

**ALBUQUERQUE DEVELOPMENT COMMISSION  
Industrial Revenue Bond Hearing**

**February 8, 2024**

Case # 2024-1 Project Gustavo IRB

**IRB-24-2:** Cinelease, Inc. IRB Project

**REQUEST:** Approval of \$115,000,000 in City Industrial Revenue Bonds is requested.

**PROJECT SUMMARY:**

Cinelease Inc. (“Cinelease”) serves and delivers quality lighting and grip equipment, power distribution, truck packages, expendables and sound stages to both small and large-scale film productions. Servicing thousands of feature films, television productions, commercials, music videos and pilots since being founded in 1977, Cinelease has operated as a top independent studio. The company’s operations span 14 cities across North America, including their studio in Albuquerque, NM. Cinelease is owned by a Fortune 1000 company, Herc Rentals. Herc Rentals is a subsidiary of Herc Holdings Inc. and began trading on the New York Stock Exchange on July 1, 2016, under the symbol “HRI.”

The company is requesting \$115,000,000 in City-issued industrial revenue bonds to assist with the construction of new film production facilities. The Company seeks to increase its current studio capacity by expanding its current Albuquerque footprint. The current Cinelease Studios facility is over 500,000 square feet and contains five sound stages. The expanded Albuquerque facilities will include five new state-of-the-art sound stage studios along with three additional buildings to support operations. (the “Project”). The sound stage expansion will serve third-party customers who are creating feature films, television series, etc. Based on architectural renderings, the site will include an entry plaza, parking, landscaped areas, perimeter security fencing, and a dog park in addition to the sound stages and ancillary buildings.

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 high-quality 12 jobs and an annual direct spend of at least \$80 million in the local economy. (The company also intends to pursue LEDA funding, but that will be reviewed in a separate transaction / request).

In addition, Cinelease will annually provide no cost equipment rentals to the Media Collaborative not to exceed \$500,000 annually. The company will provide approximately \$104,000,000 in investment for new construction and to renovate existing buildings at 9201 Pan American Freeway NE, and to maintain and operate the facilities for at least ten years.

Cinelease anticipates occupying and operating its Project facilities and will hire and retain at least 12 new employees as outlined in the Project Participation Agreement (PPA). Cinelease will maintain the Project’s operations in Albuquerque for a minimum of ten (10) years.

The ordinance would allow reimbursement of approved Project costs so Cinelease can undertake the acquisition and construction for its new film production facilities located in Albuquerque. The

total investment in the acquisition and construction for the Project facility is estimated at \$104,000,000.

The Project is expected to create approximately 656 construction jobs sourced from local labor pools, as much as possible.

The goals of the Cinelease 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 continuous opportunities for local crews through increased production activity at the Project site.

It is also important to understand that for this project some of the evaluation criteria and performance measures normally addressed in an IRB project around job creation had to be addressed differently due to the nature of the film industry. The focus, evaluation, and performance requirements for this project are structured around the company's economic investment in both direct production spend which results in hundreds of jobs in the community. The performance measures and penalties/clawbacks are built around the company's ability to meet these financial commitments. Each production company's jobs are not permanent and vary depending on the production. However, the continued ongoing production spend will directly improve, sustain, and grow the employment opportunities for New Mexicans.

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.

## IRB 24-2 Cinelease, Inc. Industrial Revenue Bond Project

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 \$115 million bond requested by Cinelease will generate an estimated total of almost \$27 million in taxes upon reaching its horizon in 2043. The project is expected to remain tax positive throughout the span of the contract. Given short construction schedules, full employment is expected in 2024; these jobs will generate a tax impact throughout the lifespan of the IRB and beyond. Figures are determined around the current 20-year general obligation bond rate of 3.75%.

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

### **FINDINGS:**

1. IRB 24-2 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 24-2 would make positive substantive contributions to the local economy and community by creating 12 high-wage economic base jobs; and
3. IRB 24-2 will significantly bolster Albuquerque’s film industry and infrastructure; and
4. IRB 24-2 would make additional positive contributions to the local economy by committing to \$80 million annually in film, and media productions, and committing to operate in the community for at least ten years; and
5. IRB 24-2 would further provide a substantive contribution by providing no cost equipment rentals to the Media Collaborative up to \$500,000 annually; and
6. IRB 24-2 has demonstrated the financial capability to undertake and successfully manage the Project and provided acceptable security; and
7. IRB 24-2 would comply with the adopted City plans and policies, and meet community economic development priorities and objectives;
8. IRB 24-2 would more than adequately meet the IRB evaluation criteria established by the City, including the requirement that the City recoup the value of its investment over the term of the bonds, and would comply with the adopted City plans and policies, and

meet community economic development priorities and objectives, and a make a substantive contribution to the community.

**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**

The overriding criterion for all Industrial Revenue Bond Projects is the benefit to the City provided by the Project. The criteria below are intended to assist the Albuquerque Development Commission in determining benefit to the City.

FOR INDUSTRIAL REVENUE BOND PROJECTS: Before any other criteria are met, the company must be classified as an Economic Base Company:

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. See the notes below the following table which lays out the initial criteria. The more in-depth analysis follows.

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.	N/A
<b>RESULT</b>	<b>PASS</b>

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.
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, which includes permitted uses for film production uses and conforms to the City of Albuquerque (CoA) Integrated Development Ordinance (IDO) and planning and zoning policies.
4. Cinelease 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. Cinelease 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 property is located at 9201 Pan American Fwy NE, Albuquerque, NM 87113. See Exhibit A for a map of the property. The legal description of the site is described as:

TRACT 1-A and TRACT 1-C, NORTH I-25 CORPORATE CENTER, as the same are shown and designated on the plat entitled “Plat of Tracts 1-A thru 1-C, NORTH I-25 CORPORATE CENTER (being a replat of Tract 1, NORTH I-25 CORPORATE CENTER), within the Elena Gallegos Grant, Projected Section 12, Township 11 North, Range 3 East, New Mexico Principal Meridian, City of Albuquerque, Bernalillo County, New Mexico”, filed in the office of the County Clerk of Bernalillo County, New Mexico, on July 8, 2016 in Plat Book 2016C, Page 0084, as Document No. 2016063057, and,

TRACT 3 and TRACT 4, NORTH I-25 CORPORATE CENTER, as the same is shown and designated on the plat entitled “Plat of Tracts 1 thru 4, NORTH I-25 CORPORATE CENTER (being a replat of Signetics Albuquerque Facility), within the Elena Gallegos Grant, Projected Section 12, Township 11 North, Range 3 East, New Mexico Principal Meridian, City of Albuquerque, Bernalillo County, New Mexico”, filed in the office of the County Clerk of Bernalillo County, New Mexico.

The site is zoned Non-Residential- Light Manufacturing (NR-LM). A film studio is a permissive use in the NR-LM zone.

#### Prevailing Site Conditions

The site on which the existing Cinelease Studios facility is located is approximately 55.73 acres. The building is over 500,000 square feet and contains five sound stages. Cinelease would expand its footprint on the site to include an additional five sound stages and three ancillary buildings.

#### Present Assessed Value

According to the Bernalillo County Assessor's office, for the tax year 2023, the assessed value of the land, including the existing facility, is \$9,612,238.

#### Present and Proposed Zoning

The site is zoned Non-Residential- Light Manufacturing (NR-LM). A film studio is a allowable use in the NR-LM zone.

### 2. LAND USE/INFILL/DESIGN AND CONSERVATION:

The Project consists of renovating five existing sound stages on site and constructing five new sound stages and three support buildings. The site consists of a total of 55.73 acres.

A sound stage is a large, soundproof studio space that is used for the production of films, television shows, and other forms of media. It is typically equipped with a variety of lighting, sound, and camera equipment, and can be used to create a variety of different sets and environments.

SPANTECH, the Northern European-based company that is responsible for constructing the sound stages, is committed to sustainability and minimizing its environmental impact. In addition to delivering premium state-of-the-art sound stages, the company also aims to construct sound stages that minimize waste and emissions during the construction process by implementing sustainable building practices and recycling materials where possible.

The Project is in the Wildflower Area neighborhood in Albuquerque, New Mexico. The Project furthers the City's goals of securing New Mexico as a world-class entertainment production hub.

The development plan includes the following:

1. Building two construction mills - 20,000 square feet each
2. Building a Cinelease Lamp Dock – 30,000 square feet
3. The construction of five new sound stages – 20,000 square feet each

4. The construction of a new dog park
5. The construction of an entry plaza

No demolition of historic buildings will be involved in this project.

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

#### DEMOLITION

No demolition of historic buildings will be involved in this project.

#### RELOCATION

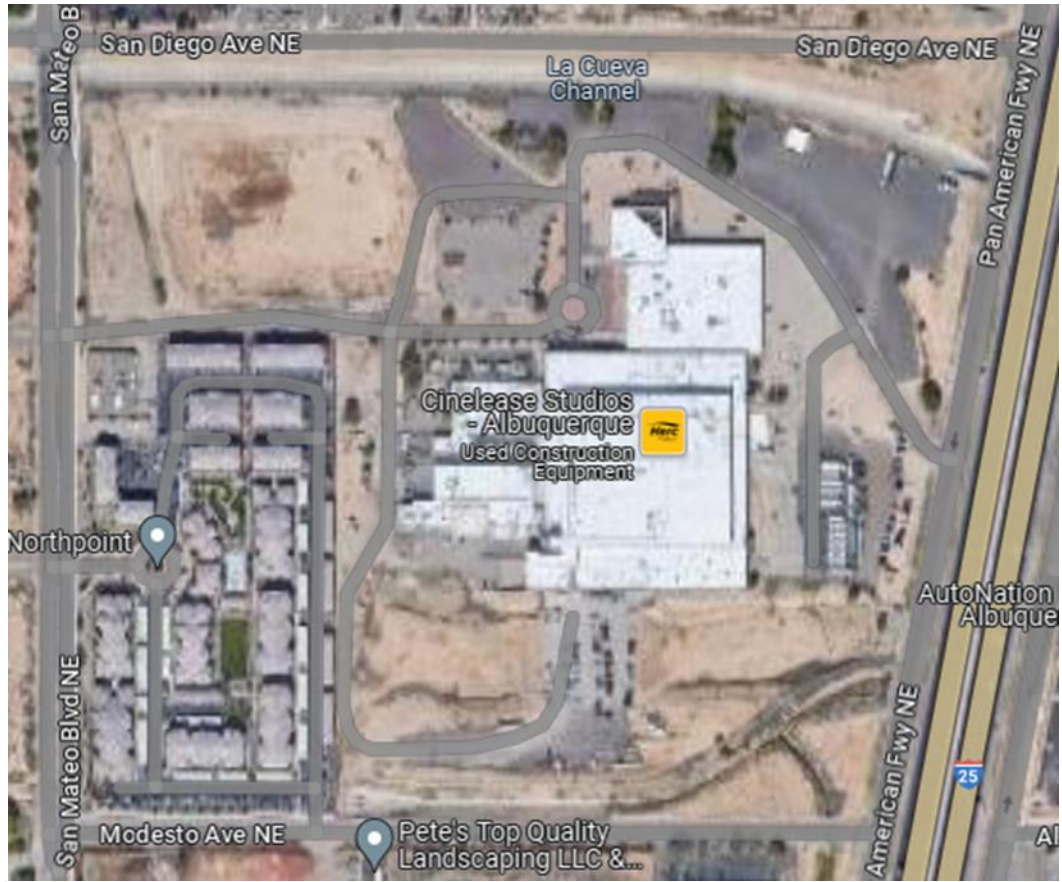
No individuals, families, or businesses will be displaced by the activities outlined in this plan.

#### INFRASTRUCTURE

The Project consists of renovating five existing sound stages on site and constructing five new sound stages and three support buildings. The site consists of a total of 55.73 acres.

There are no anticipated new impacts on City infrastructure or traffic. During the construction period, the site will be self-contained, secured, and fenced. Since this is an expansion and renovation project to the existing Cinelease Studios (formerly i-25 studios) site, a portion of the work will be done within the existing building. However, electric utility improvements will be required onsite for an estimated total of \$8 million divided between the new and existing facilities.

IRB 24-2 Cinelease, Inc. Industrial Revenue Bond Project



September 12, 2023

Bernalillo County Assessor Parcels	IDO Zoning NR-LM
Platted Parcels (AGIS)	R-MH
	NR-BP
	NR-PO-A
	UNCL

1:4,514

0 0.03 0.06 0.12 mi

0 0.05 0.1 0.2 km

City of Rio Rancho, Bernalillo County, NM, City of Albuquerque, Bureau of Land Management, Texas Parks & Wildlife, Esri, HERE, Garmin.



### III ECONOMIC BENEFITS

This project will have numerous positive economic benefits across the community and the state. First, the City will realize a benefit through the expansion of a valued, existing Albuquerque employer, that does well for its employees, customers, suppliers, the community and the tax base. The company will create 12 new jobs in Albuquerque, with an average total compensation of \$73,429. The Total Estimated Payroll in First 2 Years is \$1,273,000.

Operations related to the \$115 million bond requested by Cinelease will generate an estimated total of almost \$27 million in taxes upon reaching its horizon in 2043. Given short construction schedules, full employment is expected in 2024; these jobs will generate a tax impact throughout the lifespan of the IRB and beyond. The project is expected to remain tax positive throughout the span of the contract. Figures are determined around the current 20-year general obligation bond rate of 3.75%.

#### COMPETITION

Cinelease will be positioned as a provider of exceptional sound stage facilities, lighting, and grip packages for production companies. Local competitors, of similar quality and in the vicinity, include other production companies with soundstages they may rent to third parties.

These include:

1. Netflix Albuquerque Studios – The premise includes up to ten sound stages, production offices, and a backlot.
2. NBC Universal – The premise includes two sound stages, offices, and a mill to develop and produce film and television shows.

While these are the two main competitors in the area related to the production of film and television media, it should be noted that both will lease lighting and grip equipment from Cinelease and that both are primarily focused on the production of their own content rather than leasing sound stage space to outside production companies.

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 656 construction jobs and will also create employment of over 12 high-paying employees within Cinelease itself.

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.

IRB 24-2 Cinelease, Inc. Industrial Revenue Bond Project

1. Net new jobs and employee ramp over the next 2 years

Year	Jobs Added	Total net new jobs
1	7	7
2	5	12

2. Salary rates for each of the positions

Cinelease Studio - ABQ (New Employees)							
	Department	Title	Hourly Rate	Annual Salary	Overtime Pay	Benefits @ 25%	Total Compensation
1	Studio	Stage Manager	25.00	52,000	15,000	13,000	80,000
2	Studio	Stage Manager	25.00	52,000	15,000	13,000	80,000
3	Studio	Facilities	30.00	62,400		15,600	78,000
4	Studio	Facilities	30.00	62,400		15,600	78,000
5	L&G	Rental Agent	35.00	72,800		18,200	91,000
6	L&G	Shop Supervisor	29.00	60,320		15,080	75,400
7	L&G	Warehouse Person	22.50	46,800	6,750	11,700	65,250
8	L&G	Warehouse Person	22.50	46,800	6,750	11,700	65,250
9	L&G	Driver	25.00	52,000	7,500	13,000	72,500
10	HES	Yard Worker	22.50	46,800	6,750	11,700	65,250
11	HES	Yard Worker	22.50	46,800	6,750	11,700	65,250
12	HES	Yard Worker	22.50	46,800	6,750	11,700	65,250
<b>Total</b>							<b>881,150</b>
<b>Average</b>							<b>73,429</b>

3. Estimated Total Estimated Net New Payroll in First 2 Years: \$1,273,000

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 (95%).
- 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

Members of the Cinelease organization are a critical element of the Company's culture. Cinelease strives to be a company that enhances the communities in which it operates and where employees' potential can be realized. The Company is committed to building an inclusive, varied workplace welcoming to people of all backgrounds. The Company believes its long-term success depends on working to ensure the safety of its team members, customers, operations, and communities.

Employees recently volunteered their time and Company equipment at the Film and TV Expo on August 28, 2022. The Company assisted with a simulation of shooting a scene to show the public how film sets are operated. In addition, the Company also volunteered all the lighting and grip gear for the simulation.

Cinelease heavily volunteers nationally, for example, in Atlanta, Georgia, where it participated in the Atlanta Walk to End Alzheimer's numerous years and helped raise over \$90,000 over that period. Furthermore, the Company assists with providing tours of its facilities to local universities and high schools, donating equipment at various charity walks/runs, sponsorships, and more.

For more information about the Company's corporate citizenship, please visit:

<https://cinelease.com/about-us/>

#### **IV. PROJECT FEASIBILITY**

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

The incentive is subject to City Council approval. Cinelease 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 \$115,000,000 for the site, buildings, and improvements.

10. **DEVELOPER'S RECORD:**

Cinelease has hundreds of employees in multiple facilities in 14 cities. The Company's studio operations include 1.7 million square feet of soundstages. The company has a proven track record of successful developments, acquisitions and expansions across North America. The company has stood up numerous facilities over its 45-year history and it has consistently upgraded its facilities and led the way in sustainable building practices.

Additional information is available on <https://cinelease.com/> and <https://cineleasestudios.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:

The Cinelease project will be capitalized with an Applicant Equity Investment of \$95,700,000. Additionally, the State has committed \$6,700,000 in LEDA funds and the City has committed an additional \$1,000,000 for a total of \$7,700,000. LEDA funding is subject to City Council approval. That transaction will be considered separately.

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

12. MANAGEMENT:

Cinelease's management team leads a team of hundreds of highly-trained employees across 14 North American cities. The leadership team's combined background, track record, capabilities and experience in the film industry is ideal to lead a project of this scope.

Principal Directors:

President & CEO – Larry Silber

SVP & CFO – Mark Humphrey

SVP & COO – Aaron Birnbaum

SVP & Investor Relations & Communications- Leslie Hunziker

Additional information on the management team can be found at:

<https://cineleasestudios.com/about/>

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.

The fiscal impact shows that operations related to the \$115 million bond will generate an estimated total of almost \$27 million in taxes upon reaching horizon in 2043. The project is expected to remain tax positive throughout the span of the contract. Given short construction schedules, full employment is expected in 2024; these jobs will generate a tax impact throughout the lifespan of the IRB and beyond.

The near-\$27 million dollar cumulative total is determined around the current 20-year general obligation bond rate of 3.75%. The cumulative figure is largely supported by gross receipt generation expected from projected sales, which contribute between 76% and 89% of annual totals. These taxes result from evaluating sales endeavors from direct Cinelease undertakings as well as those assumed by individual production companies using the renovated space.

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 24-2 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 24-2 would make positive substantive contributions to the local economy and community by creating 12 high-wage economic base jobs; and
3. IRB 24-2 will significantly bolster Albuquerque's film industry and infrastructure; and
4. IRB 24-2 would make additional positive contributions to the local economy by committing to \$80 million annually in film, and media productions, and committing to operate in the community for at least ten years; and
5. IRB 24-2 would further provide a substantive contribution by providing no cost equipment rentals to the Media Collaborative up to \$500,000 annually; and
6. IRB 24-2 has demonstrated the financial capability to undertake and successfully manage the Project and provided acceptable security; and
7. IRB 24-2 would comply with the adopted City plans and policies, and meet community economic development priorities and objectives;
8. IRB 24-2 would more than adequately meet the IRB evaluation criteria established by the City, including the requirement that the City recoup the value of its investment over the term of the bonds, and would comply with the adopted City plans and policies, and meet community economic development priorities and objectives, and a make a substantive contribution to the community..

#### **STAFF RECOMMENDATION:**

Based on the above findings, staff recommends approval of IRB 24-2 as proposed in the project plan application.

Max Gruner, Director  
Economic Development Department





BUREAU OF BUSINESS  
& ECONOMIC RESEARCH



# Fiscal Impact Analysis of Proposed Cinelease Inc Project (Project Gustavo) on the City of Albuquerque

Prepared for the City of Albuquerque Economic Development Department

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Omar Solis

**FEBRUARY 2024**

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## Introduction

The Economic Development Department 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 Cinelease Inc (Cinelease). The present project is titled Project Gustavo. This undertaking involves expanding the current studio in Albuquerque for greater sound stage capacity. Project Gustavo would support the development of five new sound stages plus three buildings to support operations and aid improvements to current facilities.

Founded in 1977, Cinelease has been involved with film and television industries for 47 years. Cinelease is currently owned by Herc Rentals. The company specializes in soundstages, lighting, and grip packages and possesses the largest lighting equipment rental in the United States<sup>1</sup>.

Cinelease is requesting a bond amount totaling \$115 million from the City. Additionally, Cinelease requests a property tax abatement of 80% to terminate after 20 years, plus a 100% exemption from gross receipt and compensation taxes for construction-related materials and equipment expenditures. Twelve new permanent jobs are expected to result (directly) from this endeavor; the project is expected to support an additional 361 employees from subsequent film production.

## Property

The property to be improved (PARID: 101806509807630110) is located at:

9201 Pan American Fwy NE. Albuquerque, NM 87113

A notice of value for this parcel ID was provided by Cinelease and has been verified with the Office of the Bernalillo County Tax Assessor.

The legal description of the property is as follows:

TR 1-A PLAT OF TRACTS 1-A THRU 1-C NORTH I-25 CORPORATE CENTER (BEING A REPLAT OF TRACT 1, NORTH I-25 CORPORATE (sic).<sup>2</sup>

Additionally, the IRB application completed by Cinelease identifies the following, though this description does not present with the parcel ID identified above:

*TRACT 3 and TRACT 4, NORTH I-25 CORPORATE CENTER, as the same is shown and designated on the plat entitled "Plat of Tracts 1 thru 4, NORTH I-25 CORPORATE CENTER (being a replat of Signetics Albuquerque Facility), within the Elena Gallegos Grant, Projected Section 12, Township 11 North, Range 3 East, New Mexico Principal Meridian, City of Albuquerque, Bernalillo County, New Mexico", filed in the office of the County Clerk of Bernalillo County, New Mexico, on October 4, 2010 in Plat Book 2010C, Page 0115, as*

<sup>1</sup> 45 Years of Cinelease. <https://cinelease.com/heritage/>. Accessed 01/08/2024.

<sup>2</sup> Confirmed with Bernalillo County Tax Assessor

*Document No. 2010100048<sup>3</sup>.*

## Data and Methods

This analysis uses self-reported budget and expenditures information provided by Cinelease representatives at Ernst & Young (EY). 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.

Employment data includes an expected 12 additional jobs directly on Cinelease payroll. These jobs are expected to begin in 2024. Salaries for these jobs range between \$65,250 and \$91,000 and are expected to undergo an annual 3% increase in pay. EY expects that film production will support an additional 361 new jobs. Average salaries for production employees are estimated at \$90,000 and will also undergo a 3% annual pay increase.

The most current Bernalillo County appraisal value for the property sits at around \$9.6 million, while the cost of existing land and building is approximately \$24.7 million. Labor and material costs for improvements total \$91 million—90 percent of construction costs are expected from within the City of Albuquerque. EY expects an annual expenditure of \$800,000 on personal property for the next 20 years.

Annual expenditure for goods and services are estimated at \$1.2 million for the next 20 years. Half of these are expected to be sourced from within the City and are subject to gross receipt taxes. The other half will generate compensating taxes for the area.

Projected sales figures are also considered in this analysis. Related to the present expansion, Cinelease expects to increase its sales by \$9.2 million in 2024 with an estimated annual growth of 5%. Sales from productions are estimated at \$65 million annually for the next 20 years.

Taxes from electric and natural gas utilities are also considered in the analysis. An average expenditure of just over \$491,000 are estimated throughout the 20-year period. Furthermore, this analysis further considers an annual direct transfer of \$500,000 to the New Mexico Media Arts Collective for the next ten 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 Cinelease operations, including construction. Furthermore, this fiscal impact analysis includes expected tax contributions from film production over the next twenty years.

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 in this analysis.

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<sup>3</sup> Cinelease IRB application; unconfirmed with Bernalillo County Tax Assessor

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. Cinelease estimates that 90% to 95% of new hires can be recruited locally. This analysis assumes that a conservative 90% of all new jobs will be allocated to local hires who will not affect an incremental increase on local property taxes.
4. 95% of all production jobs are expected to be filled by area residents.
5. Employment bumps to New Mexico Media Arts Collective directly related to Cinelease contributions are assumed to be absorbed entirely by locals.
6. Relocated employees will result in an increase in population totals, generating costs to the City of Albuquerque which are considered in this analysis.
7. It is expected that all construction jobs will be sourced from within the city.
8. In connection with the City of Albuquerque IRB, this fiscal impact assumes that 80% of land and real property taxes will be foregone. Additionally, a 100% abatement for gross receipt and compensating taxes to personal property are indicated in the terms for this IRB.

## Results

The fiscal impact presented in Table 1 shows that operations related to the \$115 million bond will generate an estimated total of almost \$27 million in taxes upon reaching horizon in 2043. The project is expected to remain tax positive throughout the span of the contract. Given short construction schedules, full employment is expected in 2024; these jobs will generate a tax impact throughout the lifespan of the IRB and beyond.

The near-\$27 million dollar cumulative total is determined around the current 20-year general obligation bond rate of 3.75%. The cumulative figure is largely supported by gross receipt generation expected from projected sales, which contribute between 76% and 89% of annual totals. These taxes result from evaluating sales endeavors from direct Cinelease undertakings as well as those assumed by individual production companies using the renovated space.

**Table 1. IRB Analysis: Estimated Tax Revenues for Proposed Cinelease Inc Project (Project Gustavo), Including Incremental Tax, Present Value of City Taxes and Net Tax Increment, and Cumulative Net Present Value by Year (2024 dollars)**

	Gross Receipts and Compensating Taxes (GRT & CMP)							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	GRT & CMP		Annual	Present Value	Cumulative
2024	74,014	102,176	12,500	1,159,375	700,000	119,839	3,912	187,967	2,989	9,276	5,688	2,377,734	150,373	2,391	712,500	60,531	1,451,939	1,451,939	1,451,939
2025	76,196	105,228	12,500	1,166,563	864,063	148,106	6,131	369,052	5,551	9,276	5,688	2,768,352	295,242	4,441	876,563	60,531	1,531,577	1,476,219	2,928,158
2026	78,444	108,372	26,563	1,174,109	-	-	8,538	355,384	7,685	9,276	5,688	1,774,058	284,307	6,148	12,500	60,531	1,410,572	1,310,446	4,238,604
2027	80,759	111,610	26,563	1,182,034	-	-	9,427	341,715	9,393	9,276	5,688	1,776,463	273,372	7,515	12,500	60,531	1,422,545	1,273,802	5,512,405
2028	74,636	114,945	26,563	1,190,354	-	-	9,427	328,046	10,674	9,276	5,688	1,769,608	262,437	8,539	12,500	60,531	1,425,601	1,230,398	6,742,803
2029	76,836	118,381	26,563	1,745,965	-	-	10,019	314,378	11,528	9,276	5,688	2,318,633	251,502	9,223	12,500	60,531	1,984,878	1,651,175	8,393,978
2030	79,103	121,919	26,563	1,755,139	-	-	7,574	300,709	11,955	9,276	5,688	2,317,925	240,567	9,564	12,500	60,531	1,994,762	1,599,420	9,993,398
2031	81,438	125,563	26,563	1,764,771	-	-	7,574	287,040	11,955	9,276	5,688	2,319,867	229,632	9,564	12,500	60,531	2,007,640	1,551,562	11,544,960
2032	83,798	129,317	26,563	1,774,884	-	-	7,574	273,372	11,955	9,276	5,688	2,322,426	218,697	9,564	12,500	60,531	2,021,134	1,505,533	13,050,493
2033	86,229	133,184	26,563	1,785,503	-	-	7,574	259,703	11,955	9,276	5,688	2,325,674	207,763	9,564	12,500	60,531	2,035,317	1,461,299	14,511,792
2034	87,478	136,731	26,563	1,796,654	-	-	7,574	246,035	11,955	9,276	5,568	2,327,832	196,828	9,564	12,500	59,260	2,049,681	1,418,421	15,930,213
2035	90,080	140,833	26,563	1,808,361	-	-	7,574	232,366	11,955	9,276	5,568	2,332,576	185,893	9,564	12,500	59,260	2,065,359	1,377,610	17,307,823
2036	92,782	145,058	26,563	1,820,654	-	-	7,574	218,697	11,955	9,276	5,568	2,338,128	174,958	9,564	12,500	59,260	2,081,846	1,338,417	18,646,240
2037	95,566	149,410	26,563	1,833,562	-	-	7,574	205,029	11,955	9,276	5,568	2,344,502	164,023	9,564	12,500	59,260	2,099,155	1,300,766	19,947,006
2038	98,433	152,968	26,563	1,847,115	-	-	7,574	191,360	11,955	9,276	5,568	2,350,811	153,088	9,564	12,500	59,260	2,116,399	1,264,050	21,211,056
2039	101,274	156,633	26,563	1,861,346	-	-	7,574	177,691	11,955	9,276	5,568	2,357,879	142,153	9,564	12,500	59,260	2,134,402	1,228,725	22,439,781
2040	104,312	160,407	26,563	1,876,288	-	-	7,574	164,023	11,955	9,276	5,568	2,365,966	131,218	9,564	12,500	59,260	2,153,424	1,194,868	23,634,648
2041	107,295	164,295	26,563	1,891,978	-	-	7,574	150,354	11,955	9,276	5,568	2,374,857	120,283	9,564	12,500	59,260	2,173,250	1,162,283	24,796,931
2042	53,394	168,300	26,563	1,908,452	-	-	7,574	136,685	11,955	9,276	5,568	2,327,766	109,348	9,564	12,500	59,260	2,137,094	1,101,635	25,898,566
2043	54,996	172,425	26,563	1,925,749	-	-	7,574	123,017	11,955	9,276	5,568	2,337,121	98,413	9,564	12,500	59,260	2,157,384	1,071,898	26,970,464

**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

**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.



# Project Gustavo: IRB Application for Cinelease Studios Expansion

City of Albuquerque  
December 2023



APPLICATION  
for  
INDUSTRIAL REVENUE BOND  
Project Approval

Name of Project: Project Gustavo  
Location of Project: 9201 Pan American Fwy NE, Albuquerque, NM 87113  
Company Name: Cinelease Studios  
Contact Person: Mark Lamberton  
Address: 9201 American Freeway NE, Albuquerque, NM 87113  
Telephone: 805-207-4622  
Email: Mark.Lamberton@hercrentals.com  
Bond Counsel: Eddie Duffy (Sutin, Thayer & Browne)  
Address: 6100 Uptown Boulevard NE, Suite 400  
Albuquerque, NM 87110  
Telephone: (505) 883-3376  
Bond Amount Requested: \$115,000,000 Fee Submitted: \$2,500

FOR STAFF USE

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

## 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 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 compliments 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 a brief overview of the project, including general location, proposed development, use, 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.**

Cinelease Inc. ("Cinelease" or "the Company") is considering an expansion of its sound stage capabilities at its Cinelease Studio in Albuquerque, New Mexico. The potential project ("Project") includes the construction of five new state-of-the-art sound stages along with three additional buildings to support operations and improvements to the current facility. The expansion Project is expected to cost around \$104 million and would be located on property recently purchased from Titan Developers. The current Cinelease Studios facility is over 500,000 square feet and contains five sound stages. The sound stage expansion will serve third-party customers who are creating feature films, television series, etc. Based on architectural renderings, the site will include an entry plaza, parking, landscaped areas, perimeter security fencing, and a dog park in addition to the sound stages and ancillary buildings.

The Company is seeking a bond amount of \$115,000,000. Cinelease also requests the bonds be accompanied by a property tax abatement for both real and personal property. The current offer is 80% abatement for 20 years plus a full exemption of gross receipts/compensating tax on construction materials and equipment associated with the Project for the life of the IRB to the extent permissible under statute.

Obtaining economic incentives commensurate with the project size will enable the Company to optimize growth potential in employment and investment within the local community and specific site which is designated by the Federal government as severely blighted. In addition to the estimated \$104 million of investment, Cinelease is contemplating the hiring of an additional twelve new direct employees. However, the five studio sound stages will bring in thousands of Production-related employees who will occupy the sound stages during the long-term operation of the facilities. For context, one prior production alone employed 309 crew members. With the addition of five new sound stages, the production spend into the community will be substantial at approximately \$200 million per year.

Additionally, Cinelease is considering a partnership with the New Mexico Media Arts Collective to provide Lighting, Grip, and Equipment to support film development projects and student training for aspiring filmmakers and production individuals in New Mexico. Cinelease could contribute up to \$500,000 annually for ten-years in Lighting, Grip and Equipment value in addition to in-kind marketing contributions to the State of New Mexico to further its goals in growing the entertainment industry in the state. These services and benefits will be provided at no cost to the New Mexico Media Arts Collective and the State of New Mexico. More information on the benefits to the community through this partnership is included within Section III.O Positive Contributions of this application.

## **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 property is approximately 55.73 acres and is located at 9201 Pan American Fwy NE, Albuquerque, NM 87113. See Exhibit A for a map of the property. The legal description of the site is described as:

TRACT 1-A and TRACT 1-C, NORTH I-25 CORPORATE CENTER, as the same are shown and designated on the plat entitled "Plat of Tracts 1-A thru 1-C, NORTH I-25 CORPORATE CENTER (being a replat of Tract 1, NORTH I-25 CORPORATE CENTER), within the Elena Gallegos Grant, Projected Section 12, Township 11 North, Range 3 East, New Mexico Principal Meridian, City of Albuquerque, Bernalillo County, New Mexico", filed in the office



of the County Clerk of Bernalillo County, New Mexico, on July 8, 2016 in Plat Book 2016C, Page 0084, as Document No. 2016063057.

AND

TRACT 3 and TRACT 4, NORTH I-25 CORPORATE CENTER, as the same is shown and designated on the plat entitled “Plat of Tracts 1 thru 4, NORTH I-25 CORPORATE CENTER (being a replat of Signetics Albuquerque Facility), within the Elena Gallegos Grant, Projected Section 12, Township 11 North, Range 3 East, New Mexico Principal Meridian, City of Albuquerque, Bernalillo County, New Mexico”, filed in the office of the County Clerk of Bernalillo County, New Mexico, on October 4, 2010 in Plat Book 2010C, Page 0115, as Document No. 2010100048

**B. Prevailing Site Conditions**

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

The site on which the existing Cinelease Studios facility is located is approximately 55.73 acres. The building is over 500,000 square feet and contains five sound stages. Should the project proceed, Cinelease would expand its footprint on the site to include an additional five sound stages and three ancillary buildings. Please see the attached Project Site Plan for reference.

**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.**

According to the Bernalillo County Assessor’s office, for the tax year 2023, the assessed value of the land, including the existing facility, is \$9,612,238. (See Exhibit B “Present Assessed Value – Tax Year 2023”)

**D. Present and Proposed Zoning**

**Give the current zoning of the property. If any change in zoning is required for the proposed use, give the proposed new zone. We recommend that zoning changes required be requested before the project plan reaches the Development Commission.**

The site is zoned as NR-LM, non-residential, and light manufacturing. (See Exhibit C “Zoning Description”)

### **E. Renewable Energy**

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

The Project will have a positive impact on the environment. The Company's buildings are designed to reduce waste, provide greater adaptability for its users, and increase the lifespan of the buildings.

Furthermore, Cinelease recently announced its partnership with Earth Angel, a full-service sustainability agency dedicated to reducing the environmental impact of the entertainment industry. Cinelease Studios recognizes the importance of sustainability and is committed to taking action through this new partnership with Earth Angel, Cinelease will now be able to provide clients with expert advice and support on how to implement sustainable practices throughout their productions. This will not only benefit the environment but also help Cinelease Studios' clients save costs and increase efficiency.

Finally, SPANTECH, the Northern European-based company that is responsible for constructing the sound stages, is committed to sustainability and minimizing its environmental impact. In addition to delivering premium state-of-the-art sound stages, the company also aims to construct sound stages that minimize waste and emissions during the construction process by implementing sustainable building practices and recycling materials where possible.

## **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.**

Cinelease Inc. has served the film and television industry since 1977. The Company was established as a mom-and-pop operation that quickly expanded into an international company, with multiple locations, and is now owned by a Fortune 1000 company, Herc Rentals. Cinelease Inc. offers white glove service to the far reaches of the industry and sets the tone for the future. Cinelease provides the highest level of service, the best quality sound stage facilities, lighting and grip packages, and relentless support for its customers. In 2019, Cinelease expanded its decades of lighting and grip experience to begin offering studio spaces throughout the United States. Currently, Cinelease manages and has a controlling interest in 1.6 million square feet of studio space across the country. Cinelease manages studios in six (6) states on a dozen properties where it has invested in over thirty (30) stages to date.

Cinelease Studios is a unique studio management team that was created as a natural extension of the respected Cinelease name. Combining a shared history of serving the film and entertainment industry for 45 years, Cinelease Studios has created a pathway to the most exclusive studio experience. With unique sound stage studios conveniently located in film-

friendly cities throughout the United States, its team unites Cinelease's unmatched customer service with the reliability and convenience of a vast stock of lighting and grip equipment, climate control, and power solutions. (See Exhibit D "Company Biographies" for more information)

**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.**

There are no outstanding substantive federal, state, or local tax issues within New Mexico.

**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.**

A sound stage is a large, soundproof studio space that is used for the production of films, television shows, and other forms of media. It is typically equipped with a variety of lighting, sound, and camera equipment, and can be used to create a variety of different sets and environments.

There are no anticipated new impacts on City infrastructure or traffic. During the construction period, the site will be self-contained, secured, and fenced. Since this is an expansion and renovation project to the existing Cinelease Studios (formerly i-25 studios) site, a portion of the work will be done within the existing building. Additionally, the Project will employ modern-day modular construction techniques designed to minimize waste. Construction of the new sound stages will take into account the effect that using recycled and low-emitting materials has on the internal and external environment. Finally, the development team will minimize construction vehicle traffic, as required, around surrounding neighborhoods and keep the roads clean by removing dirt from all vehicles before exiting the Site. Through soil-dampening procedures, the development team will also limit the amount of dust and dust released into the air from earth-moving and construction activities. Noise will be kept to a minimum and only occur during City standard ordinance construction hours.

**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.**

Cinelease will be positioned as a provider of exceptional sound stage facilities, lighting, and grip packages for production companies. Local competitors, of similar quality and in the vicinity, include other production companies with soundstages they may rent to third parties. These include:

1. Netflix Albuquerque Studios – The premise includes up to ten sound stages, production offices, and a backlot.
2. NBC Universal – The premise includes two sound stages, offices, and a mill to develop and produce film and television shows.

While these are the two main competitors in the area related to the production of film and television media, it should be noted that both will lease lighting and grip equipment from Cinelease and that both are primarily focused on the production of their own content rather than leasing sound stage space to outside production companies.

**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.**

Cinelease engaged EY’s Quantitative and Statistics (QUEST) practice to estimate the total economic impact contributions of Cinelease’s direct investment and operation in New Mexico as well as the operation of the production companies who will rent the sound stages. We have included a few of the summary tables below. Please refer to Exhibit E “Economic and fiscal impacts from Cinelease Studios’ potential Albuquerque, New Mexico expansion” for the full economic report and analysis.

**Table ES-1. Summary of Cinelease’s economic and fiscal contributions from the operation and construction of new soundstages in New Mexico**  
*Millions of 2022 dollars; number of employees*

Metric	Total incremental annual operating and production activity impacts	Total one-time capital investment impacts
Employment	1,327	1,138*
Labor income	\$70.1	\$61.6
Value Added	\$133.0	\$79.7
Economic output	\$203.3	\$159.7
Total tax contributions:	\$10.1	\$8.6
Local tax contributions	\$4.2	\$2.6
State tax contributions	\$5.8	\$5.9

\*Employment for capital investment is one-year jobs assuming a one-year construction period  
 Source: EY analysis based on capital investment data, annual operational data, and estimated production data from Cinelease Studios and 2021 IMPLAN model of New Mexico. Note: Figures may not sum due to rounding.

Table ES-1 summarizes the total annual operating and production impacts from the construction of the five new sound stages, as well as the one-time economic and fiscal impacts from the prospective capital investment.

**Table ES-2. Cinelease's estimated one-time economic and fiscal contributions from expected capital investment in New Mexico**  
*Millions of 2022 dollars; number of employees*

Metric	Direct	Indirect & induced	Total
Annual average employment	813	325	1,138
Labor income	\$45.0	\$16.6	\$61.6
Value Added	\$48.3	\$31.3	\$79.7
Economic output	\$99.0	\$60.7	\$159.7
Total taxes	\$6.8	\$1.8	\$8.6
Local taxes	\$2.1	\$0.6	\$2.6
State Taxes	\$4.8	\$1.2	\$5.9

Source: EY analysis based on capital investment data by Cinelease and 2021 IMPLAN model of New Mexico. Note: Figures may not sum due to rounding.

Table ES-2 shows the expected economic and tax contributions in New Mexico from Cinelease Studios' proposed capital investments associated with the construction of five new sound stages, three ancillary buildings, and the renovation of existing sound stages at the site. This investment is expected to support 1,138 one-year jobs, \$62 million in labor income, and \$160 million in economic output in New Mexico. Furthermore, it is expected that this investment will have a total one-time tax impact of \$8.6 million across the state.

**Table ES-3. Summary of Cinelease's economic and fiscal contributions from current and incremental annual operating activities in New Mexico**  
*Millions of 2022 dollars; number of employees*

Metric	Current annual operating impacts with current soundstage capacity			Incremental annual operating impacts after construction of new soundstages			Expanded operations impacts
	Direct	Indirect & induced	Total	Direct	Indirect & induced	Total	Total
Employment	10	50	60	12	58	70	130
Labor income	\$0.8	\$2.3	\$3.1	\$0.9	\$2.7	\$3.6	\$6.7
Value Added	\$2.5	\$4.5	\$7.0	\$2.9	\$5.2	\$8.1	\$15.1
Economic output	\$11.1	\$9.5	\$20.5	\$12.8	\$10.9	\$23.7	\$44.3
Incremental taxes	-	-	-	\$1.4	\$0.3	\$1.6	\$1.6
Local taxes	-	-	-	\$1.3	\$0.1	\$1.4	\$1.4
State Taxes	-	-	-	\$0.1	\$0.2	\$0.3	\$0.3

Source: EY analysis based on operational activity data by Cinelease and 2021 IMPLAN model of New Mexico. EY only estimated incremental tax contributions resulting from incremental changes to annual operating activities resulting from potential capital investments. Note: Figures may not sum due to rounding.

The estimated economic and tax contributions from Cinelease Studios' current and incremental operating activities associated with five new sound stages are displayed in Table ES-3. Currently, Cinelease employs ten employees to operate its existing five sound stages and would hire twelve additional employees as the studio's production capacity would nearly double. The annual operations activities associated with the administration and maintenance of Cinelease Studios once construction is complete are expected to support 130 total annual jobs, \$6.7 million in labor income, and over \$44 million in economic output in the state. The annual operation of the facility is expected to generate a state and local tax impact of \$1.6 million.

**Table ES-4. Summary of economic and fiscal contributions from incremental annual production activity at Cinelease soundstages in New Mexico**

*Millions of 2022 dollars; number of employees*

Metric	Direct	Indirect & induced	Total
Employment	408	849	1,257
Labor income	\$36.9	\$29.6	\$66.5
Value Added	\$75.6	\$49.2	\$124.9
Economic output	\$92.3	\$87.3	\$179.6
Total taxes	\$6.7	\$1.8	\$8.4
Local taxes	\$2.2	\$0.6	\$2.9
State Taxes	\$4.4	\$1.2	\$5.6

Source: EY analysis based on soundstage operational activity data by Cinelease, statewide production data from the NM Film Office, 2021 IMPLAN model of New Mexico, and New Mexico Film Office's 2022 update of the Economic Impact of the New Mexico Film Production Tax Credit report. Note: Figures may not sum due to rounding.

Lastly, the economic and tax contributions of production companies that lease sound stage space from Cinelease Studios were also estimated and shown in Table ES-4. Based on statewide production data and estimations for annual soundstage capacity, it is estimated that the five additional sound stages will produce over \$92 million in annual expenditures in the state. The annual production activities associated with the production of film and television shows at Cinelease Studios are expected to support 1,257 annual total jobs, \$66.5 million in labor and income, and over \$179.6 million in economic output. Furthermore, it is expected that this investment will generate an incremental tax impact of \$8.4 million dollars across the state.

**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.**

None of the funds, savings, or benefits from the IRB transaction will be used to acquire land. The Company currently owns the proposed development site property. The Company intends to purchase its own bonds.

**G. Description of Proposed Development**

**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. 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 Project is in the Wildflower Area neighborhood in Albuquerque, New Mexico. The Project furthers the City’s goals of securing New Mexico as a world-class entertainment production hub.

The Project consists of renovating five existing sound stages on site and constructing five new sound stages and three support buildings. The site consists of a total of 55.73 acres. The development plan includes the following: (See Exhibit F “Proposed Site Plan”)

1. Building two construction mills - 20,000 square feet each
2. Building a Cinelease Lamp Dock – 30,000 square feet
3. The construction of five new sound stages – 20,000 square feet each
4. The construction of a new dog park
5. The construction of an entry plaza

No demolition of historic buildings will be involved in this project.

#### **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?**

The Project will not require any extension of public utility or road systems. However, electric utility improvements will be required onsite for an estimated total cost of \$8 million divided between the new (\$4 million) and existing (\$4 million) facilities.

The State of New Mexico and the City of Albuquerque have proposed a LEDA grant award to help offset some of the costs associated with electrical infrastructure as well as additional project costs.

#### **I. Area Enhancement**

**Describe how project design and placement will enhance the area.**

The site location of the Project is located in a federally distressed Opportunity Zone. The Project will provide significant economic investment and job creation in the region. Given the size of production teams and the length it takes to create film and television media, the Project will attract visitors and locals to the area for extended periods of time, thus contributing to the goal of creating a world-class entertainment production hub.

The soundstage facility proposed by Cinelease will be constructed by SPANTECH, a Netherlands-based company that specializes in the design, manufacturing, and installation of pre-engineered steel buildings, including sound stages. Their soundstages are custom-built using high-quality materials. (See Exhibit G “SPANTECH Renderings”) These beautifully engineered sound stages will enhance the aesthetics of the community. In addition, the Company is building a dog park and a greenery area for its employees that will be designed with landscaping to enhance its visual appeal.

**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 total procurement of goods and services presented below includes direct, indirect, and induced purchases. Direct purchases include employment and spending by Cinelease and are expected to increase by 3% annually. Indirect purchases are associated with Cinelease’s input from regional suppliers, while induced purchases are attributable to spending by Cinelease and supplier employees, based on regional household spending patterns for different levels of income. An estimated total annual expenditure of goods and services locally procured that are subject to the New Mexico gross receipts tax (“NMGRT”) for Cinelease is provided below:

**Purchases subject to NMGRT**

- Direct Cinelease Purchases - \$575,000
- Indirect Procurement of Goods & Services - \$2,300,000
- Induced Purchases of Goods & Services - \$620,000

Production companies seeking to produce film and entertainment content in the state will also contribute to the New Mexico economy by leasing space from Cinelease. An estimated annual expenditure of goods and services locally procured that are subject to the New Mexico gross receipts tax (“NMGRT”) from production companies is provided below:

**Purchases subject to NMGRT**

- Direct Production Company Purchases - \$100,000,000
- Indirect Production Company Procurement of Goods & Services - \$7,300,000
- Induced Production Company Purchases - \$7,300,000

**K. Water Conservation**

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

The Project will not require significant water usage.

**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, families, or businesses will be displaced by the activities outlined in this plan.

**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:**



The Company currently has ten employees at its Cinelease Studio Albuquerque site, and with the addition of five new sound stages and ancillary facilities, the Company would add twelve new Cinelease employees, which excludes anticipated production labor that will occur because of the sound stage expansion. The new employee’s average annual compensation is \$73,429. This is 25% over the average annual wage in Albuquerque, New Mexico.<sup>1</sup>

**Summary of Existing and Proposed Net New Employess and Estimated Compensation**

Cinelease Studio - ABQ (Existing Employees)							
	Department	Title	Hourly Rate	Annual Salary	Overtime Pay	Benefits @ 25%	Total Compensation
1	Studio	Studio Manager	33.65	69,992		17,498	87,490
2	Studio	Stage Manager	25.00	52,000	15,000	13,000	80,000
3	Studio	Stage Manager	25.00	52,000	15,000	13,000	80,000
4	Studio	Facilities	35.00	72,800		18,200	91,000
5	L&G	Rental Agent	35.00	72,800		18,200	91,000
6	L&G	Warehouse Person	22.50	46,800	6,750	11,700	65,250
7	L&G	Warehouse Person	22.50	46,800	6,750	11,700	65,250
8	L&G	Driver	25.00	52,000	7,500	13,000	72,500
9	HES	Yard Worker	22.50	46,800	6,750	11,700	65,250
10	HES	Yard Worker	22.50	46,800	6,750	11,700	65,250
<b>Total</b>							<b>762,990</b>
<b>Average</b>							<b>76,299</b>

Cinelease Studio - ABQ (New Employees)							
	Department	Title	Hourly Rate	Annual Salary	Overtime Pay	Benefits @ 25%	Total Compensation
1	Studio	Stage Manager	25.00	52,000	15,000	13,000	80,000
2	Studio	Stage Manager	25.00	52,000	15,000	13,000	80,000
3	Studio	Facilities	30.00	62,400		15,600	78,000
4	Studio	Facilities	30.00	62,400		15,600	78,000
5	L&G	Rental Agent	35.00	72,800		18,200	91,000
6	L&G	Shop Supervisor	29.00	60,320		15,080	75,400
7	L&G	Warehouse Person	22.50	46,800	6,750	11,700	65,250
8	L&G	Warehouse Person	22.50	46,800	6,750	11,700	65,250
9	L&G	Driver	25.00	52,000	7,500	13,000	72,500
10	HES	Yard Worker	22.50	46,800	6,750	11,700	65,250
11	HES	Yard Worker	22.50	46,800	6,750	11,700	65,250
12	HES	Yard Worker	22.50	46,800	6,750	11,700	65,250
<b>Total</b>							<b>881,150</b>
<b>Average</b>							<b>73,429</b>

**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?**

Cinelease believes in investing in the local community. The Company expects that 75% - 95% of the permanent new jobs will be filled by current Albuquerque area residents.

<sup>1</sup> Compared to annualized weekly wage in Albuquerque of \$1,125 from Q3 2022 BLS QCEW data

**2) Will jobs benefit low and moderate income residents?**

Yes, a portion of jobs will be geared to low- and moderate-income workers.

**3) Will the jobs meet or exceed median wages for the industry within the community?**

The new jobs created from the five newly constructed sound stages will exceed the median annual wage in Albuquerque by 25% with an average annual compensation of \$73,429.

**4) Will the jobs match skills of current city residents**

The jobs will match the skills of current city residents. Where skills are needed, Cinelease anticipates training new and existing employees to become a highly skilled and sophisticated workforce that can support their growth.

**5) Will new employees be trained to fill the positions?**

Yes, Cinelease will provide training for new employees.

**6) What stated advancement opportunities are there?**

Cinelease has training programs that encourage employees to continue to grow within the industry.

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

Yes. Cinelease will also apply for the incentive opportunities under the Job Training Incentives Program.

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

At least 50% of health insurance premiums will be covered for full-time employees.

**N. Corporate Citizenship Policy/Plan**

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

Members of the Cinelease organization are a critical element of the Company’s culture. Cinelease strives to be a company that enhances the communities in which it operates and where employees’ potential can be realized. The Company is committed to building an inclusive, varied workplace welcoming to people of all backgrounds. The Company believes its long-term success depends on working to ensure the safety of its team members, customers, operations, and communities.

Employees recently volunteered their time and Company equipment at the Film and TV Expo on August 28, 2022. The Company assisted with a simulation of shooting a scene to show the public how film sets are operated. In addition, the Company also volunteered all the lighting and grip gear for the simulation.

Cinelease heavily volunteers nationally, for example, in Atlanta, Georgia, where it participated in the Atlanta Walk to End Alzheimer's numerous years and helped raise over \$90,000 over that period. Furthermore, the Company assists with providing tours of its facilities to local universities and high schools, donating equipment at various charity walks/runs, sponsorships, and more.

**O. Positive Contributions**

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

In addition to all the economic and fiscal benefits associated with the production activities of the soundstages, Cinelease has agreed to support the New Mexico Media Arts Collective by partnering with the academy to provide lighting, grip, and equipment at no cost to support film development projects and student training for aspiring filmmakers and production individuals of New Mexico. Based on this relationship, the Cinelease partnership will provide the following community benefits:

The Cinelease partnership will create transformative change for New Mexicans. New Mexico Media Arts Collective students will be trained by the best in the industry and on state-of-the-art technology equipment to further cultivate the film and digital media workforce and holistic ecosystem New Mexico is building. Cinelease's participation will help meet the increasing need for local professionals in the industry.

The New Mexico Media Arts Collective participation by Cinelease will contribute to the cutting-edge epicenter for all New Mexicans with diverse backgrounds and experience levels to gain an industry-standard, state-of-the-art, and highly specialized education in a chosen craft. It bridges the gap between traditional film education and real-world experience.

The Company's production equipment and instructional involvement will also further the academy's goals as a forward-thinking program and will result in well-paying careers for New Mexicans as well as provide a large highly skilled workforce for this industry within New Mexico while retaining talent within the state.

The training provided will prepare students for the next generation of jobs and opportunities in a surging film, television, and digital media industry creating transformative change for New Mexicans. The proposed expansion Project, its current i-25 Studio presence, and involvement in the New Mexico Media Arts Collective will help meet the increasing need for local professionals in the entertainment industry in New Mexico.

**P. Management**

**Who will manage the project? If the project will be managed by someone other than the applicant, does the applicant have any long-range involvement?**

The Project will be managed by Cinelease and a construction management company that will be retained throughout the development and construction process. The company is a New Mexico-based company.

**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 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 Project cost, excluding the purchase of the existing facility, is estimated to be between \$92,000,000 and \$104,000,000. The table below provides a breakout of the project’s costs and estimated investment value. In addition to the initial Project costs, Cinelease Studios estimates the Company will incur an additional \$800,000 annually in ongoing Lighting & Grip (L&G) investment to support the existing and additional soundstages.

Investment Category	Estimated investment cost
Existing building transformation and site improvements	\$5,000,000
Personal property (L&G for existing building)	\$8,000,000
Sound stages and ancillary buildings	\$57,000,000 - \$72,000,000
Personal property (L&G for new buildings)	\$8,000,000
Electric Infrastructure	\$8,000,000
Construction and design fees	\$3,000,000
<b>Total</b>	<b>\$92,000,000 - \$104,000,000</b>

**B. Estimated Value After Completion**

**Indicate the estimated appraised value of the project after completion.**

The estimated appraised value of the project after completion is projected to be between \$70,000,000 - \$90,000,000.

**C. Feasibility**

**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.**

Equity for the Project has been secured. Any debt or investment associated with the expansion of the site will be paid by Cinelease.

**D. Construction Schedule**

**Give the date of anticipated beginning and completion of construction.**

Cinelease expects Project construction to begin in the first quarter of 2024 with occupancy by late 2024 to early 2025 for the first two sound stages. Completion of all five sound stages, ancillary facilities, and existing facility improvements will be completed within eighteen to twenty-four months of the start of initial the construction.

**E. Issuance of Bonds**

**Provide the anticipated date of bond issuance.**

The anticipated date of bond issuance on or after February 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.**

For all exhibits see attached document IRB Exhibits – Cinelease

## FISCAL IMPACT ANALYSIS

**Please provide the following information necessary to complete a Fiscal Impact Analysis. Attach as a separate document. (Information asked may be repetitive to the IRB Application).**

### **1. Describe the type or nature of project operations.**

Cinelease Inc. (“Cinelease” or “the Company”) is considering an expansion of its sound stage capabilities at its Cinelease Studio in Albuquerque, New Mexico. The potential project (“Project”) includes the construction of five new state-of-the-art sound stages along with three additional buildings to support operations and improvements to the current facility. The Project is expected to cost around \$104 million and would be located on property recently purchased from Titan Developers. The current Cinelease Studios facility is over 500,000 square feet and contains five sound stages. The sound stage expansion will serve third-party customers who are creating feature films, television series, etc. Based on architectural renderings, the site will include an entry plaza, parking, landscaped areas, perimeter fencing, and a dog park in addition to the proposed sound stages and ancillary buildings.

The Company is seeking an IRB bond amount up to \$115,000,000. Cinelease also requests the bonds be accompanied by a property tax abatement for both real and personal property of 80% for 20 years plus a full exemption of gross receipts tax on construction materials and equipment associated with the Project for the life of the IRB.

Obtaining economic incentives commensurate with the project size will enable the Company to optimize growth potential in employment and investment within the local community. In addition to the estimated \$104 million investment, Cinelease is contemplating the hiring of an additional twelve new direct employees. However, the five new studio sound stages will bring in thousands of Production-related employees who will occupy the sound stages during the long-term operation of the facilities. For context, one prior production alone employed 309 crew members. With the addition of five new sound stages, the film and television production spend into the community will generate \$200 million per year in direct and indirect economic impacts from both the five existing and five new sound stages.

### **2. Total number of new employees to be created as a result of the proposed Industrial Revenue Bond project, a total net payroll and an estimated annual pay increase in future years.**

#### Cinelease Studio – ABO

Cinelease currently has ten employees at its Cinelease Studio Albuquerque site, and with the addition of five new sound stages and ancillary facilities, the Company would add twelve new Cinelease employees, which excludes anticipated production labor that will occur because of the sound stage expansion. The payroll for retained and new direct full-time hires is estimated to grow by 3% annually. Additionally, the new employee’s average annual compensation is \$73,429. This is 25% over the average annual wage in Albuquerque.<sup>2</sup>

<sup>2</sup> Compared to annualized weekly wage in Albuquerque of \$1,125 from Q3 2022 BLS QCEW data

Production Company Jobs

Cinelease’s five existing sound stages currently support 408 direct production jobs and 840 indirect and induced jobs related to the production activity at Cinelease Studios. This translates to a total of 1,257 annual jobs created within the local area. With the addition of five new sound stages, future production activity is estimated to contribute 816 direct production jobs for a total of 2,514 direct, indirect, and included jobs annually.

Construction Jobs (one-time jobs)

The proposed capital investment would support an estimated 813 direct one-year jobs during the construction period. Indirect and induced activity during this period is estimated to support 326 jobs. The total construction period is estimated to support 1,139 one-year jobs.

**3. Number of new employees by title or job classification and respective salaries.**

The Project will create 12 new full-time employees.

Cinelease Studio - ABQ (New Employees)							
	Department	Title	Hourly Rate	Annual Salary	Overtime Pay	Benefits @ 25%	Total Compensation
1	Studio	Stage Manager	25.00	52,000	15,000	13,000	80,000
2	Studio	Stage Manager	25.00	52,000	15,000	13,000	80,000
3	Studio	Facilities	30.00	62,400		15,600	78,000
4	Studio	Facilities	30.00	62,400		15,600	78,000
5	L&G	Rental Agent	35.00	72,800		18,200	91,000
6	L&G	Shop Supervisor	29.00	60,320		15,080	75,400
7	L&G	Warehouse Person	22.50	46,800	6,750	11,700	65,250
8	L&G	Warehouse Person	22.50	46,800	6,750	11,700	65,250
9	L&G	Driver	25.00	52,000	7,500	13,000	72,500
10	HES	Yard Worker	22.50	46,800	6,750	11,700	65,250
11	HES	Yard Worker	22.50	46,800	6,750	11,700	65,250
12	HES	Yard Worker	22.50	46,800	6,750	11,700	65,250
<b>Total</b>							<b>881,150</b>
<b>Average</b>							<b>73,429</b>

**4. Optional employee benefits and an estimated value of such benefits and an estimated value of such benefits, either by amount or percentage of net pay. If employees contribute to such benefits, indicate their contributions in amount or percentage.**

All full-time employees are offered benefits estimated to be 25% of gross pay. Please see the above chart that lists the estimated value of benefits for each position.

The benefits being offered for Cinelease employees include, but are not limited to:

- Medical, dental and vision health insurance
- Life insurance

- PTO
- The option to participate in a 401(k) plan as well as the Company’s Employee’s Stock Purchase Plan (ESPP).
- Disability coverage
- Tuition reimbursement
- Employee Assistance Program
- Parental leave
- Pet Insurance

Please see Exhibit H, “Benefits Offered to FT Cinelease Employees” for the full list of benefits offered to Cinelease employees

**5. An estimated total annual expenditure of goods and services locally procured, identification of such goods and services (only those over \$10,000 per year), and an estimated annual increase in total expenditure.**

The total procurement of goods and services presented below includes direct, indirect, and induced purchases. Direct purchases include employment and spending by Cinelease and are expected to increase by 3% annually. Indirect purchases are associated with Cinelease’s input from regional suppliers, while induced purchases are attributable to spending by Cinelease and supplier employees, based on regional household spending patterns for different levels of income. An estimated total annual expenditure of goods and services locally procured that are subject to the New Mexico gross receipts tax (“NMGR”) for Cinelease and is provided below:

- **Purchases Subject to NMGR**
  - Direct Cinelease Purchases - \$575,000
  - Indirect Procurement of Goods & Services - \$2,300,000
  - Induced Purchases of Goods & Services - \$620,000

Production companies seeking to produce film and entertainment content in the state will also contribute to the New Mexico economy by leasing space from Cinelease. An estimated annual expenditure of goods and services locally procured that are subject to the New Mexico gross receipts tax (“NMGR”) from production companies is provided below:

- **Purchases Subject to NMGR**
  - Direct Production Company Purchases - \$100,000,000
  - Indirect Production Company Procurement of Goods & Services - \$7,300,000
  - Induced Production Company Purchases - \$7,300,000

**6. 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 total procurement of goods and services presented below includes direct, indirect, and induced purchases. Direct purchases include employment and spending by Cinelease and are expected to increase by 3% annually. Indirect purchases are associated with Cinelease’s input



from regional suppliers, while induced purchases are attributable to spending by Cinelease and supplier employees, based on regional household spending patterns for different levels of income. An estimated total annual expenditure of goods and services locally procured that are subject to the New Mexico gross receipts tax (“NMGR”) for Cinelease and is provided below:

- **Purchases Subject to NMGR**
  - Direct Cinelease Purchases - \$575,000
  - Indirect Procurement of Goods & Services - \$2,300,000
  - Induced Purchases of Goods & Services - \$620,000

Production companies seeking to produce film and entertainment content in the state will also contribute to the New Mexico economy by leasing space from Cinelease. An estimated annual expenditure of goods and services locally procured that are subject to the New Mexico gross receipts tax (“NMGR”) from production companies is provided below:

- **Purchases Subject to NMGR**
  - Direct Production Company Purchases - \$100,000,000
  - Indirect Production Company Procurement of Goods & Services - \$7,300,000
  - Induced Production Company Purchases - \$7,300,000

**7. An estimated total annual expenditure of goods procured out-of-state and subject to the New Mexico compensating tax, and an estimated annual increase in total expenditure.**

All purchases of goods and services will be sourced from within New Mexico.

**8. An estimated annual local sale of goods and services that are subject to the New Mexico gross receipts.**

- Estimated Studio Rental Fees - \$9,500,000
- Lighting and Grip Equipment Rental Fees - \$9,200,000

In the first year after the expansion is fully complete, the total estimated annual local sale of goods and services that are subject to the NMGR is estimated to be \$18,700,000, with an estimated annual increase of 5%.

Additionally, the expansion of the five additional sound stages will also create additional production studio spend. This is estimated to result in a \$75 million to \$100 million annually in local goods and services that are subject to the NMGR on behalf of production studios that rent out studio space from Cinelease.

The total production activities generating New Mexico gross receipts tax is estimated to be \$150 million to \$200 million annually across all ten Cinelease sound stages.

**9. Costs of land, site improvement, and building, respectively**

- Building & Site Improvement
  - Existing facility improvements - \$5,000,000
  - New sound stages and ancillary buildings - \$57,000,000 - \$72,000,000
  - Updating electrical infrastructure - \$8,000,000
  - Construction and design costs - \$3,000,000
  - Lighting and grip equipment - \$16,000,000

**10. Total costs of equipment, fixtures, and furnishings to be purchased with the proceeds of the bond, and an amount of such purchases in New Mexico and out-of-state, respectively.**

- Lighting and grip equipment – for existing facility - \$8,000,000
- Lighting and grip equipment for new facilities - \$8,000,000

As noted earlier, all purchases of goods and services will be sourced from within New Mexico.

**11. An estimated incremental New Mexico corporate income tax as a result of the proposed Industrial Revenue Bond project, and an estimated annual increase.**

The Industrial Revenue Bond project will not have any incremental impact or increase to the Company's state corporate income tax other than annual revenue increases from sound stage and equipment rentals.

**12. An estimated amount of capital expenditures to be qualified for the New Mexico investment tax credit.**

The Project does not anticipate having any capital expenditures to be qualified for the New Mexico investment tax credit.

# Exhibits

Project Gustavo:  
IRB Application for Cinelease  
Studios Expansion



# Exhibit B - Present Assessed Value - Tax Year 2023

PARID: 101806509807630110

CINELEASE INC & NORTH I-25 CORPORATE, CENTER LLC

9201 PAN AMERICAN FWY

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Tax Year	<b>2023</b>
Full Land Value	\$7,104,051.00
Agric. Land	\$0.00
Full Impv. Value	\$2,508,187.00
Full Total Value	\$9,612,238.00
Taxable (1/3 Full)	\$3,203,759.00

## Exemptions

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Head of Family	\$0.00
Veteran	\$0.00
Other 4000	\$0.00

## Net Taxable Value

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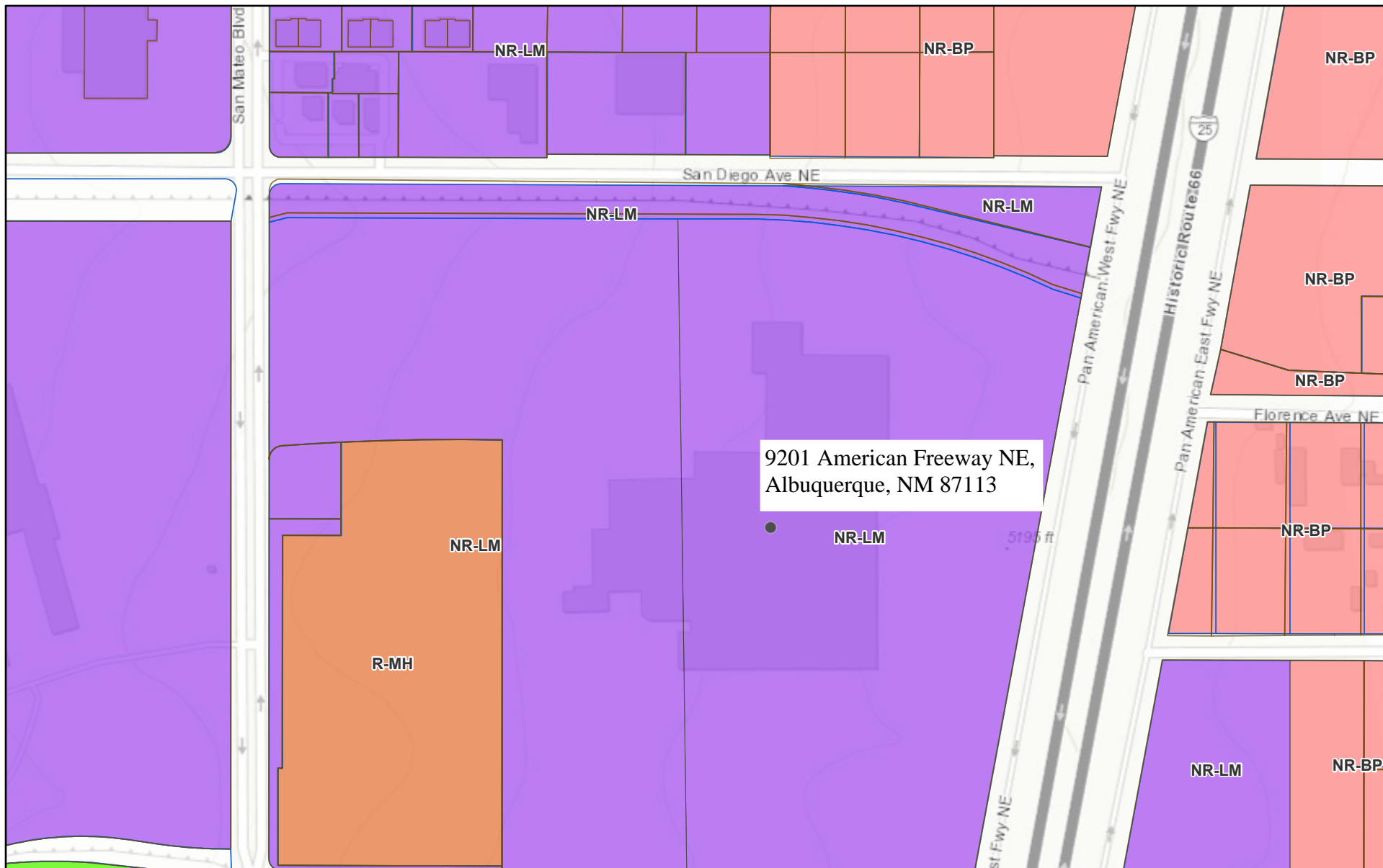
Net Taxable Value	\$3,203,759.00
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## DISCLAIMER

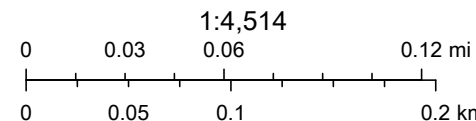
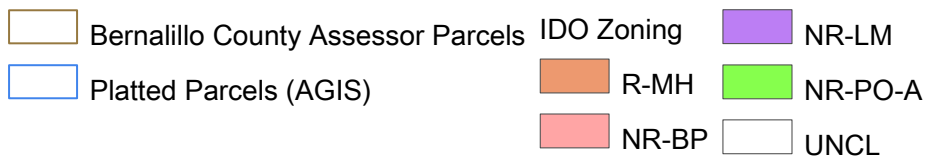
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[Click here to view the Disclaimer](#)

# Exhibit C - Zoning Description



September 12, 2023



City of Rio Rancho, Bernalillo County, NM, City of Albuquerque, Bureau of Land Management, Texas Parks & Wildlife, Esri, HERE, Garmin,

**Exhibit D**  
**Company Biographies**

CINELEASE STUDIOS

**Gannon Murphy**  
**EVP, Cinelease Studios**

Atlanta native and a resident of Los Angeles for approximately 20 years, Gannon began his career in entertainment in 1996 before working and living in Europe, Southeast Asia and California. Graduating with Certificate in Business Studies and a Liberal Arts degree from University of California (Los Angeles), Gannon has been with Cinelease for 6 years. In addition to his leadership role at the Entertainment Division of Herc Rentals and the Lighting & Grip Division of Cinelease, the Cinelease Studios brand and team have become his main focus with the intention of expanding the services offered to our clients and further integrating the businesses.

Gannon sits on the Executive Board of several trade associations designed to promote, clarify, and educate on film/television tax incentives (Georgia, Pennsylvania, New Jersey). Currently, Gannon is the Board Chair of the Georgia Screen Entertainment Coalition and Board President of the Screen Alliance of New Jersey. Also, within the industry, Gannon joined the Leadership Team for the Safety for Sarah Film Foundation to enable funding for students that integrate industry safety practices as part of the filmmaking process. Outside of the industry, Gannon is on the Executive Leadership Team of the Atlanta Chapter of the Alzheimer's Association and actively engages in fundraising and awareness at the annual Atlanta Walk to End Alzheimer's.

**Shyann Reichard**  
**Studio Manager, Albuquerque Studios**

With a decade of experience in the entertainment industry, Shyann brings a nuanced understanding of the world of studio management and client relations.

Her journey began as a talent publicist in Los Angeles, where she built meaningful client relationships and developed her hands-on management style. In 2019, She joined I-25 Studios in New Mexico, where she played a pivotal role in managing studio operations. Her commitment to excellence and her ability to navigate the dynamic world of film production made her an invaluable asset to the studio.

When I-25 Studios transitioned to Cinelease Studios in 2022, Shyann's expertise ensured a seamless shift. Her passion and adaptability in addition to her strong client relationships and institutional knowledge of the facility proved instrumental in ensuring the success of Cinelease Studios – Albuquerque.

# Exhibit E

## Economic and fiscal impacts from Cinelease Studios' potential Albuquerque, New Mexico expansion

Prepared for Cinelease Studios

April 24, 2023



## Executive summary

Cinelease Studios is a studio management company that operates film and television production studios throughout the US. Its current studio operations in Albuquerque, New Mexico have contributed to the New Mexico economy by leasing space to film and television production companies seeking to produce film and entertainment content in the state, as well as making purchases from local suppliers and contributing to the local tax base.

Cinelease Studios currently operates five soundstages totaling 103,000 square feet leased to media production companies. Because of the growth in demand for production space in New Mexico, Cinelease is considering investing \$94 million to construct five additional soundstages and three ancillary facilities, as well as invest \$5 million to upgrade the quality of the existing five soundstages, and \$5 million to purchase additional land.<sup>5</sup> EY was commissioned by Cinelease to estimate the economic and fiscal contributions of its potential capital investments in Albuquerque, and the current and incremental annual operating and production activities that occur at the soundstages.

The analysis includes three types of economic contributions:

- ▶ **Direct economic contributions** resulting from Cinelease Studio employment and expenditures and employment and expenditures by production companies leasing soundstages.
- ▶ **Indirect economic contributions** resulting from purchases from local suppliers.
- ▶ **Induced economic contributions** resulting from consumption expenditures at local businesses by Cinelease, production company, and supplier employees.

Table ES-1 summarizes the total annual operating and production impacts from the construction of the five new soundstages, as well as the one-time economic and fiscal impacts from the prospective capital investment.

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<sup>5</sup> This total proposed construction expenditure consists of \$80 million associated with the actual construction of the additional facilities, \$8 million associated with updating/expanding site infrastructure, and \$3 million in professional services fees related to the project.

**Table ES-1. Summary of Cinelease’s economic and fiscal contributions from the operation and construction of new soundstages in New Mexico**

*Millions of 2022 dollars; number of employees*

<b>Metric</b>	<b>Total incremental annual operating and production activity impacts</b>	<b>Total one-time capital investment impacts</b>
Employment	1,327	1,138*
Labor income	\$70.1	\$61.6
Value Added	\$133.0	\$79.7
Economic output	\$203.3	\$159.7
Total tax contributions:	\$10.1	\$8.6
Local tax contributions	\$4.2	\$2.6
State tax contributions	\$5.8	\$5.9

\*Employment for capital investment is one-year jobs assuming a one-year construction period

Source: EY analysis based on capital investment data, annual operational data, and estimated production data from Cinelease Studios and 2021 IMPLAN model of New Mexico. Note: Figures may not sum due to rounding.

Table ES-2 shows the expected economic and tax contributions in New Mexico from Cinelease studio’s proposed capital investments associated with the construction of five new soundstages, three ancillary buildings, and the upgrade of existing soundstages at the site. This investment is expected to support 1,138 one-year jobs, \$62 million in labor income and \$160 million in economic output in New Mexico. Furthermore, it is expected that this investment will have a total one-time tax impact of \$8.6 million across the state.

**Table ES-2. Cinelease’s estimated one-time economic and fiscal contributions from expected capital investment in New Mexico**

*Millions of 2022 dollars; number of employees*

<b>Metric</b>	<b>Direct</b>	<b>Indirect &amp; induced</b>	<b>Total</b>
Annual average employment	813	325	1,138
Labor income	\$45.0	\$16.6	\$61.6
Value Added	\$48.3	\$31.3	\$79.7
Economic output	\$99.0	\$60.7	\$159.7
Total taxes	\$6.8	\$1.8	\$8.6
Local taxes	\$2.1	\$0.6	\$2.6
State Taxes	\$4.8	\$1.2	\$5.9

Source: EY analysis based on capital investment data by Cinelease and 2021 IMPLAN model of New Mexico. Note: Figures may not sum due to rounding.

The estimated economic and tax contributions from Cinelease studio’s current and incremental operating activities associated with five new soundstages is displayed in

Table ES-3. Currently, Cinelease employs ten employees to operate its existing five soundstages and would hire twelve additional employees as the studio’s production capacity would nearly double. The annual operating activities associated with the administration and

maintenance of Cinelease studios once construction is complete is expected to support 130 total annual jobs, \$6.7 million in labor income and over \$44 million in economic output in the state. The annual operation of the facility is expected to generate a state and local tax impact of \$1.6 million.

**Table ES-3. Summary of Cinelease's economic and fiscal contributions from current and incremental annual operating activities in New Mexico**

*Millions of 2022 dollars; number of employees*

Metric	Current annual operating impacts with current soundstage capacity			Incremental annual operating impacts after construction of new soundstages			Expanded operations impacts
	Direct	Indirect & induced	Total	Direct	Indirect & induced	Total	Total
Employment	10	50	60	12	58	70	130
Labor income	\$0.8	\$2.3	\$3.1	\$0.9	\$2.7	\$3.6	\$6.7
Value Added	\$2.5	\$4.5	\$7.0	\$2.9	\$5.2	\$8.1	\$15.1
Economic output	\$11.1	\$9.5	\$20.5	\$12.8	\$10.9	\$23.7	\$44.3
Incremental taxes	-	-	-	\$1.4	\$0.3	\$1.6	\$1.6
Local taxes	-	-	-	\$1.3	\$0.1	\$1.4	\$1.4
State Taxes	-	-	-	\$0.1	\$0.2	\$0.3	\$0.3

Source: EY analysis based on operational activity data by Cinelease and 2021 IMPLAN model of New Mexico. EY only estimated incremental tax contributions resulting from incremental changes to annual operating activities resulting from potential capital investments. Note: Figures may not sum due to rounding.

Lastly, the economic and tax contributions of production companies that lease soundstage space from Cinelease Studios were also estimated and are shown in Table ES-4. Based on statewide production data and estimations for annual soundstage capacity, it is estimated that the five additional soundstages will produce over \$92 million in annual expenditures in the state. The annual production activities associated with the production of film and television shows at Cinelease studios is expected to support 1,257 annual total jobs, \$66.5 million in labor income and over \$179.6 million in economic output. Furthermore, it is expected that this investment will generate an incremental tax impact \$8.4 million tax impact across the state.

**Table ES-4. Summary of economic and fiscal contributions from incremental annual production activity at Cinelease soundstages in New Mexico**

*Millions of 2022 dollars; number of employees*

<b>Metric</b>	<b>Direct</b>	<b>Indirect &amp; induced</b>	<b>Total</b>
Employment	408	849	1,257
Labor income	\$36.9	\$29.6	\$66.5
Value Added	\$75.6	\$49.2	\$124.9
Economic output	\$92.3	\$87.3	\$179.6
Total taxes	\$6.7	\$1.8	\$8.4
Local taxes	\$2.2	\$0.6	\$2.9
State Taxes	\$4.4	\$1.2	\$5.6

Source: EY analysis based on soundstage operational activity data by Cinelease, statewide production data from the NM Film Office, 2021 IMPLAN model of New Mexico, and *New Mexico Film Office's 2022 update of the Economic Impact of the New Mexico Film Production Tax Credit* report. Note: Figures may not sum due to rounding.

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## Economic and fiscal impacts from Cinelease Studios' potential Albuquerque, New Mexico expansion

### 1. Economic and fiscal impact estimation methodology

This section describes the estimation of the economic and fiscal contributions of the operations of Cinelease's Albuquerque facility, proposed capital investments, and the film and TV production activity occurring within the facility's soundstages.

#### 1.1 Economic contribution methodology

The economic contribution of Cinelease's current operating and production activities, as well as potential future construction, incremental operating, and incremental production activities of the companies that lease their space have three components, which are described below and shown in Figure 1.

- ▶ **Direct contribution.** Direct contribution includes the total full-time and part-time employees and labor income (including the value of benefits) related to capital improvements and annual operations.
- ▶ **Indirect contribution.** The indirect economic contribution is attributable to purchases from suppliers within New Mexico. The indirect contribution also captures the additional input purchases from local suppliers by Cinelease suppliers. These additional purchases create subsequent rounds of indirect effects.
- ▶ **Induced contribution.** The induced contribution includes the spending by Cinelease employees and the employees of suppliers at local businesses, including grocery stores, restaurants, and service providers.

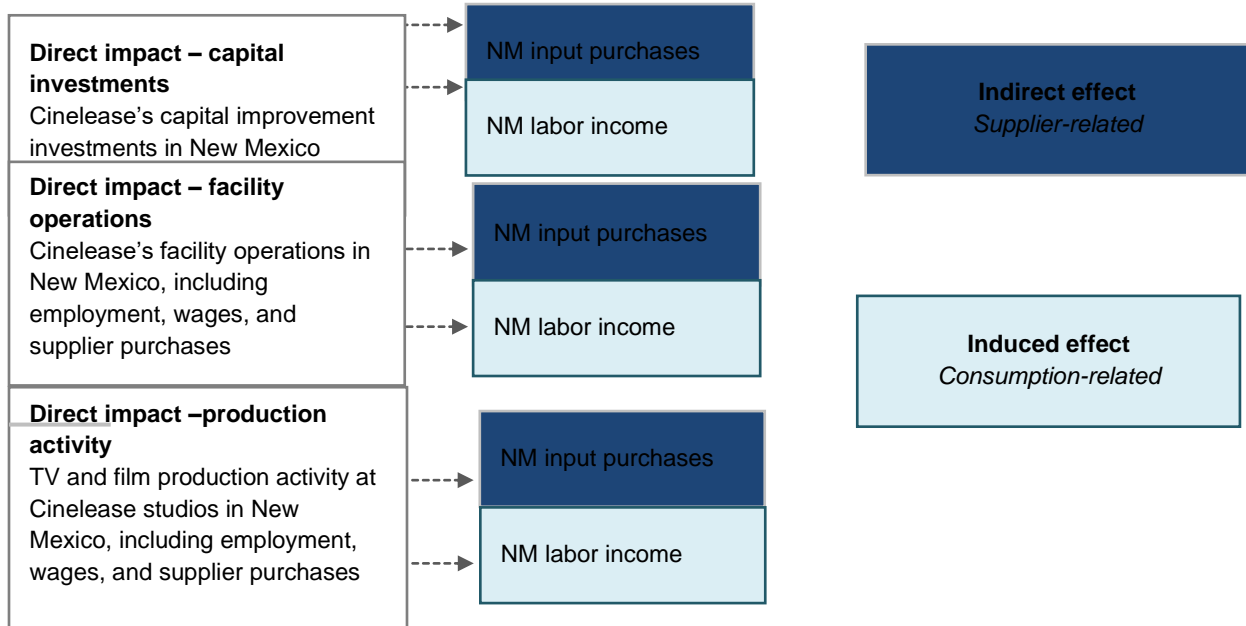
Economic contributions used in this analysis fall in to one of five impact categories, described below:

- ▶ **Employment:** full-time and part-time positions<sup>6</sup>
- ▶ **Labor income:** Salaries, wages, and benefits related to employment
- ▶ **Value added:** Labor income plus indirect business taxes, consumption of fixed capital (depreciation), and mixed income
- ▶ **Output:** Sum of value-added and intermediate input (supplier) purchases
- ▶ **Taxes:** property, sales, income, severance, and other state and local taxes

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<sup>6</sup> Temporary production-related employment is shown in terms of permanent positions

**Figure 1. Overview of the components of CINELEASE’s economic contributions in New Mexico**



The magnitude of economic contributions in New Mexico are determined by several factors, including supplier relationships with businesses in the geography. This impact can be expressed using an “economic multiplier” which is equal to the total economic impact per unit of direct impact. The economic multipliers used in this study for operational activity impacts and capital expenditure were estimated using the 2021 IMPLAN input-output model for the New Mexico. The economic multipliers used in this study for modeling production activity impacts used New Mexico Film Office’s 2022 update of the *Economic Impact of the New Mexico Film Production Tax Credit* report. A description of the IMPLAN model and methodology is included in the Appendix.

For each good and service purchased by Cinelease or the production companies that lease the Cinelease Studio soundstages, the model predicts the portion that will be supplied by regional businesses using trade flow data from the US Department of Commerce and the US Department of Transportation. Furthermore, the IMPLAN model estimates the spending impacts of direct and indirect employees, reflecting typical consumption expenditure profiles and the estimated proportion of consumption goods that are imported from outside the study regions (i.e. New Mexico).

## 1.2 Fiscal contribution methodology

State tax contributions were estimated for Cinelease's current and incremental annual operations, as well as the current and incremental production activities by production companies which lease Cinelease Studio soundstages. Furthermore, tax contributions for Cinelease's one-time capital investments were also estimated. The fiscal contribution estimates are based on the following parameters and assumptions:

- ▶ Gross receipts tax paid by Cinelease on capital investments and incremental annual non-labor operating expenditures as well as gross receipts taxes paid by production companies that are expected to lease space at Cinelease Studios were estimated by identifying the approximate share of the expenditures that would be subject to the tax and multiplying by the New Mexico and Albuquerque combine gross receipts tax rate of 7.75%. By analyzing state averages for production expenditure profiles, EY estimated that 45% of production expenditures were not subject to the tax. Furthermore, EY estimated that 50% of the capital investment was not subject to the gross receipts tax.
- ▶ Annual property taxes paid by Cinelease on the five additional soundstages and three ancillary buildings were estimated as follows. The projected capital expenditure of \$94 million is reduced by an assumed 20% intangible amount to estimate third-party market value. Taxable value is then estimated by applying a 33% assessment ratio. The tax estimate assumes a 4.79% property tax rate, the current rate that applies to the existing Cinelease site.
- ▶ State tax and local tax contributions of Cinelease employees and production company employees were also estimated. These estimates were calculated by multiplying labor income by the ratio of tax collections to personal income for each tax type in New Mexico, and then multiplying by the share of the tax collections contributed by households. Tax ratios were calculated using New Mexico state and local tax revenues from the 2020 US Census Bureau's Annual Survey of State and Local Government Finances and personal income for the corresponding years from the Bureau of Economic Analysis. Personal income used to calculate the tax ratios includes wages, salaries, bonuses, employer contributions for insurance, pension funds, and government social insurance. Personal income is a reasonable proxy for labor income used in this report since both measures include similar income and benefit sources. These employee tax contributions are included in the overall estimate for state and local gross receipts taxes.
- ▶ Indirect and induced local tax contributions are estimated by multiplying labor income by the same ratio as discussed in the previous bullet point.

Future state and local tax contributions for Cinelease are estimated and shown in 2022 dollars.



## 2. One-time economic and fiscal impacts from prospective capital expenditures at Cinelease studios in Albuquerque, New Mexico

To meet the growing demand for production space in New Mexico, Cinelease Studios may invest \$94 million to nearly double its soundstage capacity its Albuquerque, New Mexico site. Cinelease currently operates and leases five soundstages totaling 103,700 square feet. The expected investment would support the construction of five additional soundstages of 20,000 square feet each plus three ancillary buildings. Cinelease will also spend \$8 million on site infrastructure, \$3 million on professional services, and \$5 million to upgrade five existing soundstages. Table 1 the breakdown of Cinelease’s expected capital investments.

**Table 1. Expected capital investments and related infrastructure upgrades to Cinelease studios in Albuquerque, New Mexico**  
*Millions of 2022 dollars*

Category of expenditure	Capital investment (\$M)	Number and type of buildings impacted
Construction of new soundstages and ancillary buildings, site infrastructure, and professional services	\$94	5 new soundstages, 3 ancillary buildings
Upgrades to existing soundstages	\$5	5 existing sound stages
<b>Total local capital investment</b>	<b>\$99</b>	<b>10 sound stages, 3 ancillary buildings</b>

Source: Future capital expenditure data provided by Cinelease.

Economic benefits from capital expenditures are described as “one-time” because they create a one-time change in employment and sales in the local economy, temporarily increasing demand and tax revenues. Table 2 shows the estimated economic contributions of Cinelease Studio’s planned capital investments. The estimated \$99 million planned capital investments would support an estimated 813 direct one-year jobs during this period. Indirect and induced activity during this period is estimated to support 326 jobs and \$60.7 million of output to the New Mexico economy.

**Table 2. One-time economic impact from Cinelease’s expected capital investments in Albuquerque, New Mexico**  
*Jobs, Millions of dollars, 2022*

Metric	Direct	Indirect	Induced	Total
Total one-year jobs	813	122	204	1,138
Labor income	\$45.0	\$6.9	\$9.8	\$61.6
Value added	\$48.3	\$12.3	\$19.0	\$79.7
Gross output	\$99.0	\$27.0	\$33.7	\$159.7

Source: EY analysis of Cinelease capital expenditure data and 2021 IMPLAN model of New Mexico.

Note: Figures may not sum due to rounding.

Capital expenditures and related economic activity generate tax benefits for the state. Direct tax contributions of \$6.8 million in Table 3 refer to taxes paid by Cinelease, its construction contractors, and employees directly related to construction or equipment acquisition (i.e., construction workers and equipment installers). Indirect contributions relate to suppliers of building materials, equipment, and other supplier industries. Induced tax contributions are related to consumption activities. Total state and local tax contributions of \$8.6 million are spread over the duration of construction period.

**Table 3. Estimated one-time New Mexico fiscal contributions related to Cinelease’s planned capital expenditures**  
*Millions of 2022 dollars*

Fiscal impacts from construction of five soundstages and ancillary buildings, and upgrades to existing soundstages					
Tax Type	Direct Cinelease taxes	Direct-Cinelease employee taxes	Indirect taxes	Induced taxes	Total taxes
<b>Local taxes</b>	<b>\$1.4</b>	<b>\$0.7</b>	<b>\$0.2</b>	<b>\$0.3</b>	<b>\$2.6</b>
Property taxes	N/A	\$0.3	\$0.1	\$0.2	\$0.7
Gross receipts taxes	\$1.4	\$0.3	\$0.1	\$0.1	\$1.9
Other taxes	\$0.0	\$0.1	\$0.0	\$0.0	\$0.1
<b>State taxes</b>	<b>\$2.5</b>	<b>\$2.3</b>	<b>\$0.5</b>	<b>\$0.7</b>	<b>\$5.9</b>
Gross receipts tax	\$2.5	\$0.6	\$0.2	\$0.3	\$3.6
Individual income tax	N/A	\$0.6	\$0.1	\$0.1	\$0.8
Other taxes	N/A	\$1.1	\$0.2	\$0.2	\$1.6
<b>Total taxes</b>	<b>\$3.8</b>	<b>\$3.0</b>	<b>\$0.7</b>	<b>\$1.0</b>	<b>\$8.6</b>

Source: Tax revenues used for estimating direct, indirect, and induced taxes were provided by the US Census Bureau’s Annual Survey of State and Local Government Finances. Direct tax contributions by Cinelease and its construction contractors were estimated by applying a taxability ratio to the 50% of total capital expenditure that is non-labor related.  
Note: Figures may not sum due to rounding.

### 3. Economic and fiscal impacts from current and incremental annual operating activities at Cinelease Studios

Cinelease Studios currently employs 10 workers to operate its soundstages and expects to increase that headcount to 22 workers following the potential construction of additional facilities, as shown in Table 4. In total, the incremental annual operating activities would be expected to support an additional \$23.7 in economic output per year once construction of the new soundstages and facilities is complete.

**Table 4. Estimated economic contributions related to Cinelease Studio's current and incremental annual operating activities in Albuquerque, New Mexico**

*Millions of 2022 dollars; number of employees*

Metric	Current annual operating impacts			Incremental annual operating impacts after additional soundstage development			Total future annual operating impacts
	Direct	Indirect & induced	Total	Direct	Indirect & Induced	Total	Total
Employment	10	50	60	12	58	70	130
Labor income	\$0.8	\$2.3	\$3.1	\$0.9	\$2.7	\$3.6	\$6.7
Value Added	\$2.5	\$4.5	\$7.0	\$2.9	\$5.2	\$8.1	\$15.1
Economic output	\$11.1	\$9.5	\$20.5	\$12.8	\$10.9	\$23.7	\$44.3

Source: EY analysis based on data by Cinelease and 2021 IMPLAN model of New Mexico Note: Figures may not sum due to rounding.

Table 5 shows the estimated ten-year gross economic impacts from Cinelease's annual impacts in Albuquerque should it pursue the capital investment. These estimates assume employment at Cinelease Studios in Albuquerque would stay consistent over the ten-year period.

**Table 5. Estimated ten-year gross economic contributions related to Cinelease Studios' current and incremental annual operating activities in Albuquerque, New Mexico**

*Millions of 2022 dollars; number of employees*

Metric	Ten-year gross operating impacts		
	Direct	Indirect & Induced	Total
Average employment	22	108	130
Labor income	\$16.4	\$50.2	\$66.6
Value Added	\$54.5	\$96.7	\$151.3
Economic output	\$238.5	\$204.0	\$442.5

Source: EY analysis based on data by Cinelease and 2021 IMPLAN model of New Mexico. Note: Figures may not sum due to rounding.

Economic activity associated with Cinelease Studio's incremental operations is estimated to generate on average \$1.6 million in state and local taxes annually. Direct tax impacts include taxes paid by both Cinelease and its employees. The incremental local and state tax contributions from the construction of additional soundstages and ancillary facilities are shown in Table 6. The incremental direct taxes associated with the company and its employees are estimated to be \$1.3 million per year. The incremental indirect and induced tax contribution is estimated to be \$285,000 per year.

**Table 6. Estimated New Mexico fiscal contributions related to Cinelease's incremental annual facility operating activities**

*Thousands of 2022 dollars*

Incremental fiscal impacts from operation of five additional soundstages and ancillary buildings at Cinelease Studios in Albuquerque, New Mexico					
Tax Type	Direct Cinelease taxes	Direct-Cinelease employee taxes	Indirect taxes	Induced taxes	Total taxes
<b>Local Taxes</b>	<b>\$1,274.5</b>	<b>\$14.2</b>	<b>\$75.5</b>	<b>\$20.2</b>	<b>\$1,384.3</b>
Property taxes	\$1,266.6	\$7.3	\$39.9	\$10.7	\$1,324.4
Gross receipts taxes	\$7.9	\$5.3	\$31.7	\$8.5	\$53.3
Other taxes	N/A	\$1.6	\$3.9	\$1.0	\$6.5
<b>New Mexico Taxes</b>	<b>\$17.0</b>	<b>\$44.9</b>	<b>\$149.0</b>	<b>\$39.8</b>	<b>\$250.7</b>
Gross receipts taxes	\$17.0	\$11.3	\$68.3	\$18.3	\$114.9
Individual income taxes	N/A	\$11.2	\$27.0	\$7.2	\$45.4
Other taxes	N/A	\$22.3	\$53.7	\$14.4	\$90.4
<b>Total taxes</b>	<b>\$1,291.5</b>	<b>\$59.0</b>	<b>\$224.5</b>	<b>\$60.0</b>	<b>\$1,635.0</b>

Source: Tax revenues used for estimating direct, indirect, and induced taxes were provided by the US Census Bureau's Annual Survey of State and Local Government Finances. Note: Estimates paid by Cinelease studios do not include the potential increase in property associated with the optional \$5 million purchase of additional land.

Table 7 shows the estimated ten-year gross incremental tax impacts from Cinelease's annual impacts in Albuquerque should it pursue the capital investment. Again, these estimates assume employment at Cinelease Studios in Albuquerque would stay consistent over the ten-year period.

**Table 7. Estimated ten-year gross New Mexico fiscal contributions related to Cinelease's incremental annual facility operating activities**

*Millions of 2022 dollars*

Gross ten-year incremental fiscal impacts from operation of five additional soundstages and ancillary buildings at Cinelease Studios in Albuquerque, New Mexico					
Tax Type	Direct Cinelease taxes	Direct-Cinelease employee taxes	Indirect taxes	Induced taxes	Total taxes
<b>Local Taxes</b>	\$12.7	\$0.1	\$0.8	\$0.2	\$13.8
Property taxes	\$12.7	\$0.1	\$0.4	\$0.1	\$13.2
Gross receipts taxes	\$0.1	\$0.1	\$0.3	\$0.1	\$0.5
Other taxes	N/A	\$0.0	\$0.0	\$0.0	\$0.1
<b>New Mexico Taxes</b>	\$0.2	\$0.4	\$1.5	\$0.4	\$2.5
Gross receipts taxes	\$0.2	\$0.1	\$0.7	\$0.2	\$1.1
Individual income taxes	N/A	\$0.1	\$0.3	\$0.1	\$0.5
Other taxes	N/A	\$0.2	\$0.5	\$0.1	\$0.9
<b>Total taxes</b>	\$12.9	\$0.6	\$2.2	\$0.6	\$16.3

Source: Tax revenues used for estimating direct, indirect, and induced taxes were provided by the US Census Bureau's Annual Survey of State and Local Government Finances. Ten-year gross impacts only reflect tax impacts resulting from incremental operating activities from the potential construction of additional facilities.

## 4. Economic and fiscal impacts from current and incremental annual production activities at Cinelease studios

In addition to the economic and fiscal impacts from Cinelease's capital investments in new facilities and annual operations, there are associated statewide benefits supported by the film and television production activity occurring within soundstages at Cinelease studios. This section first outlines the methodology for estimating the incremental annual production expenditure associated with the five new soundstages at Cinelease Studios. It then discusses the economic and fiscal contributions that result from the incremental production activity.

### 4.1 Approach to estimate film production activity at Cinelease studios

Table 8 shows the calculation of the incremental production activity associated with Cinelease's additional soundstages. First, EY calculated the statewide average expenditure per production day based on total statewide production spending data from the New Mexico Film Office's 2022 update of the *Economic Impact of the New Mexico Film Production Tax Credit* report. This total statewide spending was divided by the total estimated number of production days in the state. The total number of production days in the state was estimated based on the total number of productions and the average length of a production as measured by principal photography days (90)<sup>7</sup>. EY then used Cinelease's projected soundstage occupancy (85%) to estimate total additional production days available because of the capital investment construction. Based on this approach, EY estimates production spending of \$87,206 per day, which for 1,058 available soundstage days yields \$92 million in annual production expenditures in New Mexico that would be supported by the expansion.<sup>8</sup>

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<sup>7</sup> Average number of principal photography days is 90, per the Nashville Film Institute

<sup>8</sup> In addition to the method used in Table 6, EY developed two other methods for estimating annual production expenditures at Cinelease Studios. The first used existing available sound stage square footage in New Mexico and historical production expenditures to calculate the annual production expenditures per square foot, which, when multiplied by the total change in square footage in the state resulting from Cinelease Studio's capital investment, provide one possible estimate. The second method used annual production expenditure across the state and divided by the existing number of stages, and this rate was multiplied by five to represent the per stage increase in production expenditure from Cinelease's investment. The reason the method displayed in Table 6 was used was because its estimate was a median between the other two estimates and provided the most robust logic for incremental activity in the state.

**Table 8. Methodology for estimating annual production expenditure at Cinelease studios in Albuquerque, New Mexico**

*2022 Dollars in units or millions as noted, Number of days*

<b>Estimated annual production expenditure calculation</b>	<b>Calculation</b>	<b>Value</b>
Total production spending in New Mexico <sup>1</sup>	(a)	\$855.5 M
Number of productions <sup>1</sup>	(b)	109
Spending per production	(c) = (a)/(b)	\$7.8 M
Average number of principal photography days <sup>2</sup>	(d)	90
Spending per production day	(e) = (c)/(d)	\$87,206
Number of soundstages <sup>3</sup>	(f)	5
Occupancy of soundstages <sup>3</sup>	(g)	85%
Available production days per soundstage per year <sup>4</sup>	(h)	249
Occupied soundstage days	(i) = (g)*(h)	211
Total production days across all soundstages	(j) = (f)*(i)	1,058
<b>Estimated annual production expenditure</b>	<b>(e)*(j)</b>	<b>\$92.3 M</b>

Source: 1. NM Film Report 2022 Economic Impact of the New Mexico Film Production Tax Credit; 2. Nashville Film Institute; 3. Cinelease soundstage annual occupancy data; 4. Number of non-holiday working days per year

## 4.2 Economic and fiscal impacts from annual production activity

The tables below summarize the estimated impact of production activity at the current soundstages and the incremental activity that will be supported by the expanded facility. Table 9 shows that current production activity supports an estimated 408 direct annual jobs and \$36.9 million in direct labor income. Indirect and induced activity is estimated to support 849 jobs and \$29.6 million of labor income to the New Mexico economy. Overall, current annual production activity at Cinelease Studios contributes nearly \$180 million in total economic output in New Mexico.

Table 9 also shows the future economic impacts from production activity due to Cinelease's nearly doubled soundstage capacity. As a result of adding five more soundstages, as well as adding upgrades to the existing soundstages to maintain a similar quality across all soundstages, it is estimated that the impacts from doubling capacity will contribute to doubling the impacts across the state. This will result in a future total annual economic impact of \$359 million New Mexico, or approximately twice the level of current impact.

**Table 9. Estimated economic contributions related to production activity at Cinelease Studios in Albuquerque, New Mexico**  
*Millions of 2022 dollars; number of employees*

Metric	Current annual production activity impacts			Incremental annual production activity impacts after additional soundstage development			Future total production activity impacts
	Direct	Indirect & induced	Total	Direct	Indirect & induced	Total	Total
Employment	408	849	1,257	408	849	1,257	2,514
Labor income	\$36.9	\$29.6	\$66.5	\$36.9	\$29.6	\$66.5	\$133.0
Value Added	\$75.6	\$49.2	\$124.9	\$75.6	\$49.2	\$124.9	\$249.8
Economic output	\$92.3	\$87.3	\$179.6	\$92.3	\$87.3	\$179.6	\$359.3

Source: EY analysis based on facility operating profile and assumptions provided by Cinelease. The level of production activity estimated based on statewide averages. Economic metrics and multipliers from the New Mexico Film Office's 2022 update of the Economic Impact of the New Mexico Film Production Tax Credit report. Labor income type I and type II multipliers from the 2021 IMPLAN model of New Mexico.

Note: Figures may not sum due to rounding.

Table 10 shows the estimated ten-year gross incremental economic impacts from production company activities at Cinelease Studios in Albuquerque should Cinelease pursue the capital investment. Again, these estimates assume production activity employment at Cinelease Studios in Albuquerque would stay consistent over the ten-year period.

**Table 10. Estimated ten-year gross economic contributions related to current and incremental production activities at Cinelease studios in Albuquerque, New Mexico**

*Millions of 2022 dollars; number of employees*

Metric	Direct	Indirect & induced	Total
Average annual employment	816	1,698	2,514
Labor income	\$738.3	\$591.7	\$1,330.0
Value Added	\$1,512.9	\$984.8	\$2,497.7
Economic output	\$1,845.7	\$1,746.8	\$3,592.6

Source: EY analysis based on facility operating profile and assumptions provided by Cinelease. The level of production activity estimated based on statewide averages. Economic metrics and multipliers from the New Mexico Film Office's 2022 update of the Economic Impact of the New Mexico Film Production Tax Credit report. Labor income type I and type II multipliers from the 2021 IMPLAN model of New Mexico.

Note: Figures may not sum due to rounding.

Table 11 shows the estimated fiscal contributions from the incremental production activity before any potential tax credits. It is expected that annual production activities will support a total of \$5.6 million in state taxes and \$2.9 million in local tax revenue.



Gross receipts tax paid by production companies, which is estimated to be \$3.9 million annually including \$2.5 million of state tax and \$1.4 million of local tax, is expected to be the greatest source of state and local tax revenue from these activities at Cinelease Studios. The total state and local tax impacts from Cinelease productions before any potential tax credits is estimated to be \$8.4 million annually.

At the state level, the production activity generates both incremental state tax revenue of \$5.6 million and incremental film production tax credit cost of an estimated \$16.6 million, resulting in a net negative fiscal impact to the state of \$11.0 million, but a positive impact for local governments.

**Table 11. Estimated New Mexico fiscal impacts before credits related to the incremental annual production activities at Cinelease Studios in Albuquerque, New Mexico**  
*Millions of 2022 dollars*

Tax Type	Direct - production company taxes	Direct-production company employee taxes	Indirect taxes	Induced taxes	Total taxes
<b>Incremental local taxes</b>	<b>\$1.7</b>	<b>\$0.6</b>	<b>\$0.3</b>	<b>\$0.3</b>	<b>\$2.9</b>
Property taxes	N/A	\$0.3	\$0.1	\$0.2	\$0.6
Gross receipts tax	\$1.4	\$0.2	\$0.1	\$0.1	\$1.9
Lodging occupancy tax	N/A	\$0.1	\$0.0	\$0.0	\$0.1
Other taxes	\$0.3	N/A	NA	NA	\$0.3
<b>Incremental state taxes</b>	<b>\$2.5</b>	<b>\$1.9</b>	<b>\$0.5</b>	<b>\$0.7</b>	<b>\$5.6</b>
Gross receipts tax	\$2.5	\$0.5	\$0.2	\$0.3	\$3.5
Individual income tax	N/A	\$0.5	\$0.1	\$0.1	\$0.7
Other taxes	N/A	\$0.9	\$0.2	\$0.2	\$1.4
<b>Inc. state &amp; local taxes</b>	<b>\$4.2</b>	<b>\$2.4</b>	<b>\$0.8</b>	<b>\$1.0</b>	<b>\$8.4</b>

Source: Tax revenues used for estimating direct, indirect, and induced taxes were provided by the US Census Bureau's Annual Survey of State and Local Government Finances. The projected tax credit associated with the incremental production activity at Cinelease studios was calculated by multiplying the estimated incremental annual production expenditure by the three-year average effective Film Credit rate of 18% (per the New Mexico Film Office). Table 11 does not include potential tax credits that could be claimed on this production activity at Cinelease Studios.

Table 12 shows the estimated ten-year gross incremental economic impacts from production company activities at Cinelease Studios in Albuquerque should Cinelease pursue the capital investment. Again, these estimates assume production activity employment at Cinelease Studios in Albuquerque would stay constant over the ten-year period.

**Table 12. Estimated ten-year gross New Mexico fiscal contributions related to incremental annual production activities at Cinelease Studios**

*Thousands of 2022 dollars*

Gross ten-year incremental fiscal impacts from production activity at five additional soundstages and ancillary buildings at Cinelease Studios in Albuquerque, New Mexico						
Tax Type	Direct - production company taxes	Direct- production company employee taxes	Indirect taxes	Induced taxes	Total taxes	
<b>Incremental local taxes</b>	\$16.7	\$5.7	\$2.7	\$3.5	\$28.5	
Property taxes	N/A	\$2.8	\$1.3	\$1.8	\$5.9	
Gross receipts tax	\$14.0	\$2.2	\$1.0	\$1.5	\$18.7	
Lodging occupancy tax	N/A	\$0.7	\$0.3	\$0.2	\$1.2	
Other taxes	\$2.8	N/A	N/A	N/A	\$2.8	
<b>Incremental state taxes</b>	\$25.4	\$18.8	\$4.8	\$6.8	\$55.9	
Gross receipts tax	\$25.4	\$4.8	\$2.2	\$3.1	\$35.5	
Individual income tax	N/A	\$4.7	\$0.9	\$1.2	\$6.8	
Other taxes	N/A	\$9.4	\$1.7	\$2.5	\$13.6	
<b>Inc. state &amp; local tax</b>	<b>\$42.1</b>	<b>\$24.5</b>	<b>\$7.5</b>	<b>\$10.3</b>	<b>\$84.4</b>	

Source: Tax revenues and statewide macroeconomic data were used for estimating direct, indirect, and induced taxes. Tax revenue statistics were obtained by the US Census Bureau's Annual Survey of State and Local Government Finances and statewide personal income was obtained from the Bureau of Economic Analysis. The projected tax credit associated with the incremental production activity at Cinelease studios was calculated by multiplying the estimated incremental annual production expenditure by the three-year average effective Film Credit rate of 18% (per the New Mexico Film Office). Table 11 does not include potential tax credits that could be claimed on this production activity at Cinelease Studios.

## 5. Total ten-year gross economic impacts from current and incremental annual production activities at Cinelease Studios in Albuquerque, New Mexico

Table 13 shows the ten-year gross annual economic impacts in New Mexico should Cinelease pursue capital investment to expand its operations in Albuquerque. These impacts represent the cumulative impacts from existing and incremental operational and production activity should Cinelease pursue the construction of the new facilities. In total, it is estimated that after construction and the subsequent ten-year operating period, Cinelease’s annual operations and the annual production activity will support a cumulative \$4.0 billion in economic output. This does not consider any additional capital investments that may affect operating or production activity during the ten-year period.

**Table 13. Estimated total economic contributions from initial 10-year operating period of expanded Cinelease Studios in New Mexico supporting more than 2,600 ongoing jobs and \$4 billion of economic output**

*Billions of 2022 dollars; thousands of one-year jobs*

	Total facility operating and production impact											
	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	10-yr operating total/avg
	1	2	3	4	5	6	7	8	9	10		
Avg. jobs	2.64	2.64	2.64	2.64	2.64	2.64	2.64	2.64	2.64	2.64	2.64	2.64*
Labor income	\$0.13	\$0.13	\$0.13	\$0.13	\$0.13	\$0.13	\$0.13	\$0.13	\$0.13	\$0.13	\$0.13	\$1.39
Value added	\$0.26	\$0.26	\$0.26	\$0.26	\$0.26	\$0.26	\$0.26	\$0.26	\$0.26	\$0.26	\$0.26	\$2.64
Economic output	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$4.03

Source: EY analysis based on capital investment data, annual operational data, and estimated production data from Cinelease Studios and 2021 IMPLAN model of New Mexico. Note: Figures may not sum due to rounding. \*Jobs noted in total column are average over the 10 years of operations after construction of new facilities and upgrades of existing buildings. The sum of all one-year jobs over the 10-year operating period is estimated to be 26,440 after construction occurs. Annual impacts reflect average impacts per year but may fluctuate year-over-year.

## Appendix: Economic contribution model using IMPLAN

This analysis uses an input-output model to estimate the economic contributions of Cinelease Studio's planned capital investment, current and incremental operations, and current and incremental production activities in New Mexico. The regional economic multipliers for annual Cinelease operations and one-time capital expenditures in this study were estimated using the 2021 IMPLAN input-output model of the New Mexico model. IMPLAN is used by more than 500 universities and government agencies. Unlike other economic models, IMPLAN includes the interaction of over 546 industry sectors, thus identifying the interaction of specific industries that relate to film and television production operations that would occur at Cinelease Studios. IMPLAN industry 429 was selected as the appropriate industries to model for production activity, and IMPLAN industry 447 was identified as appropriate for operational activity, and IMPLAN industries 55, 60, and 457 were selected as the appropriate for capital investment impacts.

To estimate the economic impacts from annual production activities at Cinelease studios, EY used information from the New Mexico Film Office's 2022 update of the *Economic Impact of the New Mexico Film Production Tax Credit report*. To estimate direct employment related to estimated incremental production expenditure described in section 4, EY calculated the ratio of employment to total reported output in the report and multiplied it by the incremental estimated production expenditure at Cinelease Studios. This same process was replicated to estimate direct value added. Furthermore, because labor income was not provided by the report, EY used the report's breakdown of New Mexico production expenditure to categorize 40% of annual production output as labor income. Type I (indirect effects) and type II (induced effects) multipliers for employment, value added, and output from the report were used to estimate the indirect and induced impacts. Type I and type II multipliers for labor income were provided by the 2021 IMPLAN model of New Mexico.

Total contributions presented in this report include direct, indirect, and induced effects. Direct effects include employment and spending by Cinelease and production companies in New Mexico. Indirect effects are attributable to Cinelease and the production company's input purchases from regional suppliers. Induced effects are attributable to spending by Cinelease and supplier employees, based on regional household spending patterns for different levels of income. Indirect and induced effects are driven by (1) input purchases by Cinelease, the production companies, and its suppliers; (2) the percentage of each type of commodity that is purchased from within the study regions; and (3) household consumption profiles for employees of Cinelease, production companies, and its suppliers. The implied multipliers for the indirect and induced activity are shown in Table A-1.

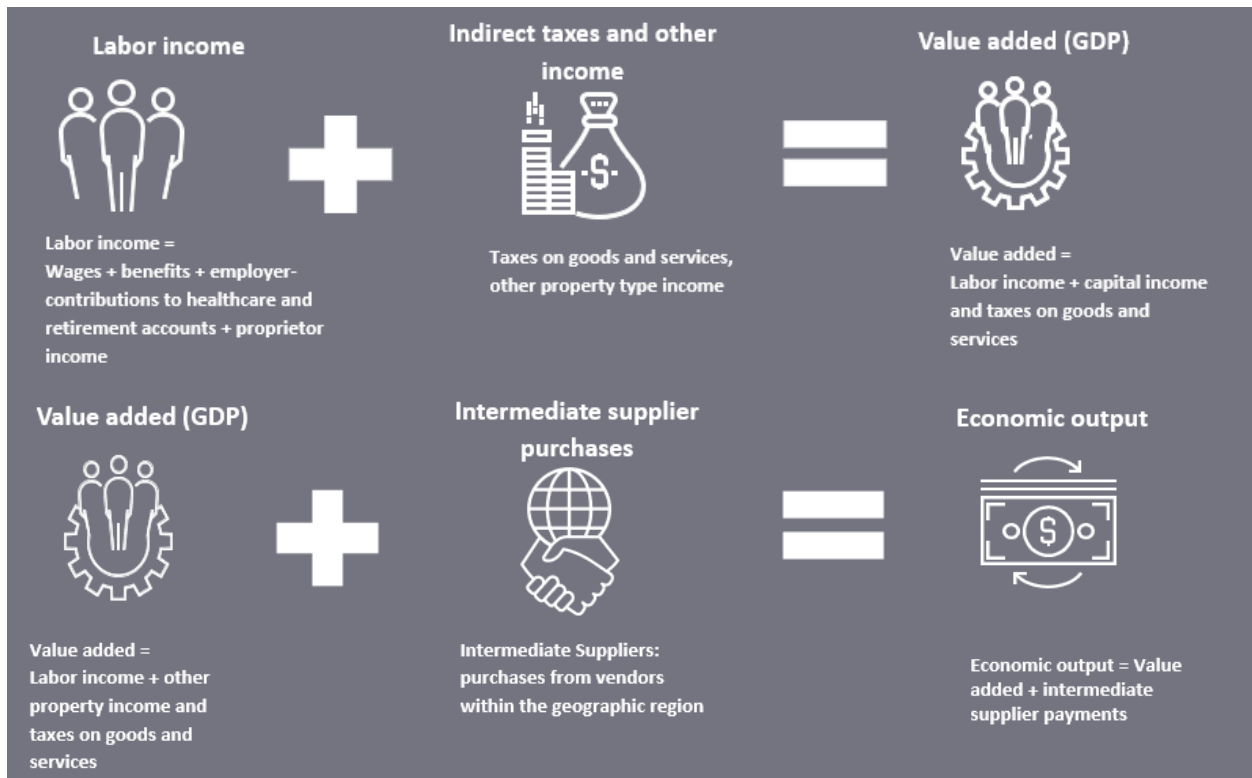
**Table A-1. Estimated direct multipliers for State of New Mexico**

	Cinelease capital investments	Cinelease facility operations	Film production activities
Employment	1.4	5.8	3.1
Labor income	1.4	4.1	1.8
Value Added	1.6	2.8	1.7
Output	1.6	1.9	1.9

Source: EY analysis using the 2021 IMPLAN model of New Mexico.

*Economic impact metrics*

Economic impact is quantified using several related metrics such as labor income, value added, and economic output. The relationship among these metrics is shown below.



## Exhibit F - Proposed Site Plan of Existing and Expansion Facilities



ALBUQUERQUE



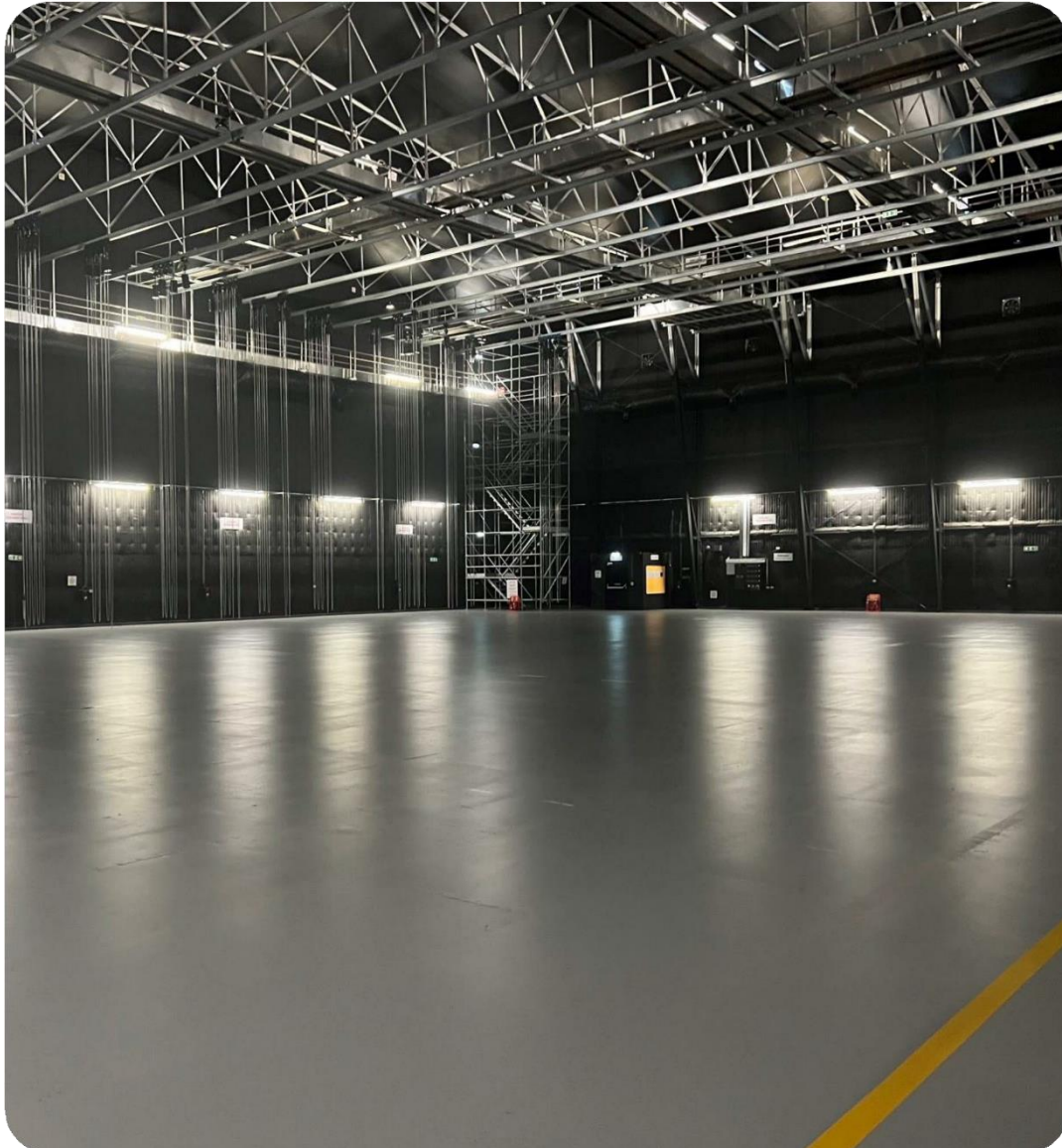
ARCHITECTURAL RENDERINGS

- 1 Construction Mill - 20,000 sf
- 2 Construction Mill - 20,000 sf
- 3 Cinelase Lamp Dock - 30,000 sf
- 4 Stage 6 - 20,000 sf
- 5 Stage 7 - 20,000 sf
- 6 Stage 8 - 20,000 sf
- 7 Stage 9 - 20,000 sf
- 8 Stage 10 - 20,000 sf
- 9 Dog park
- 10 Entry plaza



# Soundstages

Lights, camera, action!



# Modular to meet your specific needs

Additional Workshops & Offices

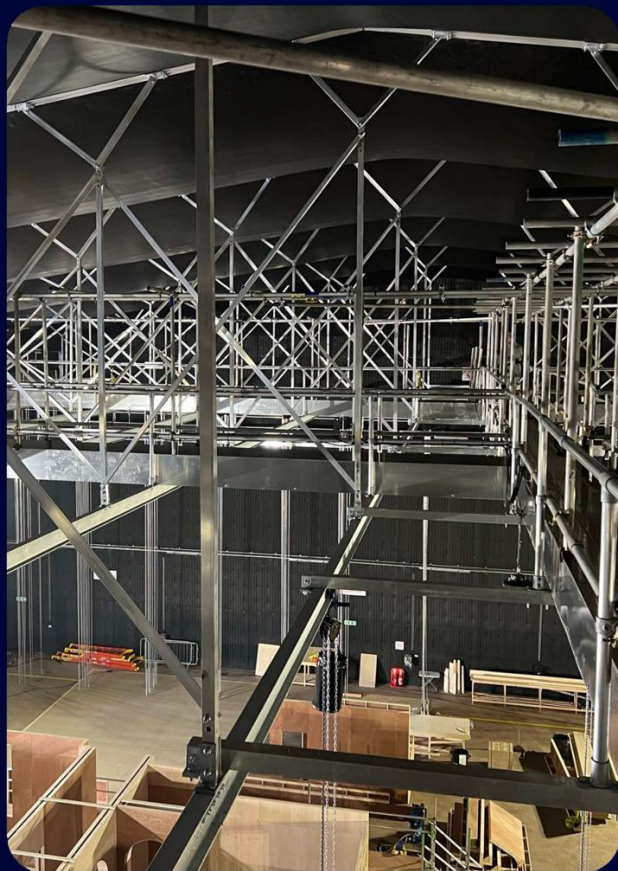


Complete campus





# Type 1 : Permanent Soundstage



50-70 dB  
sound reduction

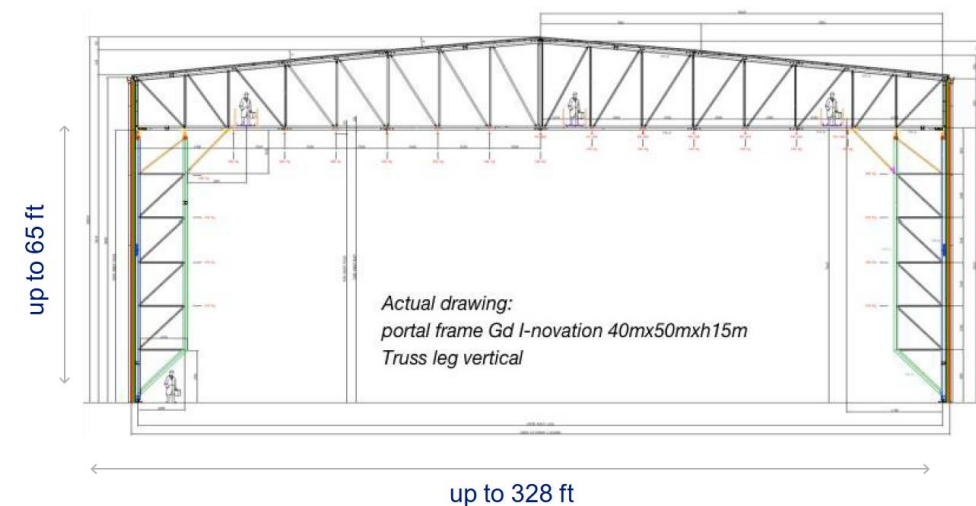
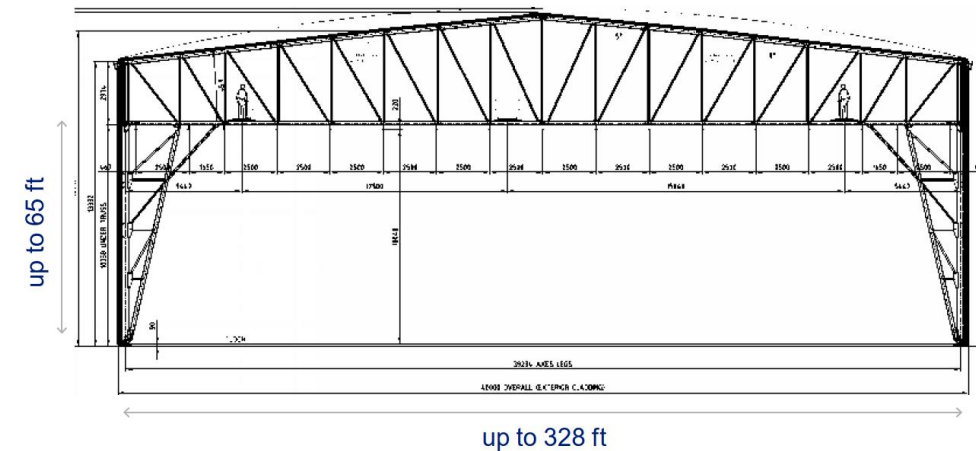
From 50  
to 328 ft span

Up to 65ft free height

Permanent building  
codes – as per need

4,5T hanging loads –  
up to 25T

Heavy duty floor option



# Exhibit H - Benefits Offered to FT Cinelease Employees

Benefit Category	Benefit Type	Effective Date	Employer Premium Paid	Company Guidelines
Insurance	Major Medical	The first day of the month coinciding with or following 30 days of continuous employment	70%	<ul style="list-style-type: none"> <li>Pharmacy Coverage is included with medical coverage</li> <li>Various plans available</li> </ul>
Insurance	Dental	The first day of the month coinciding with or following 30 days of continuous employment	70%	<ul style="list-style-type: none"> <li>HMO and PPO plans available</li> </ul>
Insurance	Vision	The first day of the month coinciding with or following 30 days of continuous employment	70%	<ul style="list-style-type: none"> <li>Offers pricing for both in and out of network providers.</li> <li>Benefits reset each year.</li> </ul>
Retirement	401K	The first day of the month coinciding with or following 30 days of continuous employment		<ul style="list-style-type: none"> <li>Company will match \$1.00 for \$1.00 up to 3% of compensation and 50 cents on the \$1 for the next 2% of compensation. (4% maximum match)</li> <li>100% immediate vesting on contributions and company match</li> <li>Ability to contribute up to 30% of eligible compensation</li> <li>Pre-tax and Roth options</li> </ul>
Additional benefit	Other	The first day of the month coinciding with or following 30 days of continuous employment		<p>Health Savings Account (HSA) for Qualifying Plan Participants</p> <ul style="list-style-type: none"> <li>Offered with a Health Savings Account (HSA) that is administered by HSA Bank.</li> <li>Annual tax-free contribution</li> </ul>
Additional benefit	Other	The first day of the month coinciding with or following 30 days of continuous employment		<p>Flexible Spending Account (FSA) - Company offers three different types of flexible spending accounts to employees.</p> <ol style="list-style-type: none"> <li>Standard Health Care</li> <li>Limited Purpose Health Care FSA</li> <li>Dependent Care FSA</li> </ol>
Additional benefit	Life and Supplemental Life	The first day of the month coinciding with or following 30 days of continuous employment		<ul style="list-style-type: none"> <li>Employees can elect 1) Life insurance, 2) Dependent Life Insurance, or 3) Accidental Death &amp; Dismemberment Insurance</li> </ul>
Additional benefit	Disability Coverage	The first day of the month coinciding with or following 30 days of continuous employment		<ul style="list-style-type: none"> <li>STD offered for both non-exempt and exempt employees</li> <li>Long-term disability also offered for both employee groups</li> </ul>
Additional benefit	Tuition reimbursement	The first day of the month coinciding with or following 30 days of continuous employment		
Additional benefit	Employee Stock Purchase Plan (ESPP)	The first day of the Quarterly Contribution Period after have been continuously employed for three or more months		<ul style="list-style-type: none"> <li>Opportunity to purchase stock at a 15% discount each quarter</li> </ul>
Additional benefit	Employee Assistance Program	The first day of the month coinciding with or following 30 days of continuous employment		<ul style="list-style-type: none"> <li>Free, confidential 24/7 service to help with everyday issues like job pressures, relationships, retirement planning, etc.</li> </ul>
Additional benefit	Surviving Family Member Benefits	The first day of the month coinciding with or following 30 days of continuous employment		<ul style="list-style-type: none"> <li>Programs to help deal with the loss of a loved one include the following: <ol style="list-style-type: none"> <li>Health coverage - COBRA</li> <li>Monetary Assistance - continuation of base salary for 4 weeks to surviving spouse/dependent</li> <li>Counseling and Assistance - Continued access to Employee Assistance Program for 6 months to surviving family members</li> </ol> </li> </ul>
Additional benefit	Group Accident	The first day of the month coinciding with or following 30 days of continuous employment		<ul style="list-style-type: none"> <li>Accident insurance when involved in a covered accident</li> </ul>
Additional benefit	Group Critical Illness	The first day of the month coinciding with or following 30 days of continuous employment		<ul style="list-style-type: none"> <li>Critical illness insurance that pays a lump-sum benefit when diagnosed with a covered critical illness</li> </ul>
Additional benefit	Norton LifeLock	The first day of the month coinciding with or following 30 days of continuous employment		<ul style="list-style-type: none"> <li>Provides protection against identity theft and other cyber threats with enrollment</li> </ul>
Additional benefit	Group Legal	The first day of the month coinciding with or following 30 days of continuous employment		<ul style="list-style-type: none"> <li>Provides fully covered legal services with enrollment in group plan</li> </ul>
Additional benefit	Pet Insurance	The first day of the month coinciding with or following 30 days of continuous employment		<ul style="list-style-type: none"> <li>Pet insurance with enrollment in plan</li> </ul>
Additional benefit	Life Planning Account	The first day of the month coinciding with or following 30 days of continuous employment		<ul style="list-style-type: none"> <li>Reimbursed for wellness activities, student loans, financial planning, etc.</li> </ul>
Additional benefit	Pregnancy Related Leave/Parental Leave	The first day of the month coinciding with or following 30 days of continuous employment		
Additional benefit	Adoption Assistance Reimbursement	The first day of the month coinciding with or following 30 days of continuous employment		<ul style="list-style-type: none"> <li>Reimbursed up to \$5,000 for adopting a new family member</li> </ul>
Additional benefit	Baby Bucks Program	The first day of the month coinciding with or following 30 days of continuous employment		<ul style="list-style-type: none"> <li>Receive a letter, safety gear, and a \$200 gift card from the CEO</li> </ul>
Additional benefit	Headspace	The first day of the month coinciding with or following 30 days of continuous employment		<ul style="list-style-type: none"> <li>Mobile app to access help with sleep, stress, anxiety, and other meditation and mindfulness skills</li> </ul>
Additional benefit	Credit Union	The first day of the month coinciding with or following 30 days of continuous employment		<ul style="list-style-type: none"> <li>Become an Alliant Credit Union member to have access to free checking, high-yield savings accounts, and ATM reimbursement fees</li> </ul>