

**ALBUQUERQUE DEVELOPMENT COMMISSION
Industrial Revenue Bond Hearing**

October 3, 2023

Case #2023-6

IRB-24-1: Maxeon Solar Technologies, Ltd IRB Project

REQUEST: Approval of \$2,400,000,000 in City Industrial Revenue Bonds is requested.

PROJECT SUMMARY:

Maxeon Solar Technologies, Ltd (“Maxeon”) designs and manufactures solar panels, with sales operations in more than 100 countries. The Company is a leader in solar innovation with access to over 1,000 patents and two best-in-class solar panel product lines. Maxeon products span the global rooftop and solar power plant markets through a network of more than 1,700 trusted partners and distributors. A pioneer in sustainable solar manufacturing, Maxeon leverages a 35-plus-year history in the solar industry and numerous awards for its technology.

The company is requesting \$2,400,000,000 in City-issued industrial revenue bonds to assist with the construction of a new manufacturing facility. The project will entail greenfield development of an 800,000-square-foot PV silicon solar cell fabrication facility with 660,000 square feet of clean manufacturing space and a 920,000-square-foot solar panel assembly facility with 460,000 square feet of manufacturing space, and a shared utility courtyard on an approximately 160-acre parcel (the “Project”). Approval of the IRB will aid in the development of the Project by providing the Applicant with economic development incentives through tax exemptions available under the IRB structure, thereby facilitating the creation of up to 1,773 jobs in the New Mexico economy. (The company also intends to pursue LEDA funding, but that will be reviewed in a separate transaction / request).

Maxeon operates two LEED Gold® manufacturing facilities—their cell fab in Malaysia, as well as a Mexicali, Mexico module production facility, which is also the first and only certified, zero-waste-to-landfill solar panel factory. Clean power, a sustainable supply chain and the respect for human and labor rights are key criteria that led Corporate Knights, a business and consulting firm to list Maxeon among the World’s 100 most sustainable companies in 2023.

Maxeon seeks to expand its current manufacturing capacity of approximately 6.4 GW of industry-leading solar products in Mexico, China, Malaysia, and the Philippines by establishing a U.S. manufacturing base. The new Albuquerque factory will fabricate silicon photovoltaic solar cells and assemble those solar cells into solar panels, while having annual production capacity over 3.2 GW (over 5 million solar panels), which will be shipped to utility scale solar power plant customers throughout the United States. The project will require the construction of an approximately 550k sq. ft solar cell fabrication facility (including a clean room), an approximately 750k sq. ft solar panel assembly facility, and on-site utilities infrastructure.

The Maxeon plant is expected to be the first large-scale PV cell and panel manufacturing in New Mexico, and its planned capacity is approximately double the size of the largest silicon solar manufacturing facility currently operating in the U.S. Maxeon expects to begin construction in the

first quarter of 2024, with factory ramp-up to commence in 2025. Maxeon has selected a 160-acre site located in the community of Mesa Del Sol, and is designing the complex to include solar cell fabrication, panel assembly, a warehouse, and administrative offices.

Maxeon's current plan is to manufacture 4.5 gigawatts (GWs) of photovoltaic cells and modules in the proposed facilities every year, which corresponds to about 7,000,000 solar panels annually. The company estimates that once fully ramped to the 4.5 GW capacity, each year of production would displace 4,000,000 metric tons of CO₂ in the first year after fielding the photovoltaic cells, and about 90,000,000 tons CO₂ would be displaced over the anticipated 25-year warranty period of the panels.

The Project is expected to create approximately 11,720 construction jobs sourced from local labor pools, as much as possible.

The Applicant proposes to construct the Project at the Mesa Del Sol mixed-use master planned community in Albuquerque, New Mexico. The new facility will consist of a Cell Fab (solar cell manufacturing factory) and Modco (Module Company), a solar panel assembly factory. Each factory unit will include a manufacturing area, manufacturing support space, warehousing, and office space. The Cell Fab and Modco buildings will have a new core and shell suitable for the manufacturing processes.

The new facilities will require Cell Fab support facilities that includes a Chiller Plant with Cooling Towers, a Compressed Dry Air (CDA) Building, a Waste Treatment Facility, Fluoride Waste Treatment Facility, Industrial Water Tank and Pump House, a Chemical Storage Building, Bulk Gas Yard, Silane Gas Pad, Hazardous Waste Storage Building, and Emergency/Back-up Generators.

The Site will require a main entrance off of University Boulevard and 2 service entrances and exits, facility roads, logistics shipping, receiving and container yard, approximately 1,200 parking spaces, fire access roads/loops around the factories, and 3 site stormwater management/retention ponds. During construction, typical building construction materials will be used, including foundation pilings, steel, poured and pre-fabricated concrete, crushed stone, roof deck, rubber membrane roofing, insulation, electrical switchgear and transformers, HVAC equipment, cleanroom systems, flooring products, and common fixtures and furnishings used to fit out industrial spaces, offices, cafeterias, and restrooms.

The goals of the Maxeon project are to further create and foster economic growth in the State of New Mexico. One of the primary project goals is to create new economic-base jobs in the community and to create job growth opportunities for existing staff.

City IRBs are issued to support eligible economic development projects that meet established policies and plans. The Company is responsible for funding the purchase of the bonds; no City funds are utilized to purchase or pay off the bonds, and no City credit is used to enhance the bonds. The State of New Mexico and its local governments are empowered to offer discretionary incentives to companies that support economic development projects that foster, promote, and enhance local economic development efforts. The City has long focused its industrial revenue bond program around industries and companies that are considered "economic-base":

Economic Base: Fifty-one percent or more of the revenues of the New Mexico operation are generated outside the Albuquerque Metropolitan Statistical Area. Revenues generated by contracts with Federal entities are considered to be from outside the metropolitan area. This requirement does not apply to educational or healthcare facilities seeking industrial revenue bonds. Credit 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.

Economic base companies can be large companies that employ hundreds of people that make mattresses or bioscience products or advanced technology research and development; they can also be very small companies that employ 10 people or less that make custom jewelry or specialized food products that are largely sold out of state. These are the companies that bring money into the state, that can then be spent at our very important local-serving small and medium-sized businesses, like florists and restaurants, or clothes shops, or car repair, or dry cleaners—or even grocery stores. Without a community’s economic base companies being strong and growing, local serving businesses cannot grow and be strong.

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

1. any industry for the manufacturing, processing or assembling of any agricultural or manufactured products;
2. any commercial enterprise in storing, warehousing, distributing or selling products of agriculture, mining or industry but does not include facilities designed for the sale of goods or commodities at retail or distribution to the public of electricity, gas, water or telephone or other services commonly classified as public utilities;
3. 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;

This project includes a fiscal impact analysis prepared by the University of New Mexico’s Bureau of Business and Economic Research (BBER) as required given the project is a recipient of City funds. Operations related to the \$2.4 billion bond requested by Maxeon will generate an estimated total of almost \$486 million in taxes (TIDD allocations included) upon reaching its horizon in 2042. The project is expected to remain tax positive throughout the span of the contract. Upon reaching full employment at the end of 2026, an estimated cumulative \$42 million in taxes will have accrued. Figures are determined around the current 20-year general obligation bond rate of 4.26%.

The largest contributions to tax effects are from large out-of-state company purchases of goods and services (generating compensating taxes). Other large effects are noted from GRT-eligible company sales and from property taxes.

The project plan as shown in Exhibit A provides details of the project.

FINDINGS:

1. IRB 24-1 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 24-1 would make positive substantive contributions to the local economy and community by creating 1,773 high-wage economic base jobs; and
3. IRB 24-1 will bolster Albuquerque’s manufacturing base and renewable energy industry; and
4. IRB 24-1 would comply with the adopted City plans and policies, and meet community economic development priorities and objectives;
5. IRB 24-1 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

1. Economic Base Company * 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
6. Jobs created by the project meet or exceed the median wage for similar jobs in the community	Pass
7. Per state requirements, the firm covers 50% of health insurance premiums for employees.	Pass
8. Other additional factors.	
RESULT	PASS

1. More than fifty-one percent of the company’s revenue of the New Mexico operation will be generated outside the Albuquerque Metropolitan Statistical Area. Maxeon also qualifies under the IRB Act and the City’s Ordinance as a business providing manufacturing and assembly operations.
2. The bonds will be considered a “self-purchase”- purchased by a subsidiary or affiliate of the Company.

3. The site is zoned NR-LM for Non- Residential-Light Manufacturing with Cleanroom Accessory, which includes permitted uses for office, manufacturing, assembly, research, and warehousing uses and conforms to the City of Albuquerque (CoA) Integrated Development Ordinance (IDO) and planning and zoning policies.
4. Maxeon has certified that it has no outstanding substantive federal, state, or local tax issues.
5. The Project, in its design, complies with environmental regulations.
6. Jobs for the positions meet or exceed the median wages for similar jobs in the community.
7. Maxeon pays at least 50% percent of the health and dental insurance premiums for its employees.

(The Company has requested the approval of LEDA funds from the State and City, but that will be a separate review and approval process.)

II. LAND USE, PLAN AND DESIGN ELEMENTS

1. PLAN & ZONING:

Legal Description

The Project is to be located in the Mesa Del Sol area in Albuquerque, New Mexico. A legal description for the property is not currently available. Bearing this in mind, however, the Applicant has prepared a map of the currently contemplated Project site attached hereto as Exhibit A for illustrative purposes, and will provide a formal legal description for the Project Site once it is available.

Prevailing Site Conditions

The Project site is currently vacant land with no improvements.

Present Assessed Value

Based on a private appraisal of the market value of the Project site secured on behalf of Maxeon, the current appraised value of the Project site is \$31,000,000.

Present and Proposed Zoning

The is zoned NR-LM (Non-Residential/ Light Manufacturing). Permissive uses include office, warehousing, light manufacturing, and assembly. The project fits within the permitted uses.

2. LAND USE/INFILL/DESIGN AND CONSERVATION:

The Applicant is proposing to construct and operate a new photovoltaic (solar) cell fabrication and panel assembly facility along University Boulevard in Albuquerque, New Mexico.

The Applicant proposes to construct the Project at the Mesa Del Sol mixed-use master planned community in Albuquerque, New Mexico. The new facility will consist of a Cell Fab (solar cell manufacturing factory) and Modco (Module Company), a solar panel assembly factory. Each factory unit will include a manufacturing area, manufacturing support space, warehousing, and office space. The Cell Fab and Modco buildings will have a new core and shell suitable for the manufacturing processes.

The new facilities will require Cell Fab support facilities that includes a Chiller Plant with Cooling Towers, a Compressed Dry Air (CDA) Building, a Waste Treatment Facility, Fluoride Waste Treatment Facility, Industrial Water Tank and Pump House, a Chemical Storage Building, Bulk Gas Yard, Silane Gas Pad, Hazardous Waste Storage Building, and Emergency/Back-up Generators.

The Site will require a main entrance off of University Boulevard and 2 service entrances and exits, facility roads, logistics shipping, receiving and container yard, approximately 1,200 parking spaces, fire access roads/loops around the factories, and 3 site stormwater management/retention ponds. During construction, typical building construction materials will be used, including foundation pilings, steel, poured and pre-fabricated concrete, crushed stone, roof deck, rubber membrane roofing, insulation, electrical switchgear and transformers, HVAC equipment, cleanroom systems, flooring products, and common fixtures and furnishings used to fit out industrial spaces, offices, cafeterias, and restrooms.

The Project is expected to become operational in 2025. The Project is expected to be in operation for at least 20 years.

The site is vacant, raw land, no existing structures or uses exist, no existing building to be rehabilitated or incorporated into the construction.

Additional investment is planned for infrastructure and roads by Mesa Del Sol and local utilities for services to the site, including the following:

- Roads
- Power
- Water
- Storm Sewer
- Sanitary Sewer
- City Reuse Water
- Advanced Water Treatment Plant by Water Authority, Industrial Wastewater Recycling
- Broadband (fiber)

DEMOLITION

No existing building or historic properties on the site, so no building demolition is necessary. Only grubbing and rough grading would be required.

RELOCATION

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

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

Smart Recruitment, Retention, and Expansion – The City of Albuquerque 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.

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

- A. any industry for the manufacturing, processing or assembling of any agricultural or manufactured products; public utilities;
- B. 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;

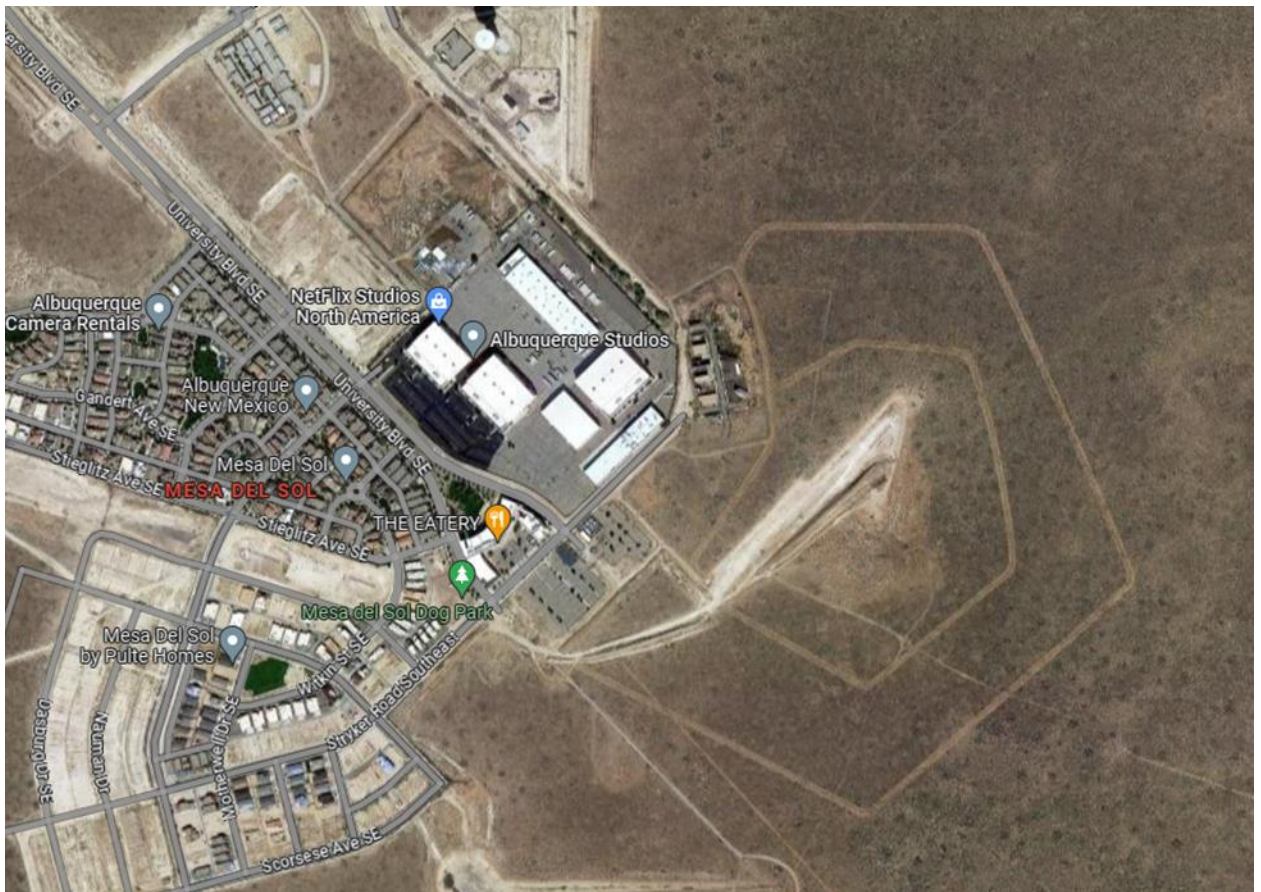
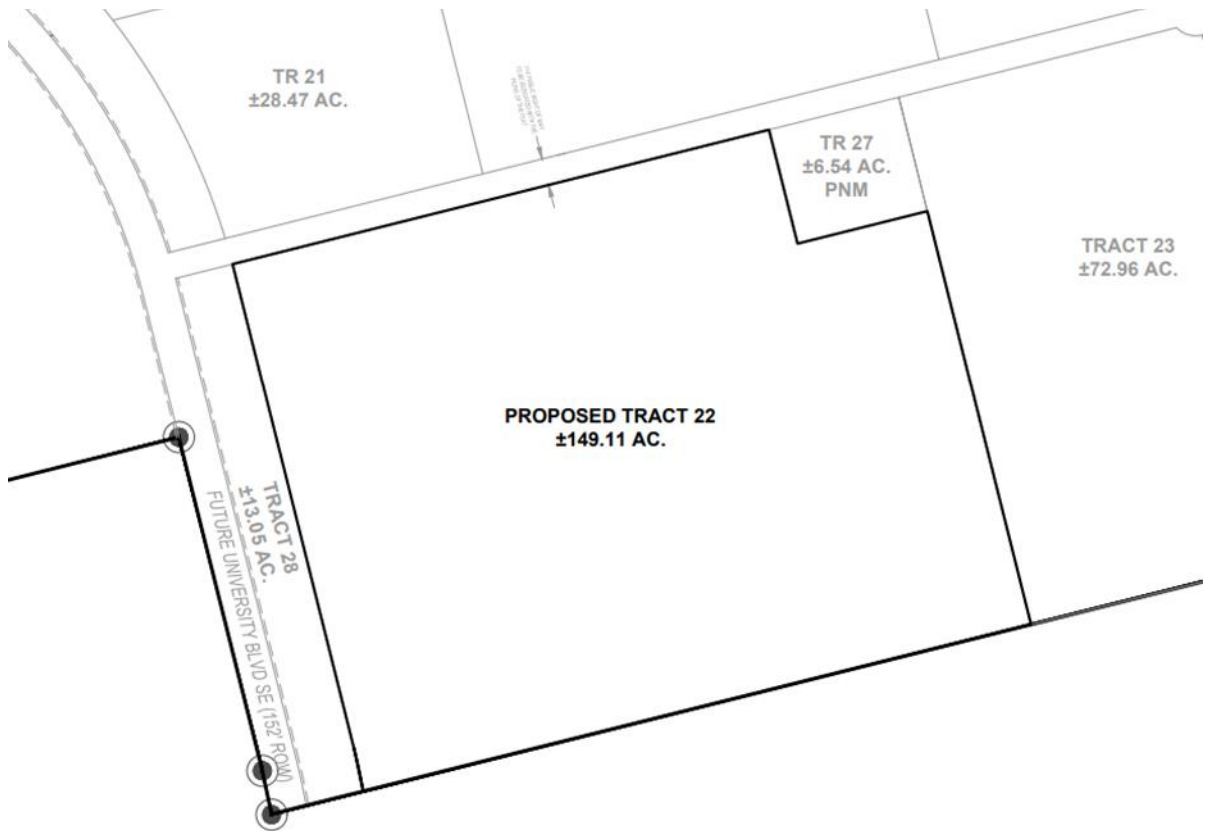
INFRASTRUCTURE

The site is vacant, raw land, no existing structures or uses exist, no existing building to be rehabilitated or incorporated into the construction.

Additional investment is planned for infrastructure and roads by Mesa Del Sol and local utilities for services to the site, including the following:

- Roads
- Power
- Water
- Storm Sewer
- Sanitary Sewer
- City Reuse Water
- Advanced Water Treatment Plant by Water Authority, Industrial Wastewater Recycling

IRB 24-1 Maxeon Solar Technologies, Ltd Industrial Revenue Bond Project



III ECONOMIC BENEFITS

This project will have numerous positive economic benefits across the community and the state. First, the City will have recruited a new, valued Albuquerque employer with a global presence, that does well for its employees, customers, suppliers, the community and the tax base. The company will be create 1,773 new jobs in Albuquerque, with salaries ranging from nearly \$28K to over \$230K. The Total Estimated Payroll in First 3 Years is \$41,520,645.

Operations related to the \$2.4 billion bond requested by Maxeon will generate an estimated total of almost \$486 million in taxes (TIDD allocations included) upon reaching its horizon in 2042. The project is expected to remain tax positive throughout the span of the contract. Upon reaching full employment at the end of 2026, an estimated cumulative \$42 million in taxes will have accrued. Figures are determined around the current 20-year general obligation bond rate of 4.26%.

The largest contributions to tax effects are from large out-of-state company purchases of goods and services (generating compensating taxes). Other large effects are noted from GRT-eligible company sales and from property taxes.

COMPETITION

The project includes unique and innovative technologies and will not create local competition and Maxeon does not have a true competitor in the City.

Staff research was not able to uncover anything that suggests this statement is not accurate.

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

This project will create approximately 11,2720 construction jobs and will also create employment of over 1,773 high-paying employees within Maxeon itself. It is estimated that an additional 2,311 indirect and induced jobs will be created as a result of the Project.

The salaries for the jobs should meet or exceed the average for similar positions within the community. In a review of positions from the NM Dept. of Labor, it appears that the salaries for the jobs profiled are comparable for similar positions within the community. Jobs will be filled primarily from the local workforce. The jobs categories demonstrate a clear path for career progression.

1. Net new jobs and employee ramp over the next 3 to 5 years

Year	Jobs Added	Total net new jobs
1	25	25
2	351	376
3	700	1,076
5	424	1,500
10	273	1,773

2. Salary rates for each of the positions

IRB 24-1 Maxeon Solar Technologies, Ltd Industrial Revenue Bond Project

Job	# of net new jobs (Years 1-3)	Salary (or hourly equivalent)
Operator I	0	\$27,742
Operator II	411	\$33,172
Operator III	3	\$38,816
Technician	29	\$46,345
Eng. Technician	87	\$56,398
Logistics	293	\$64,951
Planner	52	\$76,145
Supervisor	92	\$96,130
Sr. Supervisor	48	\$114,481
Section Mgr.	26	\$132,839
Dept. Mgr.	17	\$150,729
Sr. Manager	10	\$168,618
Director	6	\$197,677
Site Head	2	\$231,745
Total	1,076	

3. Estimated Total Estimated Net New Payroll in First 3 Years: \$41,520,645
4. Confirmation the company pays at least 50% of the employee's health insurance premium – Confirmed
 - 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? The majority of these jobs are expected to be filled by Albuquerque residents. Given nationwide competition for the roles the Applicant seeks to fill, it may not be possible to hire all required staff locally, though the Applicant will use its best efforts to do so. To that end Maxeon is engaged with CNM, UNM, and other institutions of higher learning to develop training programs and curriculums, and also with STEM Boomerang and NMDWS to develop an in-state talent pipeline.
 - 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? The Applicant provides career planning and defined career paths with advancement opportunities for its staff.
 - 7) Will “Job Training Incentive Program” or other job training programs be used? Yes. The JTIP program is a major element to the company's growth plans.
 - 8) Will at least 50% of health insurance premiums be covered for employees? Yes

N. Corporate Citizenship Policy/Plan

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

Maxeon believes that access to healthy environmental conditions is a fundamental human right. The company aims to help correct inequities and give back to the communities in which they operate.

The company has a program called Maxeon Gives, their signature donation and volunteering program which sees their solar panels donated to communities around the world and provides employees with opportunities to give back to their local community and planet. Maxeon Gives is a direct response to the company's commitment to the United Nations Global Compact and also the Sustainable Development Goals (SDGs), as well as our opportunity to make a meaningful impact on Maxeon communities and make volunteerism mutually beneficial. Through Maxeon Gives every employee has the chance to nominate nonprofit organizations or schools to receive Maxeon solar panels. Through their employee volunteerism, every employee has the opportunity to contribute to the communities with activities linked to Maxeon Impact Areas of gender equity, sustainability and mental wellbeing.

As part of their commitments, the company has developed a long-term target to reach 5,000 volunteer days by 2025 and 7,500 volunteer days by 2030. In 2023, Maxeon announced that Earth Day would become their annual Maxeon Volunteer Day.

More information regarding Maxeon's corporate citizenship initiatives is available at the following link <https://corp.maxeon.com/esg>. Maxeon's Sustainability Report is also available at the following link:

<https://corp.maxeon.com/static-files/b5a48d51-54e3-4419-a142-07c07b9289d0>

IV. PROJECT FEASIBILITY

9. **COST/ FEASIBILITY/ FINANCING:**

Funding is subject to City Council approval. Maxeon intends to self-fund the improvements through the bond proceeds, and they are 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 \$2,400,000,000 for the site, buildings, and improvements, although the entire project costs are estimated at a greater amount.

10. **DEVELOPER'S RECORD:**

Maxeon Solar Technologies has 5,000 employees in multiple facilities in 14 countries. The company has a proven track record of successful developments, acquisitions and expansions

across the globe. The company has stood up numerous facilities over its 35-year history and it has consistently upgraded its facilities and led the way in sustainable building practices. The company operates two LEED Gold® manufacturing facilities—a cell fab in Malaysia, as well as a Mexicali, Mexico module production facility, which is also the first and only certified, zero-waste-to-landfill solar panel factory.

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

Based upon financial information provided, the company's track record and the organizational capacity, the company appears capable of managing and completing the project.

11. EQUITY:

Maxeon requests the previously approved amount of the IRBs at \$2,400,000,000. The total cost of improvements and preoperational expenses are \$1,834,000 of which 65% will be financed with the benefit of a Department of Energy (DOE) Title 17 Loan. Additional non-eligible expenses and working capital bring the total investment to \$2,400,000,000.

The Maxeon project will be capitalized with the following capital structure:

- Applicant Equity Investment - \$422,000,000
- External Equity Investment- \$250,000,000
- Department of Energy Title 17 Loan- \$1,207,000,000
- Other Loans- \$544,000,000

Total Project Amount (Sum of above)- \$2,423,000,000.00

Additionally, the State has committed \$18,000,000 in LEDA funds and the City has committed an additional \$2,000,000 for a total of \$20,000,000. LEDA funding is subject to City Council approval.

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

12. MANAGEMENT:

Maxeon's management leads a global team of 5,000 employees across 14 countries. Their combined background, capabilities and experience in the solar manufacturing industry is ideal to lead a project of this scope.

Principal Directors:

CEO - Bill Mulligan

CTO - Matt Dawson

CRO - Mark Babcock

CFO- Kai Strohbecke

CSO- Peter Aschenbrenner

COO- Philippe Costemale

Additional information on the management team can be found at:

<https://corp.maxeon.com/company/management-team>

Information on the company's Board of Directors can be found at:

<https://corp.maxeon.com/company/board-of-directors>

Based upon expertise and proven track record of the management team, the company appears capable of managing and completing the Project.

13. FISCAL IMPACT ANALYSIS

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

Operations related to the \$2.4 billion bond requested by Maxeon will generate an estimated total of almost \$486 million in taxes (TIDD allocations included) upon reaching its horizon in 2042. The project is expected to remain tax positive throughout the span of the contract. Upon reaching full employment at the end of 2026, an estimated cumulative \$42 million in taxes will have accrued. Figures are determined around the current 20-year general obligation bond rate of 4.26%.

The largest contributions to tax effects are from large out-of-state company purchases of goods and services (generating compensating taxes). Other large effects are noted from GRT-eligible company sales and from property taxes.

The fiscal impact analysis demonstrates that the City will recoup the value of its investment within the term of the bonds.

14. 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 24-1 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 24-1 would make positive substantive contributions to the local economy and community by creating an additional 1,773 high-wage economic base jobs; and
3. IRB 24-1 will bolster Albuquerque's renewable energy industries; and
4. IRB 24-1 would comply with the adopted City plans and policies, and meet community economic development priorities and objectives;

IRB 24-1 Maxeon Solar Technologies, Ltd Industrial Revenue Bond Project

5. IRB 24-1 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 on the above findings, staff recommends approval of IRB 24-1 as proposed in the project plan application.

Max Gruner, Director
Economic Development Department

CONFIDENTIAL – CONTAINS TRADE SECRETS SUBJECT TO NMSA 1978, SECTION 14-2-1(F) (2023)

**APPLICATION
for
INDUSTRIAL REVENUE BOND
Project Approval**

Name of Project: Project Golden Eagle

Location of Project: Mesa Del Sol in Albuquerque, New Mexico

Company Name: A subsidiary of Maxeon Solar Technologies, Ltd. (“Maxeon”) to be formed in connection with the development of Project Golden Eagle (together with its successors, assigns, affiliates and subsidiaries, the “Applicant”)

Contact Person: Dan Cohen

Address: 51 Rio Robles

San Jose, CA 95134

Telephone: 1-408-372-8870

Email: dan.cohen@maxeon.com

Bond Counsel: Rodey Law Firm (Justin Horwitz & Peter Kelton)

Address: 201 Third Street NW, Suite 2200

Albuquerque, NM 87102

Telephone: (505) 768-7317 & (505) 768-7231

Bond Amount Requested: \$2,400,000,000 Fee Submitted: Pending

FOR STAFF USE

Staff Assigned: _____

Case Number: _____

Fee Received: \$ _____

ADC Hearing Date: _____

Council Dates (Tentative): Introduction _____

Committee _____ Council Hearing _____

**CONFIDENTIAL – CONTAINS TRADE SECRETS SUBJECT
TO NMSA 1978, SECTION 14-2-1(F) (2023)**

PREFACE

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

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

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

APPLICATION DESCRIPTION

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

I. GENERAL DESCRIPTION

Give 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.

Maxeon independently designs, manufactures and sells industry-leading solar panels in more than 100 countries around the globe. Project Golden Eagle will entail greenfield development of an 800,000-square-foot PV silicon solar cell fabrication facility with 660,000 square feet of clean manufacturing space and a 920,000-square-foot solar panel assembly facility with 460,000 square feet of manufacturing space, and a shared utility courtyard on an approximately 160-acre parcel (the “Project”). The Applicant requests an IRB in an aggregate principal amount not to exceed \$2,400,000,000 in connection with the Project. Approval of the IRB will aid in the development of the Project by

CONFIDENTIAL – CONTAINS TRADE SECRETS SUBJECT TO NMSA 1978, SECTION 14-2-1(F) (2023)

providing the Applicant with economic development incentives through tax exemptions available under the IRB structure, thereby facilitating the creation of up to 1,773 jobs in the New Mexico economy.

II. SITE AND EXISTING CONDITIONS

A. Legal Description

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

The Project is to be located in the Mesa Del Sol area in Albuquerque, New Mexico. A legal description for the property is not currently available. Bearing this in mind, however, the Applicant has prepared a map of the currently contemplated Project site attached hereto as Exhibit A for illustrative purposes, and will provide a formal legal description for the Project Site once it is available.

B. Prevailing Site Conditions

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

The Project site is currently vacant land with no improvements.

C. Present Assessed Value

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

Based on a private appraisal of the market value of the Project site secured on behalf of Maxeon, the current appraised value of the Project site is \$31,000,000.

D. Present and Proposed Zoning; Regulatory Issues

Give the current zoning of the property. If any change in zoning is required for the proposed use, give the proposed new zone. We recommend that zoning changes required be requested before the project plan reaches the Development Commission. Describe any particular permitting or regulatory matters that might be different from general development projects.

MDS Level A & Level B allow for City of Albuquerque (CoA) Integrated Development Ordinance (IDO) Non-Residential-Light Manufacturing (NR-LM) with Cleanroom Accessory. The zoning alignment is captured in the CoA Project Review Team (PRT) notes (PA 23-064 Addendum), attached hereto as Exhibit B.

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Applicant is not aware of permitting or regulatory matters different from general development projects. The Project will require typical permits, such as ground disturbance, air, and wastewater discharge permits, among others.

E. Renewable Energy

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

When the Project reaches its full entitled capacity, it will manufacture 4.5 GW (over 7,000,000) solar panels which will be deployed in utility power plant (solar farm) projects throughout the United States on an annual basis. The Applicant plans to install roof mounted solar and ground mounted solar carports to offset energy consumption.

III. PROJECT PLAN

A. Information Concerning Applicant

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

The Applicant upon creation is anticipated as being majority owned and controlled by Maxeon. Information regarding Maxeon’s experience and management team is set out on Maxeon’s website (<https://corp.maxeon.com/company/management-team>). The Applicant is happy to share additional information upon request.

B. Tax Issues

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

Maxeon has no outstanding federal, state, or local tax issues that will or are likely to have any material impact on the development of the Project.

C. Information Concerning Products and Process

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

The cell fabrication facility (Cell Fab) involves industrial processes using chemicals and gasses with specialized tools that convert the silicon wafer starter

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material into a solar cell. The solar panel assembly facility (Modco) employs light mechanical and electrical assembly processes that arrange the solar cells in electrical and parallel circuits and package them with encapsulants, glass, various adhesives, and extruded aluminum frames into solar panels.

The Cell Fab and Modco will generate emergency generator exhaust, natural gas boiler exhaust, and various process exhausts that will all be abated in accordance with EPA and local codes under the Air Permit.

The Cell Fab will also have acid and fluoride liquid waste streams that will be pre-treated on site and further processed and recycled through an Advanced Water Treatment Facility under development by the local Albuquerque Bernalillo County Water Utility Authority. More than 80% of the industrial wastewater will be recycled and returned to the Cell Fab for reuse.

The mechanical, reciprocating equipment; scrubbers; chillers; compressors; emergency generators; and other equipment associated with the manufacturing process will generate some noise, which will be abated to meet the local nighttime minimum dBA at property line.

Maximum parking and use are planned for 1,200 employees and visitors, two employee entrances separate from service entrances are provided. There will be a Cell Fab service entrance at the northeast corner of the site of Hazardous Production Materials (HPM) deliveries separate from public and Modco logistics service entrance for safety purposes. Modco will generate the larger share of logistics volume and traffic related to shipping and receiving, and it will have its own dedicated service entrance at the southwest corner of the site. All entrances will have manned guard houses and service entrances will have sufficient queue and turnaround space to avoid back-up onto public roads.

D. Competition

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

No competition for the Project exists in the City.

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

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

The project is anticipated to create extensive construction jobs commensurate with the anticipated size and scope of the Project. Moreover, the Project will

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create up to an additional 1,773 jobs in the New Mexico economy, create a draw for supply chain co-location, generate a new manufacturing and industrial base in the City, and spur the development of possible spin-off businesses.

F. Land Acquisition

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

IRB proceeds will not be used to acquire land, and the land is currently under contract by the Applicant.

G. Description of Proposed Development

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

The Applicant is proposing to construct and operate a new photovoltaic (solar) cell fabrication and panel assembly facility along University Boulevard in Albuquerque, New Mexico. The Applicant’s current plan is to manufacture 4.5 gigawatts (GWs) of photovoltaic cells and modules in the proposed facilities every year, which corresponds to about 7,000,000 solar panels annually. The Applicant’s objective is to supplement Maxeon’s two existing factories in Mexico that supply products for the U.S. market, which are already at full production capacity. The U.S. solar market has been struggling to find modules that can comply with the UFLPA and AD/CVD tariffs, and global logistics issues have resulted in supply constraints. As a result, there is immense demand for de-risked products for the U.S. market.

The Applicant estimates that once fully ramped to the 4.5 GW capacity, each year of production would displace 4,000,000 metric tons of CO2 in the first year after fielding the photovoltaic cells, and about 90,000,000 tons CO2 would be displaced over the anticipated 25-year warranty period of the panels.

The Applicant proposes to construct the Project at the Mesa Del Sol mixed-use master planned community in Albuquerque, New Mexico. The new facility will consist of a Cell Fab (solar cell manufacturing factory) and Modco (Module Company), a solar panel assembly factory. Each factory unit will include a manufacturing area, manufacturing support space, warehousing, and office space. The Cell Fab and Modco buildings will have a new core and shell suitable for the manufacturing processes.

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The new facilities will require Cell Fab support facilities that includes a Chiller Plant with Cooling Towers, a Compressed Dry Air (CDA) Building, a Waste Treatment Facility, Fluoride Waste Treatment Facility, Industrial Water Tank and Pump House, a Chemical Storage Building, Bulk Gas Yard, Silane Gas Pad, Hazardous Waste Storage Building, and Emergency/Back-up Generators.

The Site will require a main entrance off of University Boulevard and 2 service entrances and exits, facility roads, logistics shipping, receiving and container yard, approximately 1,200 parking spaces, fire access roads/loops around the factories, and 3 site stormwater management/retention ponds. During construction, typical building construction materials will be used, including foundation pilings, steel, poured and pre-fabricated concrete, crushed stone, roof deck, rubber membrane roofing, insulation, electrical switchgear and transformers, HVAC equipment, cleanroom systems, flooring products, and common fixtures and furnishings used to fit out industrial spaces, offices, cafeterias, and restrooms.

The Project is expected to become operational in 2025. The Project is expected to be in operation for at least 20 years.

The site is vacant, raw land, no existing structures or uses exist, no existing building to be rehabilitated or incorporated into the construction.

Additional investment is planned for infrastructure and roads by Mesa Del Sol and local utilities for services to the site, including the following:

- **Roads**
- **Power**
- **Water**
- **Storm Sewer**
- **Sanitary Sewer**
- **City Reuse Water**
- **Advanced Water Treatment Plant by Water Authority, Industrial Wastewater Recycling**
- **Broadband (fiber)**

No existing building or historic properties on the site, so no building demolition is necessary. Only grubbing and rough grading would be required.

Attached as Exhibit C hereto are a Site Master Plan and Renderings.

H. Infrastructure

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

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for substantial additional electric, gas, or communications infrastructure, and how are they being addressed?

The project will require new infrastructure and roads extended to the site by Mesa Del Sol and local utilities. The Applicant has engaged with and is working with Mesa Del Sol, local engineering firm Bohannon Huston, and local utilities (PNM, NMGCO, and ABCWUA) to develop and extend utilities infrastructure elsewhere to the project site, including the following:

- **MDS will extend University Drive to the site and construct Industrial Park Road along the north boundary of the project site**
- **Power: Primary and Secondary 115kV transmission lines to a new, 95MW High Voltage Substation adjacent to the project site provided by PNM**
- **Water supply extension to site provided by ABCWUA**
- **Storm Sewer extension to site provided by ABCWUA**
- **Sanitary Sewer extension to site provided by ABCWUA**
- **City Reuse Water extension to site provided by ABCWUA**
- **Advanced Water Treatment Plant by Water Authority for Applicant**
- **Industrial Wastewater Recycling provided by ABCWUA**
- **Provider of broadband extension to site to be determined**

Cost sharing will be required. The below estimates are preliminary and not yet comprehended in definitive agreements:

- **Electricity (PNM): dedicated substation, transmission, distribution, and redundancy. Total estimated cost of \$141,800,000 and Applicant cost share of \$75,800,000**
- **Gas (NMGCO): TBD cost share for gas line extension**
- **Water/Sewer: Cost responsibility is with Mesa Del Sol**
- **Fiber: Cost responsibility is with Mesa Del Sol**
- **Advanced Water Treatment Facility: Cost responsibility is with NMED and CABQ**

Substantial infrastructure improvements are required for electricity, water and sewer. They are being planned and will be implemented by PNM, Mesa Del Sol, and ABCWUA.

I. Area Enhancement

Describe how project design, placement and development will enhance the surrounding area.

As noted in the conceptual rendering included in Exhibit C, the project will be designed in accordance with the Mesa Del Sol Level A & B zoning and planning requirements of the planned community. The manufacturing campus and architectural expression will reflect the desert earth tones to complement the

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landscape. One reason the site was selected was to take advantage of the MDS planned linear park in front of the campus along University Boulevard. The landscape design will be xeriscape, desert, full surface water retention ponds, consistent with the linear park.

J. Local Purchasing

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

The Applicant roughly estimates the following annual expenditures for years 2025 through 2029 for the Project:

2025	2026	2027	2028	2029
\$3,612,000	\$44,665,000	\$77,431,000	\$79,759,000	\$84,548,000

Thereafter, the Applicant roughly estimates annual increases of 1%. Please note that these are rough estimates that are subject to change.

K. Water Conservation

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

The total average water consumption is estimated as 5,000,000 gallons per day, and approximately 151,000,000 gallons per month. The Applicant’s current strategy entails sending 3,500,000 gallons of water per day to an Advanced Water Treatment Plant (AWTP) operated by ABCWUA, which will be re-used as industrial water. The will also used treated reclaim water from other sources to provide the Applicant with an additional 1,000,000 gallons per day of industrial water. Once the AWTP is operational, the Applicant’s potable water consumption will be greatly reduced to approximately 500,000 gallons per day.

L. Relocation of Individuals or Businesses

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

No individuals or businesses are anticipated as being displaced in connection with the Project.

M. Number and Types of Jobs Created

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

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Below is a summary of the number and type of permanent jobs anticipated as being created in connection with the Project, as well as anticipated wages of all positions to be created.

Job Title/Type	# of Jobs
Operator I & II	688
Operator III	80
Technicians	558
Engineer	239
Logistics/Specialists	74
Supervisor	42
Section Managers	17
Department Managers	57
Senior Managers, Directors, Site Head	18

Job Title/Type	Job Grade (JG)	Estimated Pay Range (min., mid., max.)	Estimated Pay at Start-up (mid.)
Operator I	13	\$24,960-\$27,742-\$33,290	\$27,742
Operator II	14	\$26,537-\$33,172-\$39,806	\$33,172
Operator III	15	\$31,053-\$38,816-\$46,580	\$38,816
Technician	16	\$37,076-\$46,345-\$55,614	\$46,345
Engineer Technician	17	\$45,119-\$56,398-\$67,678	\$56,398
Engineering Technician/Logistics Specialists/Office Admin	18	\$51,961-\$64,951-\$77,941	\$64,951
Planner	41	\$60,916-\$76,145-\$91,374	\$76,145
Supervisor/Engineer/Office Staff-Support	42	\$76,904-\$96,130-\$115,356	\$96,130
Senior Supervisor/Senior Engineer/Office Leads-Support	43	\$91,584-\$114,481-\$137,377	\$114,481
Section Manager	44	\$106,271-\$132,839-\$159,407	\$132,839
Department Manager	45	\$120,583-\$150,729-\$180,874	\$150,729
Senior Manager	46	\$134,894-\$168,618-\$202,342	\$168,618
Director	47	\$158,142-\$197,677-\$237,213	\$197,677
Site Head	48	\$185,396-\$231,745-\$278,093	\$231,745

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?

This percentage is to be determined. Given nationwide competition for the roles the Applicant seeks to fill, it may not be possible to hire all required staff locally, though the Applicant will use its best efforts to do so.

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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?

Yes.

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

Yes.

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

Yes.

N. Corporate Citizenship Policy/Plan

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

At Maxeon, we believe access to healthy environmental conditions is a fundamental human right. We aim to help correct inequities and give back to the communities in which we operate, further demonstrating our commitment to sustainability and Powering Positive Change™.

We are very proud of Maxeon Gives, our signature donation and volunteering program which sees our solar panels donated to communities around the world and provides our employees with opportunities to give back to their local community and planet. Maxeon Gives is a direct response to our commitment to the United Nations Global Compact and also the Sustainable Development Goals

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(SDGs), as well as our opportunity to make a meaningful impact on our communities and make volunteerism mutually beneficial. Through Maxeon Gives every employee has the chance to nominate nonprofit organizations or schools to receive Maxeon solar panels. Through our employee volunteerism, every employee has the opportunity to contribute to the communities in which we operate, with activities linked to our Maxeon Impact Areas of gender equity, sustainability and mental wellbeing.

As part of our commitments, we have developed a Long-term ESG Target to reach 5,000 volunteer days by 2025 and 7,500 volunteer days by 2030. In 2023 we announced that Earth Day would become our annual Maxeon Volunteer day where we all come together and celebrate giving back as a company. Giving back our products as well as our time can make a huge difference to the communities in which we operate. It's part of our ongoing commitment to ensuring access to affordable, reliable, sustainable and modern energy for all and reducing inequality within and among countries.

More information regarding Maxeon's corporate citizenship initiatives is available at the following link <https://corp.maxeon.com/esg>. Maxeon's Sustainability Report is also available at the following link: <https://corp.maxeon.com/static-files/b5a48d51-54e3-4419-a142-07c07b9289d0>

O. Positive Contributions

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

As reflected in the initiatives described in Section III.N. (Corporate Citizenship Policy/Plan), Applicant is committed to being a positive force in its communities. Moreover, the Project would generate up to 1,773 jobs in the New Mexico economy; infuse the local area with capital from the development of the Project; generate tax revenue; improve infrastructure; attract co-location of suppliers and partners to foster additional economic development; and support professional, maintenance, landscaping, office supplies, consumables, restaurants, and other service providers in the local economy.

P. Management

Who will manage the project during development? Who will manage the Project's operations? If the project will be managed by someone other than the applicant, does the applicant have any long-range involvement?

The Applicant will manage the Project during development and operations.

IV. PROJECT FINANCING

A. Cost of Improvements, Bond Amount and Private Financing

Provide the total cost of the improvements to be constructed and the amount of bonds requested. The amount requested should be no more than that needed to complete the

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project in addition to equity or conventional financing. Also provide the amount of private financing (equity or conventional financing) involved in this project; this may include the value of land and existing facilities, if relevant.

The total cost of improvements and preoperational expenses are \$1,834,000 of which 65% will be financed with the benefit of a Department of Energy (DOE) Title 17 Loan. Additional non-eligible expenses and working capital bring the total investment to \$2,400,000,000. Below is a table summarizing these considerations:

Uses	
Capex	\$1,772,000,000
Preops	\$46,000,000
Preloan/non-eligible	\$61,000,000
Cash to Balance Sheet (WC)	\$544,000,000
Total Uses	\$2,423,000,000
Sources	
DOE Loan	\$1,207,000,000
Customer Coinvestment	\$250,000,000
Private Equity	\$422,000,000
Working Capital Facility	\$544,000,000
Total Sources	\$2,423,000,000

The Applicant understands and has relied upon the key terms associated with the IRB as set forth in a letter dated August 8, 2023 to the Chief Executive Officer of Maxeon from the Chief Administrative Officer of the City, as well as the State Economic Development Department and Bernalillo County attached as Exhibit D hereto and incorporated by reference (the “Offer Letter”). The Offer Letter provides that the IRBs are intended to provide an exemption from property tax, as well as gross receipts and compensating tax, for a period of 20 years. The Offer Letter also states that a PILOT will not exceed 15% of the value of the real property tax exemption and will not exceed 5% of the personal property tax exemption, with this PILOT amount fully satisfying the administrative costs incurred by the City and moneys due to the applicable public improvement district and tax increment development district.

B. Estimated Value After Completion

Indicate the estimated appraised value of the project after completion.

The Applicant estimates an appraised value of \$1,651,000,000 for the Project after completion.

C. Feasibility

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

Attached hereto as Exhibit E is information demonstrating the Project can reasonably be expected to generate sufficient revenue to liquidate the debt.

D. Construction Schedule

Give the date of anticipated beginning and completion of construction.

Construction of the facility is scheduled to begin in February of 2024 and be completed in January of 2026.

E. Issuance of Bonds

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

The Applicant anticipates the bonds being issued in the first quarter of 2024.

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

The City Zone Atlas Maps of the Project site are attached hereto as Exhibit F.

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EXHIBIT A

PROJECT SITE MAP



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NMSA 1978, SECTION 14-2-1(F) (2023)**

PROJECT GOLDEN EAGLE	
MESA DEL SOL - ALBUQUERQUE, NM	
DATE:	9/21/2023
BHI PROJECT NO.	20240118
SHEET NO.	1 OF 1

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EXHIBIT B**

COA PROJECT REVIEW TEAM (PRT) NOTES (PA 23-064 ADDENDUM)

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PRT 23-064 ADDENDUM

To: Mike Bolaskovits, BHINC

Jim Strozier, Consensus Planning

From: Megan Jones, Senior Planner,

City of Albuquerque Planning Department

DATE: 9/8/2023

RE: Golden Eagle/Maxeon PRT 23-064

A meeting was held with the Applicant and Planning Staff on 9-1-2023 to discuss the future development and determine applicable zoning regulations for the proposed uses.

1. It was determined that the production of solar cells would fall under the Light Manufacturing use because: i) assembly, fabrication, and processing would occur in a fully-enclosed building using processes that would not create noise, smoke, fumes, odors, glare, or health or safety hazards outside the building; and 2) manufacturing processes would occur in a Clean Room (see definition) in which any hazardous byproducts and waste would be protected from outside environmental factors.
2. Use determination: Light Manufacturing with a Clean Room
 - a. The applicant will be required to follow all Use Specific Standards (USS) for “Light Manufacturing”, which is a permissive use in the NR-LM zone district. USS are found in IDO 14-16-4-3(E)(4).
 - b. The Mesa del Sol Framework Plan allows M-1 Light Manufacturing, which is equivalent to the NR-LM zone district.
 - c. The “Clean Room” use is a Permissive accessory use under the NR-LM zone district in the IDO. The applicant would be required to follow all USS for a clean room pursuant to IDO 14-16-4-3(F)(4). T
 - d. The clean room use shall comply with distance separations in the USS for Heavy Manufacturing in IDO 4-3(E)(5)(e).
3. Other Items:
 - a. The applicant will apply to the DFT for bulk land platting and for a Sketch Plan review.
 - b. Regulatory management of hazardous materials was discussed. Federal, state and local regulations would be followed and pursuant to the IBC, Air Quality in the Environmental Health Dept., OSHA, and the Local Fire Department, etc.
 - c. The approximately 160-acre subject site will be platted. The applicant may have the opportunity to purchase land adjacent to the site in the future.
 - d. At that time, the applicant will be required to meet all buffering/separation requirements between development and the La Semilla Escarpment. The IDO requires a 330-foot buffer between the use and major public open space. Though the LA Semilla Escarpment is not dedicated open space, it is zoned PC. The Framework Plan specifically calls out the Escarpment as MPOS and it is protected land.

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- e. Future Residential uses would be required to meet the 1,000-foot buffer between the heavy manufacturing use and any residential development.

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EXHIBIT C

SITE MASTER PLAN AND RENDERINGS

REDACTED PURSUANT TO NMSA 1978, SECTION 14-2-1(F) (2023)

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EXHIBIT D

OFFER LETTER

**CONFIDENTIAL - CONTAINS TRADE SECRETS SUBJECT TO
NMSA 1978, SECTION 14-2-1(F) (2023)**



Jon Clark • Deputy Cabinet Secretary
Governor Michelle Lujan Grisham

Max Gruner • Director
Mayor Tim Keller

Marcos Gonzales • Executive Development Officer
Chair Barbara Baca

August 8, 2023

Dr. Bill Mulligan
Chief Executive Officer
Maxeon Americas, Inc.
51 Rio Robles
San Jose, CA 95134

RE: Maxeon Incentive Offer

Dear Dr. Mulligan:

Please accept this offer from the State of New Mexico Economic Development Department to apply for a Local Economic Development Act (LEDA) grant of up to eighteen million dollars (\$18,000,000) in State of New Mexico funds and two million dollars (\$2,000,000) in City of Albuquerque funds for the creation of one thousand seven hundred fifty (1,750) new jobs with an estimated annual payroll of ninety four million five hundred thousand dollars (\$94,500,000) and a capital investment of at least one billion seven hundred million dollars (\$1,700,000,000) over five years and up to two billion five hundred million dollars (\$2,500,000,000) over 15 years.

LEDA – also known as the Job Creation Fund – is New Mexico’s discretionary incentive fund to help build a business infrastructure for a stronger New Mexican economy today and for the future. In support of job-creating expansions, LEDA helps offset eligible expenditures incurred by the job creator tied to land, building, and project infrastructure including short-term lease arrangements during the construction phase of the project. This discretionary tool is administrated by the executive branch through the State Economic Development Department and the Governor on the one hand, and the City of Albuquerque Economic Development and the Mayor on the other. Job creation in the manufacturing sector as well as in the renewable and sustainable energy sector is a priority for both the State and the City and your project fits perfectly within that priority.

The LEDA offer is subject to agreement on a specific project schedule including public process, announcement dates, construction start date, anticipated certificate of occupancy, estimated start of operations, and other criteria. Furthermore, it is subject to formal application, due diligence, positive fiscal impact analysis, and public approvals.

Included in the LEDA offer is an additional increment of Gross Receipts Tax (GRT) Share on the construction costs of this project. The State of New Mexico, The City of Albuquerque, and the County of Bernalillo agree to share back to the company a portion of the GRT generated by construction during the first 10 years. The GRT to be shared during this time frame is expected to be as follows: 0.912500% from the State of New Mexico; 0.797370% from the City of Albuquerque; and, 0.375% from Bernalillo County for a total increment of 2.084870%. It is understood that GRT rates do change from time to time at either the beginning of a calendar year or at the beginning of a fiscal year (July 1) so the actual rates may change proportionately during the agreement.

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The City of Albuquerque will serve as the Fiscal Agent for your project. The Fiscal Agent will administer the formal approval process. As the qualifying entity, your company will enter into a Project Participation Agreement (PPA) with the Fiscal Agent, subject to approval by the Fiscal Agent's Governing Body, outlining the "substantive contribution," delineating the security agreement, job creation schedule, maintenance, and capital investment goals for the project as well as the clawback/penalty provisions. Fiscal Agent approvals through the public hearing process are necessary to secure LEDA funds, and Bernalillo County and the City of Albuquerque understand that it is important to expeditiously move towards securing these approvals, which may take up to 120 days.

In addition to the LEDA offer, this letter is an assurance that the City of Albuquerque will work with you to enable and execute the issuance of Industrial Revenue Bonds (IRBs) sufficient to cover the costs of your project for a period of twenty (20) years. The IRBs and GRT increment dedications are also subject to formal application, due diligence, and public process and approvals. It is understood that both the LEDA and IRBs public processes will be completed in the same time frame. It is the intent of the IRBs to provide you an exemption of property tax, as well as gross receipts and compensating tax on tangible personal property, for twenty (20) years; the IRB will include a payment in lieu of taxes (PILOT) to cover administrative costs incurred by the issuer (City of Albuquerque) as well as payment to the Tax Increment Development District (TIDD) and the Public Infrastructure District (PID). The PILOT will not exceed 15% of the value of the real property tax exemption and will not exceed 5% of the personal property tax exemption.

You will also be eligible to utilize the following post-performance statutory job creation programs:

JTIP – Job Training Incentive Program

The New Mexico Job Training Incentive Program (JTIP) is widely regarded among the best job training programs in the country. JTIP provides a qualifying entity with a direct cash reimbursement for wages and salaries during an initial on-the-job training period. In broad strokes, the program provides for at least a 50% reimbursement rate of the hourly wage for up to six-(6) months.

High Wage Jobs Tax Credit

The High Wage Jobs Tax Credit is available to a manufacturer that creates net new jobs that pay in excess of \$60,000 in your location. This credit is for 8.5% of the position's wages for the first four years.

Manufacturers Investment Tax Credit

The Manufacturers Investment Tax Credit provides for a credit equal to 4.875% of all equipment purchases.

The projected tangible value of all incentives including those statutorily available is estimated to exceed \$600,000,000 over twenty years.

Thank you for your commitment to New Mexico! We look forward to a great future with you.

Respectfully,



Jon Clark
Deputy Cabinet Secretary
NM Economic Development



Lawrence Rael
Chief Administrative Officer
City of Albuquerque



Julie Morgas Baca
County Manager
Bernalillo County

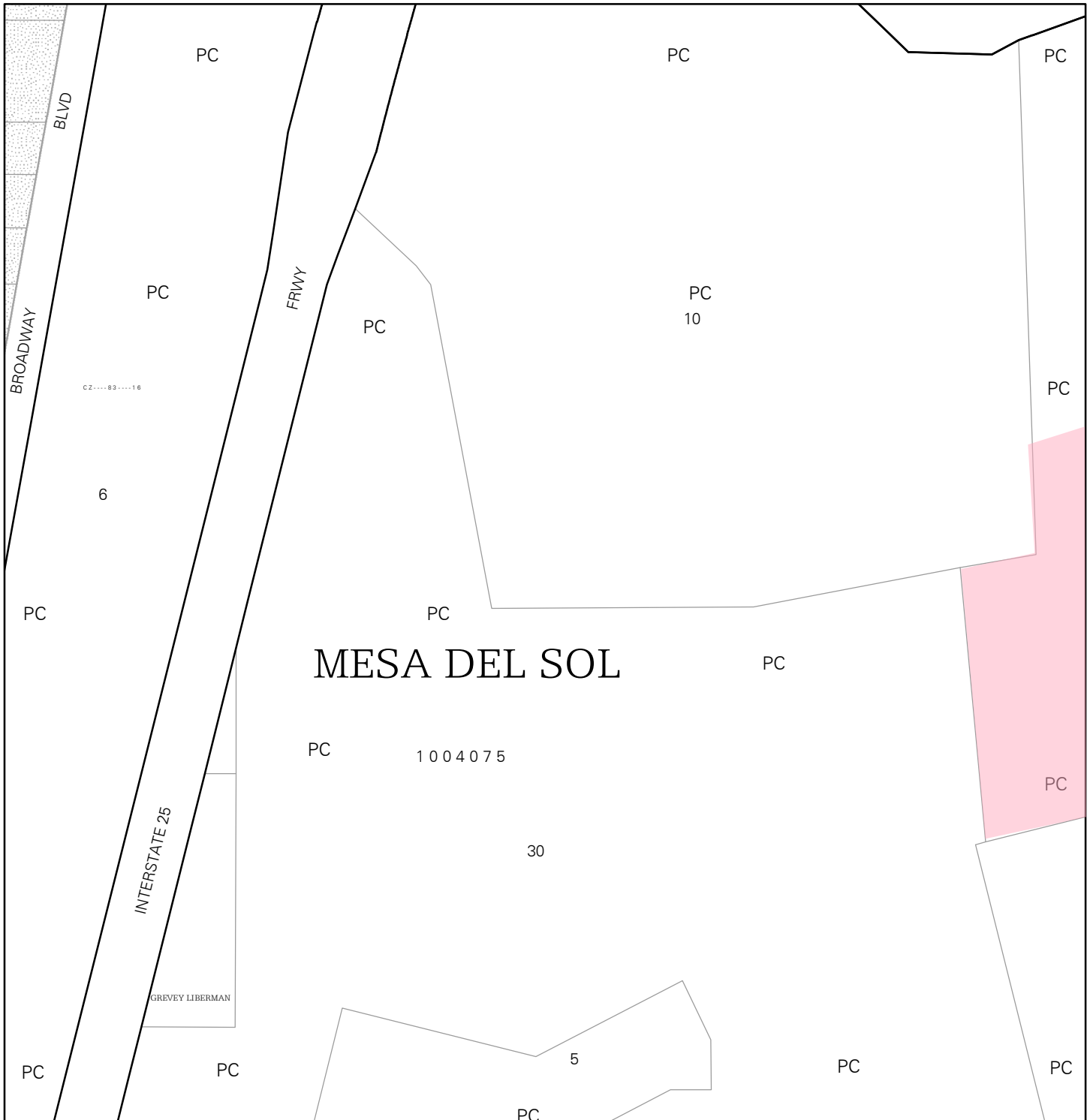
**CONFIDENTIAL – CONTAINS TRADE SECRETS SUBJECT
TO NMSA 1978, SECTION 14-2-1(F) (2023)**
EXHIBIT E

FINANCIAL FEASIBILITY INFORMATION

REDACTED PURSUANT TO NMSA 1978, SECTION 14-2-1(F) (2023)

**CONFIDENTIAL – CONTAINS TRADE SECRETS SUBJECT
TO NMSA 1978, SECTION 14-2-1(F) (2023)**
EXHIBIT F


CITY ZONE ATLAS MAPS OF PROJECT SITE



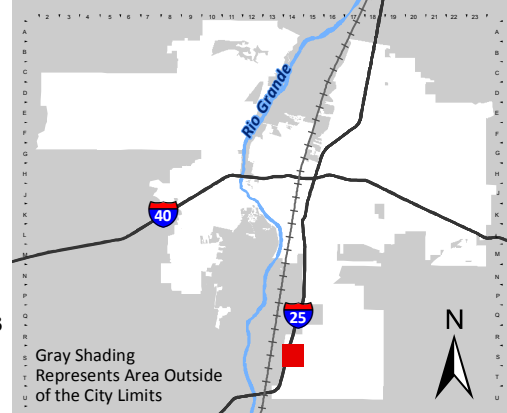
For more details about the Integrated Development Ordinance visit: <http://www.cabq.gov/planning/codes-policies-regulations/integrated-development-ordinance>

IDO Zone Atlas

May 2018



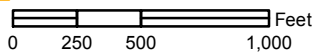
IDO Zoning information as of May 17, 2018
The Zone Districts and Overlay Zones are established by the Integrated Development Ordinance (IDO).



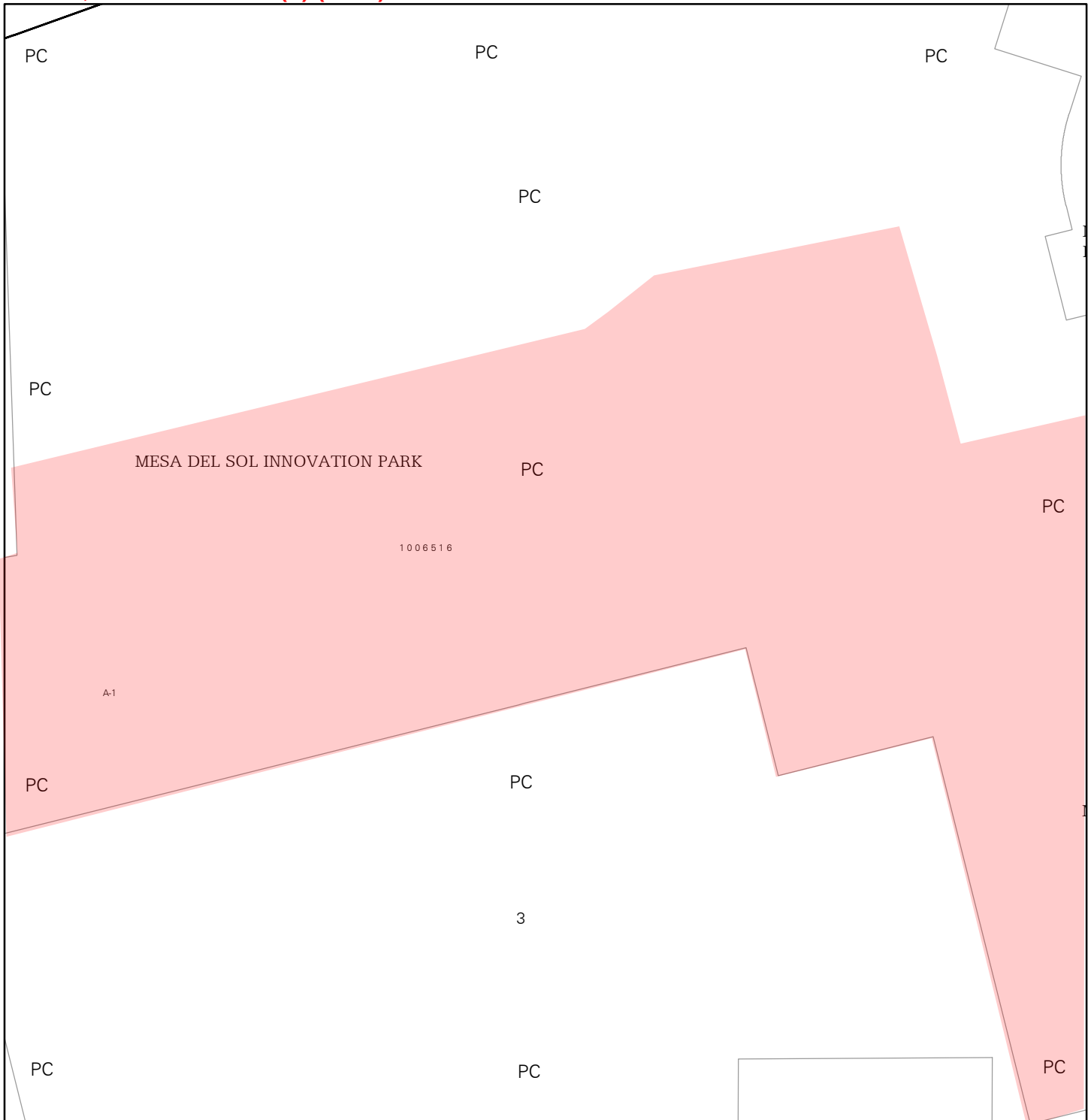
Gray Shading Represents Area Outside of the City Limits

Zone Atlas Page:
S-14-Z

- Easement
- Escarpment
- Petroglyph National Monument
- Areas Outside of City Limits
- Airport Protection Overlay (APO) Zone
- Character Protection Overlay (CPO) Zone
- Historic Protection Overlay (HPO) Zone
- View Protection Overlay (VPO) Zone

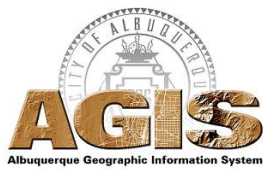


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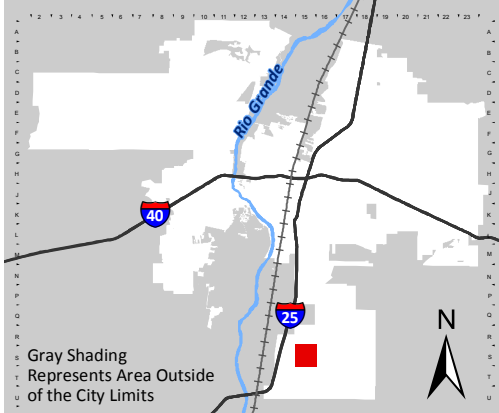


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IDO Zone Atlas May 2018



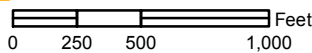
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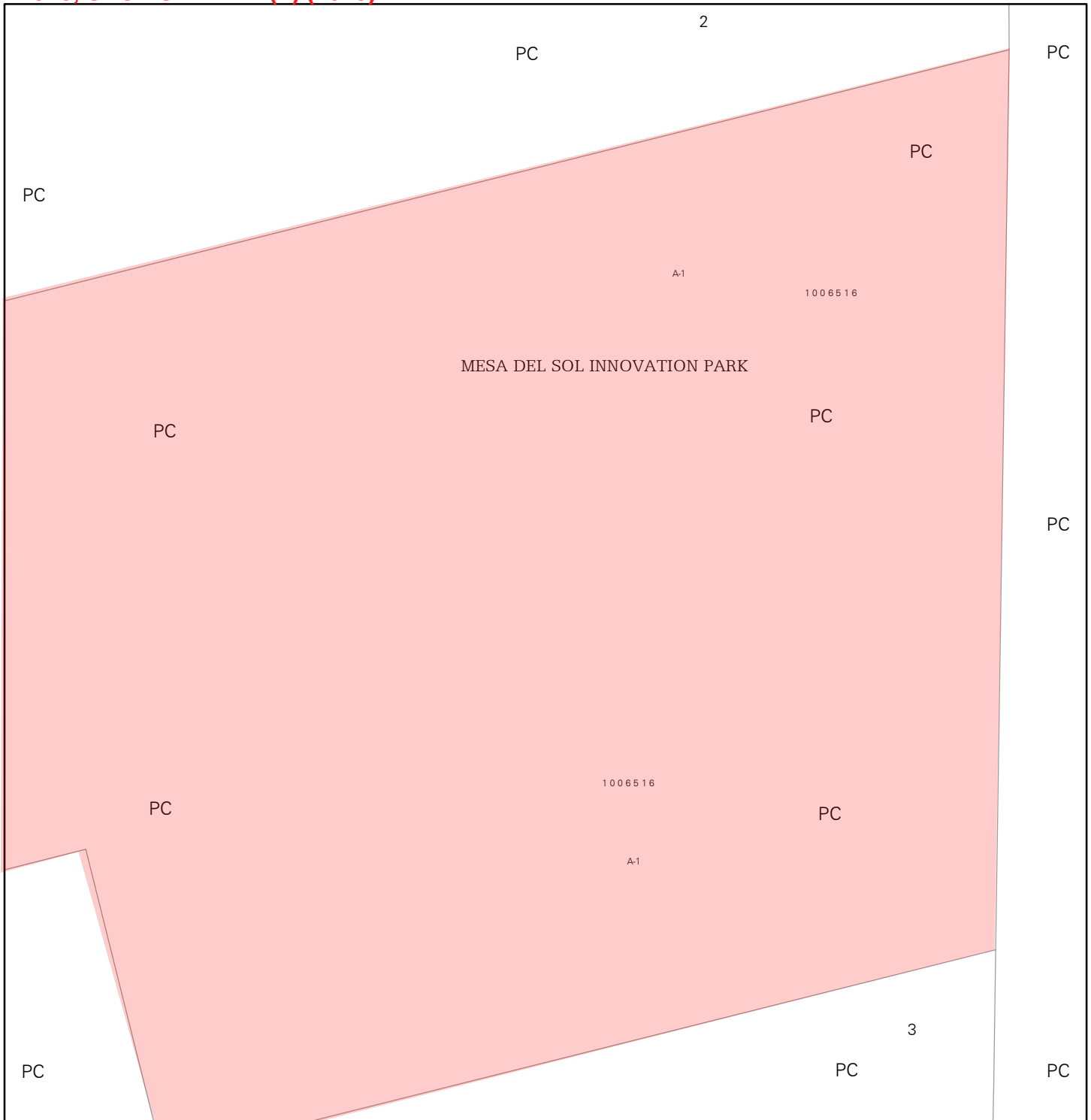
Gray Shading
Represents Area Outside
of the City Limits

Zone Atlas Page:
S-15-Z

- Easement
- Escarpment
- Petroglyph National Monument
- Areas Outside of City Limits
- Airport Protection Overlay (APO) Zone
- Character Protection Overlay (CPO) Zone
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- View Protection Overlay (VPO) Zone




0 250 500 1,000 Feet

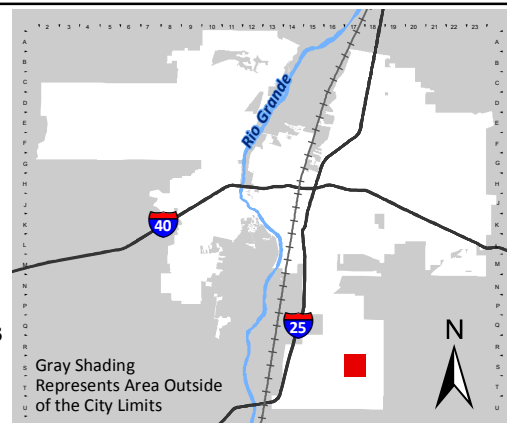


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IDO Zone Atlas May 2018



IDO Zoning information as of May 17, 2018
The Zone Districts and Overlay Zones are established by the Integrated Development Ordinance (IDO).



Gray Shading Represents Area Outside of the City Limits

Zone Atlas Page:
S-17-Z

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- View Protection Overlay (VPO) Zone

0 250 500 1,000 Feet



BUREAU OF BUSINESS
& ECONOMIC RESEARCH



Fiscal Impact Analysis of Proposed Maxeon Solar Technologies, Ltd Project (Project Golden Eagle) on the City of Albuquerque

Prepared for the City of Albuquerque Economic Development Department

Omar Solis

OCTOBER 2023

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Introduction

The Department of Economic Development at the City of Albuquerque (the City) has requested that the Bureau of Business and Economic Research at the University of New Mexico (BBER) conduct a fiscal impact analysis in relation to an industrial revenue bond (IRB) application submitted by Maxeon Solar Technologies, Ltd (Maxeon). The present project is titled Project Golden Eagle. Maxeon is requesting a bond amount totaling \$2.4 billion from the City.

Maxeon is a designer, manufacturer, and seller of solar panels across the globe. The company launched in 2020, gaining independence from its parent organization, Sun Power Corporation. Project Golden Eagle involves developing an 800,000 square foot photovoltaic silicon solar cell fabrication facility in the Mesa del Sol tax increment development district, or TIDD, in southeastern Albuquerque.

Property

A legal description of the property is not available as the area attributed to the project site has not been separated from the land parcel. Documentation in the application submitted by Maxeon identifies *Proposed Tract 22* as the 149.11-acre development area to be employed by Project Golden Eagle. As stated previously, this geography falls within the Mesa del Sol district. A Notice of Value from the Office of the Bernalillo County Assessor is not available. The value of the site is estimated at \$31 million property, per private appraisal secured by Maxeon.

The UPC of the to-be-divided land parcel is 101605026829920101. The Office of the Bernalillo County Tax Assessor describes the property as:

TR 18 BULK LAND PLAT TRACTS 1 THROUGH 18 ARTISTE (REPLAT OF TRACT A-1-A-1-A MESA DEL SOL INNOVATION PARK)

Data and Methods

This analysis uses self-reported budget and expenditures information provided by Maxeon. Figures included in the IRB application submitted to the City are also considered. Data consists of expected payroll and employment figures, operations spending, and capital expenditures over the next 20 years.

A fiscal impact analysis involves measuring the tax impact of a body on a specific geography. Here, changes to gross receipts, property, and other taxes are evaluated for the City of Albuquerque. Results include the effect of spending related to direct, indirect, and induced jobs generated by Maxeon operations, including construction.

Major assumptions undertaken to complete this analysis include:

1. Only City of Albuquerque incentives and the ensuing fiscal impact on the City are considered; incentives received from the State of New Mexico, or any other governing entity, are not included.

2. Company spending is a net gain. The purchase of goods & services, real & personal properties, and construction expenditures are considered for gross receipt, compensating, and property taxes.
3. Maxeon is unsure of the percent of new hires which can be recruited locally, though 10% are anticipated to be from outside the State of New Mexico. This analysis anticipates that 90% of all new jobs will be allocated to local hires who will not affect an incremental increase on local property taxes.
4. Relocated employees will result in an increase in population totals, creating costs to the City of Albuquerque. These costs are considered.
5. Wages and salaries are expected to continue growing at a rate determined by Maxeon throughout the lifespan of the IRB.
6. It is expected that all construction jobs will be sourced from within the city.
7. In connection with the City of Albuquerque IRB, 85% of land and real property taxes will be foregone. Additionally, a 95% abatement for taxes to personal property are indicated in the terms for this IRB.
8. 10% of all personal property purchases will be sourced from Albuquerque.
9. 75% of annual operational expenditure for goods and services are also expected to be purchased locally.
10. Because soon-to-be purchased land is within the Mesa del Sol Tax Increment Development District, a portion of the gross receipt and property taxes are allocated for TIDD use. The present analysis employs an allocation percentage of 38% to the TIDD and 62% to the City.

Results

The fiscal impact presented in Table 1 shows that operations related to the \$2.4 billion bond requested by Maxeon will generate an estimated total of almost \$486 million in taxes (TIDD allocations included) upon reaching its horizon in 2042. The project is expected to remain tax positive throughout the span of the contract. Upon reaching full employment at the end of 2026, an estimated cumulative \$42 million in taxes will have accrued. Figures are determined around the current 20-year general obligation bond rate of 4.26%.

The largest contributions to tax effects are from large out-of-state company purchases of goods and services (generating compensating taxes). Other large effects are noted from GRT-eligible company sales and from property taxes.

Fiscal Impact Analysis of Proposed Maxeon Solar Technologies, Ltd Project (Project Golden Eagle) on the City of Albuquerque | 5

Table 1. IRB Analysis: Estimated Tax Revenues for Proposed Maxeon Solar Technologies, Ltd Project (Project Golden Eagle), Including Incremental Tax, Present Value of City Taxes and Net Tax Increment, and Cumulative Net Present Value by Year (2023 dollars)

	Gross Receipts and Compensating Taxes							Property Tax			Other Taxes	Total Revenues	Foregone		City Costs	Fiscal Impact		
	Company Employees	Indirect and Induced Employees	Company Purchases	Company Sales	Construction	Construction Employees	Utilities	Real (Company)	Personal (Company)	Real (Employees)			Real Property Tax	Personal Property Tax		Annual	Present Value	Cummulative
2023	417	22,429	-	-	-	-	458	71,737	-	1,205	373	96,620	60,976	-	3,972	31,671	31,671	31,671
2024	5,601	132,762	-	-	880,979	174,338	2,591	206,846	-	18,118	5,613	1,426,847	175,819	-	59,736	1,191,292	1,142,616	1,174,288
2025	16,847	365,232	655,747	298,438	8,059,311	1,594,450	50,262	1,459,092	1,134,496	51,847	16,062	13,701,784	1,240,229	1,077,771	170,948	11,212,836	10,315,257	11,489,544
2026	26,518	556,870	10,343,937	13,428,125	8,069,505	1,596,057	54,005	2,667,119	1,823,297	85,432	26,467	38,677,333	2,267,051	1,732,132	281,683	34,396,466	30,350,138	41,839,682
2027	27,170	579,145	17,634,160	26,660,938	1,563,689	309,202	57,486	2,812,260	1,539,673	85,432	26,467	51,295,622	2,390,421	1,462,689	281,683	47,160,829	39,912,648	81,752,330
2028	27,599	602,311	18,018,895	27,965,625	-	-	57,516	2,704,070	1,256,049	85,432	26,467	50,743,964	2,298,460	1,193,247	281,683	46,970,574	38,127,407	119,879,737
2029	28,564	626,403	16,382,516	26,935,938	-	-	59,847	2,595,881	972,425	85,432	26,467	47,713,472	2,206,499	923,804	281,683	44,301,487	34,491,492	154,371,229
2030	26,105	651,459	16,546,341	24,970,313	-	-	62,179	2,487,691	688,801	85,432	26,467	45,544,787	2,114,537	654,361	281,683	42,494,206	31,732,601	186,103,830
2031	23,976	677,518	16,711,804	24,790,625	-	-	62,209	2,379,501	405,177	85,432	26,467	45,162,709	2,022,576	384,918	281,683	42,473,532	30,421,219	216,525,049
2032	24,935	704,618	16,878,922	24,368,750	-	-	62,239	2,271,312	121,553	85,432	26,467	44,544,229	1,930,615	115,475	281,683	42,216,456	29,001,622	245,526,671
2033	25,932	732,803	17,047,711	23,862,500	-	-	62,862	2,163,122	-	85,432	26,467	44,006,830	1,838,654	-	281,683	41,886,493	27,599,219	273,125,890
2034	24,720	762,115	17,218,189	24,101,125	-	-	63,490	2,054,932	-	85,432	26,467	44,336,471	1,746,693	-	281,683	42,308,095	26,737,977	299,863,867
2035	24,107	792,600	17,390,370	24,342,136	-	-	64,125	1,946,743	-	85,432	26,467	44,671,980	1,654,731	-	281,683	42,735,566	25,904,595	325,768,462
2036	25,061	824,304	17,564,274	24,585,558	-	-	64,766	1,838,553	-	85,432	26,467	45,014,415	1,562,770	-	281,683	43,169,962	25,098,704	350,867,166
2037	26,063	850,495	17,739,917	24,831,413	-	-	65,414	1,730,363	-	85,432	26,467	45,355,565	1,470,809	-	281,683	43,603,073	24,314,705	375,181,872
2038	23,886	877,735	17,917,316	25,079,727	-	-	66,068	1,622,174	-	85,432	26,467	45,698,805	1,378,848	-	281,683	44,038,274	23,553,990	398,735,862
2039	24,711	906,063	18,096,489	25,330,525	-	-	66,729	1,513,984	-	85,432	26,467	46,050,400	1,286,886	-	281,683	44,481,831	22,819,132	421,554,994
2040	25,699	935,525	18,277,454	25,583,830	-	-	67,396	1,405,794	-	85,432	26,467	46,407,598	1,194,925	-	281,683	44,930,990	22,107,760	443,662,754
2041	25,915	966,166	18,460,229	25,839,668	-	-	68,070	1,297,605	-	85,432	26,467	46,769,551	1,102,964	-	281,683	45,384,905	21,418,668	465,081,422
2042	20,981	998,032	18,644,831	26,098,065	-	-	68,751	1,189,415	-	85,432	26,467	47,131,974	1,011,003	-	281,683	45,839,288	20,749,191	485,830,613
Total	454,806	13,564,586	291,529,102	419,073,297	18,573,483	3,674,048	1,126,464	36,418,196	7,941,471	1,523,511	471,990	794,350,953	30,955,466	7,544,398	5,023,262			

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

Gross Receipts Taxes, Construction: Gross receipts taxes on contractor receipts and on local spending by construction workers and those supported indirectly by the project.

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

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

Foregone Property Taxes: Property taxes that would have been paid on land, buildings and equipment financed by the IRB. Title to properties financed are held by the City and the properties are exempt from taxes during the life of the bond. There is a minimum Payment in Lieu of Taxes of 5% of the taxes foregone.

Foregone Sales Taxes: Gross receipts taxes that would have been owed on local equipment purchases in the absence of the IRB.

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.