be modernized, increasing the energy efficiency.

Agenda estimates that its local Albuquerque team will increase in size over the next 10 years to approximately 21 individuals to service government and corporate clients in and out of the United States. The company has been located in downtown Albuquerque for nearly 20 years but has outgrown available space and must have a facility to house this local growth. Salaries for these jobs will range from $50k to $150k+ with $75 being the average salary in the short-term.

3. INFILL:
HERITAGE DRIVEN
The Heritage Driven project requires that all utilities be replaced and upgraded throughout the site. The ownership of the Heritage project will undertake the utility improvements and will do so at their own expense.

AGENDA, LLC
The Agenda, LLC project will require that all electrical utility infrastructure be improved by removing the power lines and burying them underground. The ownership group has reached an agreement with PNM to undertake these improvements at the expense of the ownership group.
4. **DESIGN AND CONSERVATION:**

The Agenda, LLC Global project will have any exceptional benefit to the community through an array of avenues. The Wells Park community is a historically blighted community in need of gentrification. The Agenda, LLC Global project will provide direct private capital investment into the community and produce a modern-design concept of a dilapidated building and provide the infrastructure for a plethora of local businesses to provide commerce directly in Wells Park. This model will not only develop an underutilized site, but will also have a positive effect on real estate prices in the community and produce a taxable revenue stream that would otherwise not exist in the area.

The project is an extremely low water usage undertaking which will likely have lower consumption than a residential property. Landscaping will consist of hardscape and xeric where appropriate. All fixtures will be low-water use including toilets and faucets.

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

5. **RENEWABLE ENERGY:**

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

6. **DEMOLITION:**

The project does not involve demolition of viable buildings.

7. **RELOCATION:**

The project does not require the relocation of individuals or businesses.

**III. ECONOMIC BENEFITS**

6. **COMPETITION:**

There are no local companies that could potentially be considered as competitive with Agenda or Heritage Driven.

7. **JOBS:**

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

All jobs are considered full-time positions, with employee benefits. Employee benefits include paid holidays, a group health plan, a dental and vision discount plan, basic life and AD&D
insurance, and a 401(k) retirement plan with employer match. The company pays at least 50% of the health insurance premiums for employees who opt for its coverage.

These employment classifications, salaries, and benefits are more fully detailed below and attached as an exhibit to the application.

Agenda / Heritage Driven estimates close to 100% of the new permanent jobs will be filled by current Albuquerque residents. No jobs will be relocated from another location. The jobs will exceed the median wages for the industry within the community and will match the skills of current city residents.

During the onboarding process, employees receive general company training as well as position-specific training. The duration of the training can vary and is based on the specific requirements of the position. Agenda / Heritage Driven offers health insurance options to its employees and covers at least 50% of the premiums for employees.

The total additional payroll or workers' earnings associated with the Project is estimated to be approximately $19.8 million over the next 10 years.

8. LOCAL PURCHASES

Accounting for various taxable sales and purchases, including activity associated with the Project, worker spending, and visitors' spending in the state, the Project is estimated to support approximately $12.7 million in taxable sales over the next 10 years.

IV. PROJECT FEASIBILITY

9. COST/FEASIBILITY/FINANCING:

HERITAGE DRIVEN
The Heritage Driven project will be capitalized with the following capital structure:
- **Equity** - $185,000 invested by the ownership group
- **Debt** - $785,000 debt facility will be provided by Main Bank
- **Total Project Costs** - $970,000

The total bond amount requested will be $5,000,000 issued in two series, the first series reflecting the Agenda, LLC project, the second series will reflect the Heritage Driven project.

AGENDA, LLC
The Agenda, LLC project will be capitalized with the following capital structure:
- **Equity** - $400,000 invested by the ownership group
- **Debt** - $2,600,000 debt facility will be provided by Main Bank
- **Total Project Costs** - $3,000,000

The total bond amount requested will be $5,000,000 issued in two series, the first series reflecting the Agenda, LLC project, the second series will reflect the Heritage Driven project.
10. DEVELOPER’S RECORD:
Heritage Driven Defender is one of a handful of highly specialized companies in the United States focused on the import, restoration, and modification of classic Land Rover Defender vehicles and has been recognized nationally by specialty publications such as Overland Journal and Alloy & Grit as a leader in these vehicle builds.

Headquartered in Albuquerque, New Mexico Agenda specializes in developing refined and targeted engagement programs that incorporate traditional, social, digital, and earned-media campaigns designed to build broad public awareness and support – or targeted action and mobilization – by leveraging cutting-edge tools to engage key audiences.

Both companies have a demonstrated track record of success and growth.

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

12. MANAGEMENT:
That leadership team includes:

The ownership entity of Heritage Driven is 1701 PARTNERS LLC. The ownership entity is comprised of two General Partners highlighted below:
- Doug Turner – 50% ownership
- Chris Taylor – 50% ownership

AGENDA, LLC
The ownership entity of Heritage Driven is AGENDA, LLC REAL ESTATE HOLDINGS LLC. The ownership entity is comprised of two General Partners highlighted below:
- Doug Turner – 67% ownership
- Chris Taylor – 33% ownership

Mr. Turner has an extensive background in commercial real estate development/acquisition and commercial property management with over 250,000 sq ft of current commercial property ownership and management. Mr. Taylor has over 15 years in the real estate industry having managed land acquisition/development, commercial property construction, and commercial property management throughout the State of New Mexico.

13. FISCAL IMPACT ANALYSIS
This project includes a fiscal impact analysis prepared by the University of New Mexico’s Bureau of Business and Economic Research. The fiscal impact determination of the project is derived from information the company provided. It shows that the collective fiscal impacts of the proposed expansions by Agenda, LLC and Heritage Driven, LLC in the City of Albuquerque. Employing the current 10-year bond rate of 1.14% would yield an estimated $720 thousand
additional dollars to the city after 10 years. With the 20-year 2.47% rate in effect, the cumulative fiscal impact is expected at $1.3 million at the end of the 20-year bold life.

V. LEASE AGREEMENT INFO

Information will be provided here once the terms of the agreements are reached. Standard City protocol regarding reaching and maintaining employment levels, and facility closure language will be included along with the penalties and clawbacks.

The City Council will have another opportunity to review the project before it is finalized for ordinance.

FINDINGS:

1. IRB 22-1 is a qualified project as defined by the State’s Industrial Revenue Bond Act and the City enabling legislation (Resolution R-196, Sixth Council (126-1985) as amended by Resolution 350 Sixth Council; and
2. IRB 22-1 would make positive substantive contributions to the local economy and community by creating 35 jobs; and
3. IRB 22-1 will continue the company’s expansion and creation of new high-paying jobs in Albuquerque; and
4. IRB 22-1 would comply with the adopted City plans and policies, and meet community economic development priorities and objectives; and
5. IRB 22-1 would adequately meet the evaluation criteria established by the City for Industrial Revenue Bond Act projects, including the requirement that the City recoup the value of its investment over the term of the bonds.

STAFF RECOMMENDATION:

Based upon the above findings and subject to successful final determination of performance requirements and penalties, staff recommends approval of IRB 22-1 as proposed in the project plan application.

Economic Development Department
HERITAGE DRIVEN LLC/AGENDA, LLC
INDUSTRIAL REVENUE BOND APPLICATION

Economic Development & Cultural Services Department
City of Albuquerque, New Mexico

October 5, 2021
320 Gold St NW
Albuquerque, NM 87102
505.888.5877
GENERAL DESCRIPTION

The Industrial Revenue Bond will be representative of two (2) aggregate projects divided into multiple series of the Industrial Revenue Bond. The related Projects are described as follows:

HERITAGE DRIVEN
Heritage Driven Defender is one of a handful of highly specialized companies in the United States focused on the import, restoration, and modification of classic Land Rover Defender vehicles and has been recognized nationally by specialty publications such as Overland Journal and Alloy & Grit as a leader in these vehicle builds. The work involves custom fabrication, engineering, custom part design and manufacturing and automotive assembly.

The company is seeking to construct a modern, purpose-built, fabrication, light manufacturing, and restoration facility in the Wells Park neighborhood of Albuquerque which will be integrated into the redevelopment of an adjacent property. This part of town desperately needs quality infill and investment. The business is successful with 100% of its sales coming from outside the State of New Mexico. However, growth has been hampered by the lack of suitable facility space in the metropolitan area which has also impacted the ability to compete with similar out of state firms. The new facility will allow expansion of the business to meet the current sales demand and allow the company to hire at least 21 new trade-focused employees from the community over the next 10 years. Many of these jobs will provide opportunities and training for low/moderate income residents. The company has no competitors in the state or region."

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The company, which currently has staff in Albuquerque, Washington, DC, Brussels, Belgium and Tbilisi, Georgia has planned to renovate and add on to an historic building located in the Wells Park neighborhood on 5th street (north of downtown Albuquerque) into its new headquarters. The concrete and brick building was originally built by Charles Lembke in the 1930’s as offices and warehouse for Lembke Construction Co. Lembke was the first Civil Engineering graduate of UNM and at various times, served as a UNM Regent, President of the Albuquerque Rotary Club, Mayor of Albuquerque and President of Lembke Construction Co. The project property is located in the Sawmill/ Wells Park Community Metropolitan Redevelopment Plan Area. When completed, the building will total approximately 16,600 SF and will be divided into 8500 SF of corporate and creative offices, with the remaining portion of the redevelopment project anticipated to focus on lifestyle and restaurant services to the public, with no or incidental retail uses at the site.

SITE AND EXISTING CONDITIONS

- **LEGAL DESCRIPTION**
  
  *HERITAGE DRIVEN*
  
  The proposed project is located at 1701 5th St Nw, Albuquerque, NM 87102. The site is more particularly described as Lot number One (1) of Block numbered Three(3) of the IVES ADDITION a subdivision of a tract of land in Bernalillo County, New Mexico as the same is shown and designated on the map of said subdivision, filed in the Office of the County Clerk of Bernalillo County, New Mexico, on February 7, 1972, in Plat Book C2, Page 34, (.032 acres, more or less).

  *AGENDA, LLC*
  
  The proposed project is located at 1715 and 1719 5th St NW, Albuquerque, NM 87102. The site is more particularly described as Tracts numbered One (1) and Two (2) of the Plat of Tracts 1 & 2 LANDS OF DEVEREUX & WATSON, projected Section 8, T. 10 N., R. 3 E., N.M.P.M., Town of Atrisco Grant, City of Albuquerque, Bernalillo County, New Mexico, as the same are shown and designated on the plat thereof filed in the office of the Country Clerk of Bernalillo County, New Mexico, on May 14, 2004, in Plat Book 2004C, page 152, containing approximately 1.4224 acres.

- **PREVAILING SITE CONDITIONS**
  
  *HERITAGE DRIVEN*
  
  The land site that will house the HERITAGE DRIVEN development project is currently a vacant land site used for automobile storage. There is an industrial shell on the premises that will be demolished for future reconstruction. The land site will require upgraded utility infrastructure development.

  *AGENDA, LLC*
  
  The land site that will house the AGENDA development project is currently comprised of approximately 16,600 square feet of industrial/commercial space. The commercial space currently houses a restaurant/bar for public use as well as

- **PRESENT ASSESSED VALUE**
**HERITAGE DRIVEN**
- The Bernalillo County Assessors office has issued an assessed value of $76,200 for the subject project located at 1705 5th St.
- The ownership group of the subject property conducted an appraisal with a stipulated value of $200,000

**AGENDA, LLC**
- The Bernalillo County Assessors office has issued an assessed value of $807,000 for the subject project located at 1715 5th St.
- The ownership group of the subject property conducted an appraisal with a stipulated value of $1,500,000

**PRESENT AND PROPOSED ZONING: REGULATORY ISSUES**

**HERITAGE DRIVEN**
The development site for Heritage Driven is currently zoned AS NON RESIDENTIAL - LIGHT MANUFACTURING (NR-LM)

**AGENDA, LLC**
The development site for Agenda, LLC is currently zoned AS NON RESIDENTIAL - LIGHT MANUFACTURING (NR-LM)

**RENEWABLE ENERGY**

**HERITAGE DRIVEN**
The subject property will not be a source or a consumer of renewable energy.

**AGENDA, LLC**
The subject property will not be a source or a consumer of renewable energy.

**PROJECT PLAN**

**INFORMATION CONCERNING APPLICANT**

**HERITAGE DRIVEN**
The ownership entity of Heritage Driven Driven is 1701 PARTNERS LLC. The ownership entity is comprised of two General Partners highlighted below:
- Doug Turner – 50% ownership
- Chris Taylor – 50% ownership
Mr. Turner has an extensive background in commercial real estate development/acquisition and commercial property management with over 250,000 sq ft of current commercial property ownership and management. Mr. Taylor has over 15 years in the real estate industry having managed land acquisition/development, commercial property construction, and commercial property management throughout the State of New Mexico.

**AGENDA, LLC**
The ownership entity of Heritage Driven is AGENDA, LLC REAL ESTATE HOLDINGS LLC. The ownership entity is comprised of two General Partners highlighted below:
 Doug Turner – 67% ownership
 Chris Taylor – 33% ownership

➢ TAX ISSUES

HERITAGE DRIVEN
There are no outstanding tax issues regarding the 1701 PARTNERS LLC ownership entity for the Heritage Driven project.

AGENDA, LLC
There are no outstanding tax issues regarding the AGENDA, LLC REAL ESTATE HOLDINS LLC ownership entity for the Agenda, LLC project.

➢ INFORMATION CONCERNING PRODUCTS AND PROCESS

HERITAGE DRIVEN
Heritage Driven Defender is one of a handful of highly specialized companies in the United States focused on the import, restoration, and modification of classic Land Rover Defender vehicles. The work involves custom fabrication, engineering, custom part design and manufacturing and automotive assembly. The company is seeking to construct a modern, purpose-built, fabrication, light manufacturing, and restoration facility in the Wells Park neighborhood of Albuquerque which will be integrated into the redevelopment of an adjacent property. The business is successful with 100% of its sales coming from outside the State of New Mexico. However, growth has been hampered by the lack of suitable facility space in the metropolitan area which has also impacted the ability to compete with similar out of state firms. There will be no air, noise, or waste management issues at the development site.

AGENDA, LLC
The Agenda, LLC project will be a mixed-use commercial redevelopment project in the heart of the Wells Park community. The Agenda, LLC development will be a consortium of office space, food/beverage, and lifestyle outlets in a renovated historical building. That provides continuity between the downtown communities. There will be no noise, air, or waste management issues at the site. A parking lot will be developed on site that will be shared with an adjacent lot under the same ownership group to be able to facilitate patrons of the site.

➢ COMPETITION

HERITAGE DRIVEN
The Heritage Driven project is an exceptionally proprietary project for the State of New Mexico. There currently exists no form of competition and the Heritage Driven project is first to market.

AGENDA, LLC
The Agenda, LLC project is a mixed-use redevelopment project consisting of office space, food/beverage, and lifestyle outlets. There are very few mixed-use projects within the Albuquerque metro area, yet they all focus on food/beverage outlets as
the anchor tenants with additional retail outlets within the site. Agenda, LLC will be housing the local Public Relations firm as the anchor tenant with a consortium of locally-owned food/beverage outlets as additional tenants. Under this model, there are NO forms of competition in the local market.

**EFFECT ON EXISTING INDUSTRY AND COMMERCE DURING AND AFTER CONSTRUCTION**

**HERITAGE DRIVEN**

The company is seeking to construct a modern, purpose-built, fabrication, light manufacturing, and restoration facility in the Wells Park neighborhood of Albuquerque which will be integrated into the redevelopment of an adjacent property. This part of town desperately needs quality infill and investment. The business is successful with 100% of its sales coming from outside the State of New Mexico. However, growth has been hampered by the lack of suitable facility space in the metropolitan area which has also impacted the ability to compete with similar out of state firms. The new facility will allow expansion of the business to meet the current sales demand and allow the company to hire at least 21 new trade-focused employees from the community over the next 10 years. Many of these jobs will provide opportunities and training for low/moderate income residents.

**AGENDA, LLC**

The Agenda, LLC Global project is going to have a drastic effect on the local economy in a number of ways. The project is going to require approximately 75-110 construction jobs from local General Contractors and subcontractors. The long-term increases in employment are approximated at 15 long-term jobs at a median salary of $75,000 for the applicant company. The other food/beverage and lifestyle outlets in the mixed-use development will provide opportunities for long-term employment, as well as a platform for long-term business expansion. The fiscal impact analysis shows that the development of this site under the proposed model will have a net benefit to the local taxing districts of over $8,000,000 as well as an additional $2,500,000 in gross receipts taxes over a 10-year timeline. The Agenda, LLC project has also made available an internship program for Public Relations through the University of New Mexico for students to have access to learning and career opportunities.

**LAND ACQUISITION**

**HERITAGE DRIVEN**

The IRB will NOT be used for the acquisition of land for the Heritage Driven development project. The land is under full ownership of the development group.

**AGENDA, LLC**

The IRB will NOT be used for the acquisition of land for the Agenda, LLC development project. The land is under full ownership of the development group.

**DESCRIPTION PROPOSED DEVELOPMENT**

**HERITAGE DRIVEN**
New construction of a roughly 16,000 sq ft Automotive restoration facility. The proposed building is metal construction with creative facade to allow it to complement surrounding properties. Current business is successful but has been hampered in growth by lack of suitable shop space. The current restricted shop size impacts the businesses’ ability to compete with similar out of state firms. The new facility will allow expansion of the business to meet the current sales demand, allow the hiring of 21 new employees over the next 10 years, allow upholstery work to be brought fully in house and within New Mexico, and ensure the continued viability of the company.

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The company, which currently has staff in Albuquerque, Washington, DC, Brussels, Belgium and Tbilisi, Georgia has planned to renovate and add on to an historic building located in the Wells Park neighborhood on 5th street (north of downtown Albuquerque) into its new headquarters. The project property is located in the Sawmill/ Wells Park Community Metropolitan Redevelopment Plan Area. When completed, the building will total approximately 16,600 SF and will be divided into 8500 SF of corporate and creative offices. The existing brick building will be modernized, increasing the energy efficiency. Agenda estimates that its local Albuquerque team will increase in size over the next 10 years to approximately 21 individuals to service government and corporate clients in and out of the United States. The company has been located in downtown Albuquerque for nearly 20 years but has outgrown available space and must have a facility to house this local growth. Salaries for these jobs will range from $50k to $150k+ with $75 being the average salary in the short-term.

- **INFRASTRUCTURE**
  **HERITAGE DRIVEN**
The Heritage Driven project requires that all utilities be replaced and upgraded throughout the site. The ownership of the Heritage project will undertake the utility improvements and will do so at their own expense.

**AGENDA, LLC**
The Agenda, LLC project will require that all electrical utility infrastructure be improved by removing the power lines and burying them underground. The ownership group has reached an agreement with PNM to undertake these improvements at the expense of the ownership group.

- **AREA ENHANCEMENT**
  **HERITAGE DRIVEN**

**AGENDA, LLC**
The Agenda, LLC Global project will have any exceptional benefit to the community through an array of avenues. The Wells Park community is a historically blighted
community in need of gentrification. The Agenda, LLC Global project will provide
direct private capital investment into the community and produce a modern-design
concept of a dilapidated building and provide the infrastructure for a plethora of
local businesses to provide commerce directly in Wells Park. This model will not
only develop an underutilized site, but will also have a positive effect on real estate
prices in the community and produce a taxable revenue stream that would
otherwise not exist in the area.

➢ **LOCAL PURCHASING**
  **HERITAGE DRIVEN**
The project will require additional taxable purchases for Heritage Defender’s
operations (other than direct construction costs) estimated at $500,000 per year.
This amount is expected to grow each year at a rate of 3.5%. The project will also
add an additional $100,000 in gross receipts taxable services per year with an
estimated increase of 3.5% per year.

*AGENDA, LLC*
The project will require additional taxable purchases for Agenda’s operations (other
than direct construction costs) estimated at $50,000 per year. This amount is
expected to grow each year at a rate of 3.5%. The project will also add an additional
$625,000 in gross receipts taxable services per year with an estimated increase of
3.5% per year.

➢ **WATER CONSERVATION**
  **HERITAGE DRIVEN**
The project is an extremely low water usage undertaking which will likely have
lower consumption than a residential property. Landscaping will consist of
hardscape and xeric where appropriate. All fixtures will be low-water use including
toilets and faucets.

*AGENDA, LLC*
The project is an extremely low water usage undertaking which will likely have
lower consumption than a residential property. Landscaping will consist of
hardscape and xeric where appropriate. All fixtures will be low-water use including
toilets and faucets.

➢ **RELOCATION OF INDIVIDUALS OR BUSINESSES**
  **HERITAGE DRIVEN**
The Heritage Driven project will not result in any businesses or homes being
relocated as a result of the development. The project will be taking a vacant land site
and developing a commercial building on the site.

*AGENDA, LLC*
The Agenda, LLC Global project will not result in the loss or relocation of businesses
out of the development site. More importantly, the project will provide an avenue
for businesses to expand to as well as new businesses to be showcased.
NUMBER AND TYPES OF JOBS CREATED

HERITAGE DRIVEN

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?
We anticipate 100% of the positions will be filled by current Albuquerque area residents.

2) Will jobs benefit low- and moderate-income residents?
What is unique about the Heritage Defender expansion project is that the jobs that will be created require highly skilled mechanical and fabrication skills but do not require university level education. We will be able to provide well paid employment as well as opportunities to gain highly sought-after experience through on-the-job training.

3) Will the jobs meet or exceed median wages for the industry within the community?
Jobs provided will exceed median wages for the industry in Albuquerque.

4) Will the jobs match skills of current city residents?
Jobs provided will match skills of current city residents but will also provide training for residents that have some but not all the needed skillsets.

5) Will new employees be trained to fill the positions?
New employees will be trained to fill the jobs offered as needed.

6) What stated advancement opportunities are there?
As a growing company, Heritage has advancement opportunities for all employees with management opportunities available in both sales and fabrication.

7) Will “Job Training Incentive Program” or other job training programs be used?
Heritage is using the Job Training Incentive Program and has been awarded contracts for 4 employee additions already.

8) Will at least 50% of health insurance premiums be covered for employees?
Heritage covers 50% of health insurance premiums for employees participating in the plan.

AGENDA, LLC

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?
We anticipate 100% of the positions will be filled by current Albuquerque area residents.

2) Will jobs benefit low- and moderate-income residents?
Though most of the positions available will require some level of college education, there will be opportunities for low- and moderate-income residents.

3) Will the jobs meet or exceed median wages for the industry within the community?
Jobs provided will exceed median wages for the industry in Albuquerque.

4) Will the jobs match skills of current city residents?
Jobs provided will match skills of current city residents but will also provide training for residents that have some but not all the needed skill sets.

5) Will new employees be trained to fill the positions?
New employees will be trained to fill the jobs offered as needed.

6) What stated advancement opportunities are there?
As a growing company, Agenda has advancement opportunities for all employees with management opportunities available.

7) Will “Job Training Incentive Program” or other job training programs be used?
Agenda is evaluating the possibility of applying for the Job Training Incentive Program.

8) Will at least 50% of health insurance premiums be covered for employees?
Agenda covers 50% of health insurance premiums for employees participating in the plan.

➤ CORPORATE CITIZENSHIP POLICY PLAN

HERITAGE DRIVEN
No programs are currently available to employees of the Heritage Driven project.

AGENDA, LLC
The ownership of the Agenda, LLC project have organized an internship program for their Public Relations firm for students of the University of New Mexico. All participants will have access to an industry leader will potential career opportunities within the firm.

➤ POSITIVE CONTRIBUTIONS

HERITAGE DRIVEN
What is unique about the Heritage Driven Defender expansion project is that the jobs that will be created require highly skilled mechanical and fabrication skills but do not require university level education. We will be able to provide well paid employment as well as opportunities to gain highly sought-after experience through on-the-job training. The project is located in the Wells Park neighborhood of Albuquerque and will be integrated into the redevelopment of an adjacent property. This part of town desperately needs quality infill and investment. The business is successful with 100% of its sales coming from outside the State of New Mexico. However, growth has been hampered by the lack of suitable facility space in the metropolitan area which has also impacted the ability to compete with similar out of state firms. The new facility will allow expansion of the business to meet the current sales demand and allow the company to hire new trade-focused employees from the community.

The Project’s operations will support employment and other economic impacts in the state. The 30.0 workers directly
employed by the Project will earn approximately $62,000 per year initially. This direct activity will support 13.1 indirect and induced workers in the state earning $59,000 on average. The total additional payroll or workers’ earnings associated with the Project is estimated to be approximately $19.8 million over the next 10 years.

Accounting for various taxable sales and purchases, including activity associated with the Project, worker spending, and visitors’ spending in the state, the Project is estimated to support approximately $12.7 million in taxable sales over the next 10 years.

AGENDA, LLC
The Agenda, LLC Global project will provide the community with an eclectic mixed-use building that not only highlights the cultural culinary offerings of New Mexico, but opportunities of long-term employment with industry leaders located here locally. The development will augment the State’s gross receipts tax base by over $6,000,000 within a 10-year timeline. The project will create approximately 75-110 construction jobs, all from local vendors that will result in approximately $3,000,000 spent on local contractors.

The Project’s operations will support employment and other economic impacts in the state. The 33.0 workers directly employed by the Project will earn approximately $71,000 per year initially. This direct activity will support 23.6 indirect and induced workers in the state earning $60,000 on average. The total additional payroll or workers’ earnings associated with the Project is estimated to be approximately $31.1 million over the next 10 years.

Accounting for various taxable sales and purchases, including activity associated with the Project, worker spending, and visitors’ spending in the state, the Project is estimated to support approximately $62.4 million in taxable sales over the next 10 years.

Agenda, LLC Global has partnered with the University of New Mexico to offer internships to students from the University to work directly with Agenda, LLC Global, a national figure in Public Relations.

➢ MANAGEMENT
HERITAGE DRIVEN
The project site will be managed by an internal affiliate of the applicant company, Agenda, LLC Real Estate Holdings.

AGENDA, LLC
The project site will be managed by an internal affiliate of the applicant company, Agenda, LLC Real Estate Holdings.

➢ COST OF IMPROVEMENTS, BOND AMOUNT AND PRIVATE FINANCING
HERITAGE DRIVEN
The Heritage Driven project will be capitalized with the following capital structure:
o Equity - $185,000 invested by the ownership group
o Debt - $785,000 debt facility will be provided by Main Bank
o Total Project Costs - $970,000
The total bond amount requested will be $5,000,000 issued in two series, the first series reflecting the Agenda, LLC project, the second series will reflect the Heritage Driven project.

AGENDA, LLC
The Agenda, LLC project will be capitalized with the following capital structure:
  o Equity - $400,000 invested by the ownership group
  o Debt - $2,600,000 debt facility will be provided by Main Bank
  o Total Project Costs - $3,000,000
The total bond amount requested will be $5,000,000 issued in two series, the first series reflecting the Agenda, LLC project, the second series will reflect the Heritage Driven project.

➤ ESTIMATED VALUE AFTER COMPLETION
HERITAGE DRIVEN
The ownership group has estimated that the probable appraised value post-development for the Heritage Driven project will be approximately $1,500,000.

AGENDA, LLC
The ownership group has estimated that the probable appraised value post-development for the Agenda, LLC project will be approximately $4,000,000.

➤ FEASIBILITY
HERITAGE DRIVEN
September 30, 2006
AGENDA, LLC
301 Gold Ave. SW Ste. 600
Albuquerque, NM 87102
Dear Greg Taylor:
It is my pleasure to announce the following notes have been executed with this Bank for the construction of the
Herring Building at 1001 2nd St SW, Albuquerque, NM:
I. **Amended and Filed Construction Loan**
   - A new construction loan has been executed in the amount of $300,000 for the construction and development of
     the property.
   - Loan to cost to be funded at 6.5%
   - Closing costs to be reduced at 1.5%
   - Construction loan to be paid off 12 months prior to the 2nd St & Tijeras Buildings

II. **Promissory Notes and Assignment Deeds**
   - The loan to be evidenced with a 3 year maturity with interest payable monthly. Principal is due in
     installments.

III. **Income/Expense**
    - Income at 62.5% of hotel
    - Expenses to be paid at 2% of hotel

IV. **Lien Waiver**
    - A lien with 1% of lien amount to be released in the amount of $47,500, and 50% of the lien
    - Remainder to be paid at 6% of lien amount

V. **Collateral**
    - First mortgage on the current property located at 1001 2nd St SW, Albuquerque, NM and 2nd mortgage on
      1005 Tijeras Ave SW, Albuquerque, NM

Respectfully,

[Signature]
Alan Dellworth
President & CEO

www.MainBank.com
CONSTRUCTION SCHEDULE

HERITAGE DRIVEN

The Heritage Driven project will begin construction in November of 2021 and is anticipated to conclude by April of 2022.

AGENDA, LLC

The Agenda, LLC project will begin construction in November of 2021 and is anticipated to conclude by April of 2022.

BOND ISSUANCE

HERITAGE DRIVEN

The Heritage Driven project will represent one series out of two series that will comprise the aggregate Industrial Revenue Bond. The anticipated date of issuance is contingent on the availability of the public hearings process.

AGENDA, LLC
The Agenda, LLC project will represent one series out of two series that will comprise the aggregate Industrial Revenue Bond. The anticipated date of issuance is contingent on the availability of the public hearings process.
FISCAL IMPACT ANALYSIS OF PROPOSED AGENDA GLOBAL, LLC & HERITAGE DRIVEN, LLC PROJECTS IN THE CITY OF ALBUQUERQUE

Prepared for the City of Albuquerque by Omar Solis
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1. Introduction

The City of Albuquerque (City) has requested that the UNM Bureau of Business and Economic Research (BBER) conduct a fiscal impact analysis of operations related to the proposed expansions by Agenda, LLC (Agenda) and Heritage Driven, LLC (Heritage Driven). These businesses have applied for an industrial revenue bond (IRB) totaling $5 million from the city. The IRB is representative of two aggregate projects divided into multiple series.

Dealing in public affairs and communication, Agenda is seeking the IRB to aid in renovating and building onto a building in the Wells Park neighborhood. Upon completion, Agenda, currently headquartered in Albuquerque with offices across the globe, will relocate into the new location. A portion of the space will be apportioned for retail and restaurant services. Agenda estimates that 85% of all sales are to out-of-state entities.

Also located in Albuquerque, Heritage Driven is seeking the IRB to assist in funding the construction of a manufacturing and restoration facility in the same Wells Park neighborhood. Heritage Driven specializes in the import, restoration, and modification of Land Rover Defender vehicles, completing custom fabrication, engineering, design, manufacturing, and automotive assembly. The proposed expansion would allow Heritage Driven to meet current sales demand. The whole of Heritage Driven sales are generated from out-of-state.

Investments from businesses create jobs and generate income to City residents directly and indirectly contracted by these two businesses. As jobs are filled by City residents, employees spend a portion of earnings on the purchase of goods and services in the community. This, in turn, further generates gross receipts tax for the city. Employees purchasing property also benefit the City through property taxes.

Capital expenditures for new construction at the new campuses will add to property values and aid in generating additional property tax for the City. Furthermore, wages paid to local construction crews further generate GRT through their own expenditures within the city.
2. Property

As part of the expansion, Agenda and Heritage Driven intend to move into three properties located on 5th Street NW. The following are the addresses and parcel identification numbers:

1. 1715 5th St NW; Parcel ID: 101405921200430504
2. 1719 5th St NW; Parcel ID: 101405922001530505
3. 1701 5th St NW; Parcel ID: 101405821651824308

Agenda intends to use the 1715 and 1719 properties, totaling 1.42 acres. Heritage Driven will utilize the 1701 property with a lot size of 0.32 acres.

Agenda and Heritage Driven have provided notices of value for each parcel identified above. Values have been verified through the Bernalillo County Assessor office. Construction is expected to begin in late 2021 and to continue through April 2022.

3. Methodology

This analysis is based on self-reported budget and expenditure information provided directly by Agenda and Heritage Driven to BBER. Information transmitted to the City of Albuquerque through the IRB application are also considered. Data consist of expected payroll and employment figures, operating expenditures, and construction and equipment expenditures over the next 20 years. Though the $5 million dollar IRB is expected to terminate in ten years, this analysis will also consider the 20-year impact.

The fiscal impact analysis process involves measuring direct, indirect, and induced jobs, and associated labor income due from projects. The model employed by BBER also applies disposable income derived from annual employee wages. Nearly 60% of all labor income is taxable. A portion of these salaries and wages are allocated for federal and state income taxes. Other portions are spent on the purchase of food and drugs, which are not taxed. Still, some earnings will be spent out-of-state where they escape New Mexico taxation. With a broad-based GRT, however, much local spending will be taxed.

GRT associated with company purchases have been recorded. Property tax was determined using estimated employment increases and per capita property tax. Additionally, estimates for increases in per capita costs of City services due to elevated resident activities in the city are employed.
Importantly, fiscal impact analysis results are dependent on assumptions; different assumptions can return markedly different results. The following summarizes the major assumptions used in this analysis:

1. This analysis considers only City of Albuquerque incentives and the ensuing fiscal impact on the City; incentives received from the State of New Mexico, or any other governing entity, are not considered.
2. New hires associated with the expansions will be hired from within Albuquerque. Furthermore, it is expected that construction jobs will be sourced from within the city.
3. In connection with the City of Albuquerque IRB, 70% of land and real property taxes will be foregone.
4. All operational expenditures for goods and services will be spent locally; these purchases do not forego gross receipts.
5. All personal property purchases will be from within the community; these purchases are also subject to GRT.

4. Results

Table 1 illustrates the collective fiscal impacts of the proposed expansions by Agenda, LLC and Heritage Driven, LLC in the City of Albuquerque. Employing the current 10-year bond rate of 1.14% would yield an estimated $720 thousand additional dollars to the city after 10 years (Table 1). With the 20-year 2.47% rate in effect, the cumulative fiscal impact is expected at $1.3 million at the end of the 20-year bond life (Table 2).
Table 1. 10-Year IRB Analysis: Estimated Tax Revenues for Proposed Agenda, LLC and Heritage Driven, LLC Projects, Including Incremental Tax, Present Value of City Taxes and Net Tax Increment, and Cumulative Net Present Value by Year (2021 dollars)

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<th>Company</th>
<th>Indirect and Induced Employees</th>
<th>Company Purchases</th>
<th>Construction</th>
<th>Construction Employees</th>
<th>Utilities</th>
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Table 2. 20-Year IRB Analysis: Estimated Tax Revenues for Proposed Agenda, LLC and Heritage Driven, LLC Projects, Including Incremental Tax, Present Value of City Taxes and Net Tax Increment, and Cumulative Net Present Value by Year (2021 dollars)

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Gross Receipts Taxes, Company Employees: Gross receipts taxes on local purchases by new operating personnel employed by applicant.
Gross Receipts Taxes, Indirect and Induced Employees: Gross receipts taxes on local spending by those supported by company’s purchases of local goods and services and by spending by operating personnel.
Gross Receipts Taxes, Company Purchases: Gross receipts taxes on increased company purchases of local goods and services as a result of the project.
Gross Receipts Taxes, Construction: Gross receipts taxes on contractor receipts and on local spending by construction workers and those supported indirectly by the project.
Total Revenues: Gross receipt tax revenues and other revenues associated with the additional population resulting from the project.
Foregone Property Taxes: Property taxes that would have been paid on land, buildings and equipment financed by the IRB. Title to properties financed are held by the City and the properties are exempt from taxes during the life of the bond. There is a minimum Payment in Lieu of Taxes of 5% of the taxes foregone.
City Costs: Costs of providing City services and infrastructure to the additional population and additional employment supported by the project. Costs include general fund expenditures, the subsidy for Transit, city street fund expenditures and average spending over past 5 years in the City’s Capital Acquisition less that supported by Federal funds or transfers. The cost of services provided by the city is split between businesses (based on employment) and residents (based on additional population).
Fiscal Impact, Annual: The annual fiscal impact is the total revenue less the cost for each year of the Industrial Revenue Bond.
Fiscal Impact, Present Value: Present value of the stream of annual net fiscal impacts discounted to current values. Here the discount rate is the real rate of interest on GO bonds.
Fiscal Impact, Cumulative: The running total of state present value fiscal impacts over the life of the Industrial Revenue Bond, where the last year is the net present value of the Industrial Revenue Bond.
Company Purchases includes employer paid health care insurance as well as G&S expenditures.
Property Tax includes Real and Personal property for applicant and employees.