

**ALBUQUERQUE DEVELOPMENT COMMISSION**

**January 12, 2024**

**Local Economic Development Act Hearing**

Case # 2024-2 Project Gustavo LEDA

**LEDA 24-3:** Cinelease, Inc. LEDA Project

**REQUEST:** Approval of an Ordinance for Cinelease, Inc. Pursuant to the Local Economic Development Act

**PROJECT SUMMARY:**

Cinelease, Inc., a corporation headquartered in Los Angeles, California registered to do business in New Mexico (“Cinelease”), is seeking the City of Albuquerque to be the fiscal agent for State LEDA funds and for the City to directly provide LEDA funds, to be used for the construction and improvement of soundstages and other film production facilities (the “Project”). Cinelease is seeking LEDA funding in the amount of \$7,700,000. The State has agreed to provide \$6,700,000 and the City proposes to provide \$1,000,000. Cinelease will be eligible for reimbursement for costs of the renovation, expansion and improvement incurred following execution of the Project Participation Agreement (“PPA”). (The company also intends to pursue an Industrial Revenue Bond, but that will be reviewed in a separate transaction / request).

Cinelease Inc. serves and delivers quality lighting and grip equipment, power distribution, truck packages, expendables and sound stages to both small and large-scale film productions. The company has a highly-trained workforce that averages over 10 years with Cinelease. 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 the 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.”

Cinelease 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 sound stage expansion will serve third-party customers who are creating feature films, television series, etc. 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.

Cinelease commits to a Direct Spend (on its own or affiliated company productions) in at the Project facilities of at least \$80,000,000 annually. 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.

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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.

Under the Local Economic Development Act, 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. Qualifying entities for these incentives per statute include(s): A business in which all or part of the activities of the business involve the supplying of products and services to the general public, governmental agencies, or a specific industry or customer, but, other than as provided in Paragraph E of the statute subsection, not including businesses primarily engaged in the sale of goods or commodities at retail. As such, the Cinelease project represents a qualifying entity under State and City laws.

It is important to note that for this project, the evaluation criteria normally addressed in a LEDA project around job creation has 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 economic investment in both Direct spend. While we know that this results in hundreds of jobs, the performance measures and penalties/clawbacks are built around their ability to meet these financial commitments. Production companies' jobs are not permanent, they vary depending on the production.

In 2003, a year after the State film tax incentive legislation was put in place, New Mexico had a direct spend from the entertainment industry of \$7 million. By FY22, this figure had grown to \$855.40 million. In 2004, the City of Albuquerque recognized the economic potential the industry could bring to our community with these new film incentives, and the Albuquerque Film Office was established within the Economic Development Department. The Film Office has received numerous national awards for its high-quality professionalism, responsiveness, community support, and ability to process film permitting in record times.

This industry growth has led to the development of both direct and indirect film industry businesses and jobs. The majority of these crew members are technical trade workers who hold positions in set, electric, grip and construction departments and typically make a higher average wage than that of similar occupations in other industries.

The impact of the film industry also extends beyond the crew. There is the indirect impact in Albuquerque from the monies spent at local lumber, glass and paint stores, for food vendors and local security companies and insurance companies. The production companies pay local office owners and home-owners location rental fees and often lease warehouses, parking lots and City buildings. The overall economic impact is far and wide throughout the community. The City's LEDA Ordinance requires that economic development projects requesting economic assistance from the City shall clearly demonstrate the benefits that will accrue to the community,

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and that the qualifying entity is making a substantive contribution to the community. Our analysis clearly demonstrates that by fulfilling the commitment for \$80 million annually in Direct Spend and the creation of 12 new high-quality, permanent jobs, the Cinelease LEDA Project will be providing a high degree of benefits to the community and a strong substantive contribution.

The Project will generate additional benefits and costs for local taxing districts, a summary of which is provided below. The source of specific benefits and costs are provided in greater detail for each taxing district on subsequent pages. Overall, the City will receive approximately \$6,026,949 in net benefits over the 10-year period, equating to a Present Value of \$5,407,131. The Project will have an estimated Total Public Net Benefit of \$32,653,796 over the 10-year period.

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

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. Qualifying entities for these projects include:

**“A corporation, limited liability company, partnership, joint venture, syndicate, association or other person that is one or a combination of two (2) or more of the following:**

**A business in which all or part of the activities of the business involves the supplying of services to the general public or to governmental agencies or to a specific industry or customer, but, other than as provided in paragraph E of this definition; not including businesses primarily engaged in the sale of goods or commodities at retail;**

The LEDA application, as shown in Exhibit 1 provides details of the Project, including the number and types of jobs to be created, the investment to be created, and associated community economic impacts, which are further analyzed below.

Exhibit 2 delineates the required Project Participation Agreement (“PPA”) between Cinelease and the City. The PPA is summarized in Section V.

This project includes a fiscal impact analysis provided to the City from the New Mexico Economic Development Department, using a model developed by the New Mexico Economic Development Department. The analysis estimates the impact that a potential project may have on the state and local economies and estimates the costs and benefits for the state and local economies over a 10-year period. The report and analysis uses RIMS II Multipliers produced by the U.S. Bureau of Economic Analysis (BEA). The fiscal impact determination of the project is from information the company provided. The analysis shows that the company will be making a substantive contribution to the community.

**FINDINGS:**

1. LEDA 24-3 is a qualified project as defined by the State’s Local Economic Development Act and the City enabling legislation (F/S O-04-10); and
2. LEDA 24-3 would make positive substantive contributions to the local economy and community by renovating older industrial facilities in Albuquerque, and committing to \$80 Million in Direct Spend on TV, film, and media productions,; and
3. LEDA 24-3 has demonstrated the financial capability to undertake and successfully manage the Project; and
4. LEDA 24-3 demonstrates a strong commitment to providing career opportunities with wages above industry averages for Albuquerque residents; and
5. Subject to the development of acceptable security documents, LEDA 24-3 would adequately meet the evaluation criteria established by the City for Local Economic Development Act projects, including the requirement that the City recoup the value of its investment within 10 years; and

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

**I. PROJECT ELIGIBILITY**

**1. QUALIFYING ENTITY**

City enabling legislation (F/S O-04-10), as well as the State Local Economic Development Act, establishes a definition for a “Qualifying Entity” eligible for LEDA funding assistance. Cinelease qualifies under the Act and the Ordinance by meeting the following definition:

**As stated in the Summary, qualifying entities for these projects include**

**“A corporation, limited liability company, partnership, joint venture, syndicate, association or other person that is one or a combination of two (2) or more of the following:**

**C. A business in which all or part of the activities of the business involves the supplying of services to the general public or to governmental agencies or to a specific industry or customer, but, other than as provided in paragraph E of this definition; not including businesses primarily engaged in the sale of goods or commodities at retail;**

**2. ECONOMIC DEVELOPMENT POLICIES AND OBJECTIVES**

The City’s enabling legislation also states that applications for LEDA assistance, which meet the policies and objectives of the City’s community economic development plans, shall receive

priority. Cinelease qualifies as the type of project that meets the City’s identified economic development priorities under (F/S O-04-10) in the following categories:

**(2) Private companies seeking to build, expand or relocate facilities;**

**(3) Private companies which provide facilities or services which enhance the ability of Albuquerque businesses to operate;**

## **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. 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 allowable use in the NR-LM zone.

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

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

### **2. LAND USE:**

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,

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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:

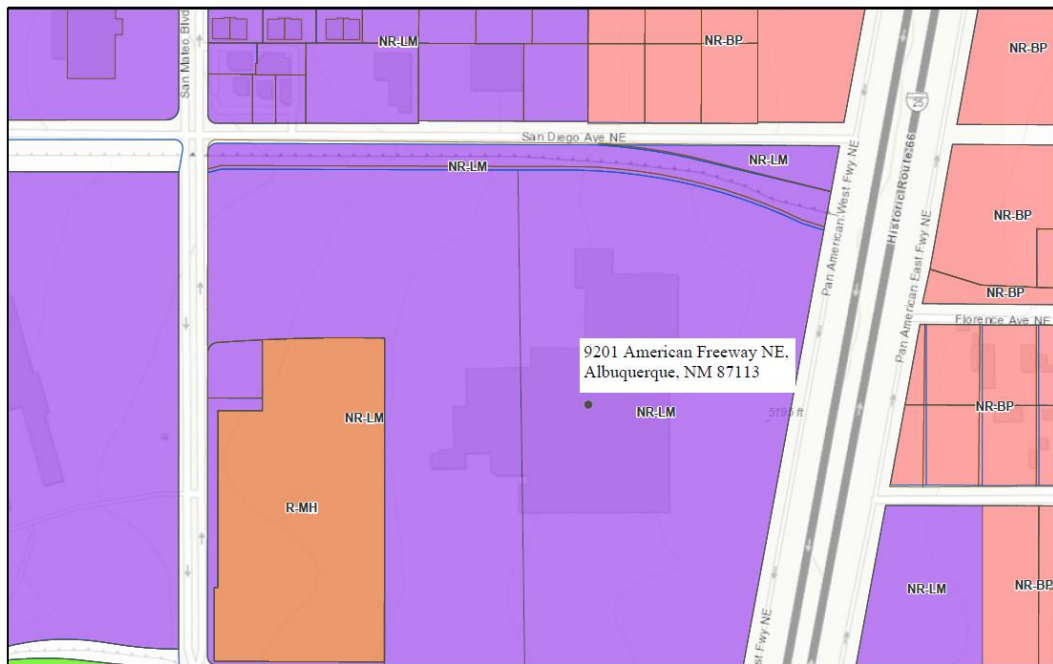
1. Building two construction mills - 20,000 square feet each
2. Building a Cinelease Lamp Dock – 30,000 square feet
3. The construction of five new sound stages – 20,000 square feet each
4. The construction of a new dog park
5. The construction of an entry plaza

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 10 years.

3. INFILL:

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September 12, 2023

Bernalillo County Assessor Parcels  
 Platted Parcels (AGIS)

NR-LM  
 R-MH  
 NR-BP  
 NR-PO-A  
 UNCL

0 0.03 0.06 0.12 mi  
 0 0.05 0.1 0.2 km  
 1:4,514  
 City of Rio Rancho, Bernalillo County, NM, City of Albuquerque, Bureau of Land Management, Texas Parks & Wildlife, Esri, HERE, Garmin

4. DESIGN AND CONSERVATION:

The Project will not require significant water usage.

5. RENEWABLE ENERGY:

The application does not specifically identify the use of renewable energy in the Project. However, it 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. ECONOMIC BENEFITS**

6. 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



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Cinelease and that both are primarily focused on the production of their own content rather than leasing sound stage space to outside production companies.

7. JOBS:

Cinelease currently has ten employees at its Albuquerque facilities. With the addition of five additional studios and other ancillary facilities, the company would add 12 new employees. The average total compensation for the new positions is \$73,429. Cinelease estimates that over 90% of the new permanent jobs will be filled by current Albuquerque residents. The jobs will exceed the median wages for the industry within the community and will match the skills of current city residents.

During the onboarding process, employees receive general company training as well as position-specific training. The duration of the training can vary and is based on the specific requirements of the position.

Applicant estimates the value of employee benefits as being 25% of base compensation.

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

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>

The Project is also expected to the creation of 656 construction jobs sourced from local labor pools, as much as possible.

**IV. PROJECT FEASIBILITY**

9. COST/ FEASIBILITY/ FINANCING:

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

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additional \$1,000,000 for a total of \$7,700,000. LEDA funding is subject to City Council approval.

### 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.

Additionally, the Company has applied for a City-issued Industrial Revenue Bond in the amount of \$115,000,000. 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:

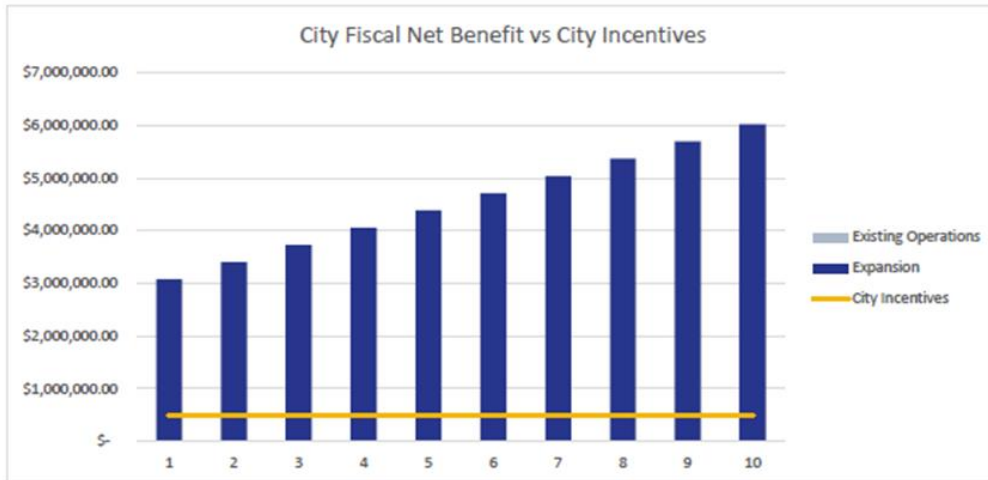
<https://cineleasestudios.com/about/>

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

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This staff analysis presents the results of an economic impact analysis performed using a model developed by the New Mexico Economic Development Department. The report estimates the impact that a potential project may have on the state and local economies and estimates the costs and benefits for the state and local economies over a 10-year period. The report and analysis uses RIMS II Multipliers produced by the U.S. Bureau of Economic Analysis (BEA).



Incentives

Total City Incentive:	\$	500,000
City Incentive Per Job:	\$	41,667

Combined Payback and Return

City Payback Period Combined:	0.16	Years
City Rate of Return Combined:	981%	

Expansion Only Payback and Return

City Payback Period Expansion:	0.16	Years
City Rate of Return Expansion:	981%	

City Breakdown of Combined Benefits, Costs, and Net Benefits Over the Next 10 Years

Taxes and Revenue

Gross Receipt Taxes	\$	6,015,404
Misc. Taxes and Revenue	\$	-
Property Taxes	\$	-
<b>Subtotal of Benefits</b>	<b>\$</b>	<b>6,015,404</b>

Costs

Costs	\$	(11,545)
<b>Subtotal of Costs</b>	<b>\$</b>	<b>(11,545)</b>

Net Benefits

<b>Net Benefits</b>	<b>\$</b>	<b>6,026,949</b>
<b>Present Value</b>	<b>\$</b>	<b>5,407,131</b>

## V. PROJECT PARTICIPATION AGREEMENT

Pursuant to the Local Economic Development Act, Sections 5-10-1 to 5-10-13 NMSA 1978 ("LEDA"), the City adopted Ordinance No. F/S 04-10 (the "LEDA Ordinance"), approving an economic development plan for the City and authorizing the City to consider applications for economic development assistance. The Ordinance calls for the preparation and approval of a Project Participation Agreement (PPA), which is the formal document, which states the contributions and obligations of all parties in the LEDA project. The agreement must clearly state the following items:

- (1) **The economic development goals of the project;**
- (2) **The contributions of the City and the qualifying entity;**
- (3) **The specific measurable objectives upon which the performance review will be based;**
- (4) **A schedule for project development and goal attainment;**
- (5) **The security being offered for the City's investment;**
- (6) **The procedures by which a project may be terminated and the City's investment recovered; and,**
- (7) **The time period for which the City shall retain an interest in the project. Each project agreement shall have a "sunset" clause after which the City shall relinquish interest in and oversight of the project.**

**B. Each project participation agreement shall be adopted as an ordinance and adopted by the Council at a public hearing.**

The primary terms of the Cinelease Project Participation Agreement are summarized and attached as an Exhibit.

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

2. Company Contribution. Cinelease shall acquire, construct and develop the Facility, which facilities shall serve third-party customers who are creating film, television and other media content, with Cinelease investing an estimated total of \$104,000,000, and will hire and retain employees as contemplated by this Agreement all in accordance with the schedule and other terms and conditions set forth in this Agreement. Cinelease will also support the New Mexico Arts Collective by providing lighting, grip, and equipment at no cost to support film development projects and student training for aspiring filmmakers and production individuals. Cinelease will maintain the Project's operations in Albuquerque for a minimum of ten (10) years. Cinelease will

comply with all applicable laws in connection with the operation of the Project and will timely pay all personal property taxes with respect thereto.

3. The State Contributions; Procedure for Disbursement of the State Contributions. The City anticipates that the State Contribution of up to \$6,700,000 will be delivered to the City for subsequent disbursement to Cinelease, following enactment of the Project Ordinance and execution of this Agreement and an intergovernmental agreement between the State and the City. The City will submit an invoice to the State and request transfer of the State funds. Upon receipt, the City will place the State Contribution into a separate account established in connection with the Project, as required by law. If, and only if, the City receives the State Contribution, the City will disburse the State Contribution to Cinelease, upon demonstration of LEDA eligible expenses, in the manner as follows:

- 1) \$2,200,000 upon receipt of Certificate of Occupancy for new stages (minimum of 2 stages). LEDA Eligible expenditures and current with all reporting.
- 2) \$500,000 (annually until funds exhausted) upon verification of providing no cost equipment rentals to the Media Collaborative not to exceed \$500K annually. LEDA Eligible expenditures and current with all reporting.
- 3) \$130,000 (annually until funds exhausted) for every \$10,000,000 in production spend in excess of \$100,000,000 on an annual basis. LEDA eligible expenditures and current with all reporting

4. The City Contribution. Pursuant to the Project Ordinance and the LEDA Ordinance, the City has committed the amount of \$1,000,000 for use in connection with the Project. As required by the LEDA Ordinance, the City will deposit the proceeds of the City Contribution into a clearly identified separate account, which account will be subject to an annual independent audit. City funds in the amount of \$\_\_\_\_\_ will be dispensed upon Cinelease obtaining an Certificate of Occupancy for the Facility and hiring 12 employees. Additionally, the City will disburse \$20,000 annually (until all funds exhausted) for every \$10,000,000 in production spend in excess of \$100,000,000 on an annual basis.

5. Time Commitment. Cinelease intends to invest \$104,000,000 for the acquisition, construction and development of the Facility with operations at the Facility to begin as soon as possible thereafter. Cinelease will continue to operate the Facility and diligently conduct operations in the Facility in the manner contemplated by this Agreement at least through December 31, 2034.

6. Use of Public Contributions. Cinelease will be eligible for reimbursement of up to \$6,700,000 in State funds for costs of acquiring, constructing and developing the Facility. All costs associated with the acquisition, construction and development of the facility including but not limited to design, permitting, and facility improvements actually incurred after the date hereof and paid for are considered LEDA eligible expenditures subject to the receipt by the City of the State Contribution. The City will make payment to Cinelease following submission to the City of documentation reasonably satisfactory to the City evidencing receipt of the Occupancy Permit with

respect to the Project, and meeting the occupancy, operations, job creation and production targets set forth herein

Cinelease will be eligible for reimburse of up to \$1,000,000 in City funds for all costs associated with the acquisition, construction and development of the Facility including, but not limited to design, permitting, and facility improvements actually incurred after the date hereof and paid for are considered LEDA eligible expenditures, The City will make payment to Cinelease following submission to the City of documentation reasonably satisfactory to the City evidencing receipt of the Occupancy Permit with respect to the Project, and meeting the occupancy, operations, job creation and production targets set forth herein.

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

7. Job Commitment and Clawbacks.

A. Number of Jobs. Cinelease will increase employment, above the current level of ten (10) New Mexico employees, as set forth in the table below in Section C. A Job will represent an employment position for a person for at least one pay period consisting of at least 32 hours of work per week and offering the employee the full range of benefits offered to other similarly situated Cinelease employees. Positions filled by contract, part-time and temporary workers will not be considered Jobs. All references herein to “employees” mean employees in Jobs as contemplated by this Section 7.A.

B. Wages and Benefits. Cinelease anticipates that the Jobs will fall within the wage ranges and will come with the benefits shown on Exhibit B. However, failure to meet the wage and benefit projections shown on Exhibit B or the total estimated increase set forth in Section 7.A. shall not constitute an Event of Default (defined below) or form the basis for any clawback payment.

C. Performance Clawbacks. If Cinelease does not employ and maintain at least 90% of the required number of full-time employees as set forth in the table below, by December 31, 2024, December 31, 2028 or by December 31, 2033, then Cinelease may cure any shortfall in meeting the Minimum Job Number as per Section 9.C(ii). If Cinelease fails to reach the Minimum Job Number during the Cure Period, Cinelease will repay to the City, within sixty (60) days, the LEDA Fund Contribution paid on behalf of Cinelease pursuant to this Agreement that has already been disbursed to Cinelease as of the date of repayment (the “Performance Clawback”) in accordance with the following table:

Job Measurement Date	Cumulative Fulltime Target Job Number	Minimum Job Number	%- Clawback
December 31, 2024	10+2 = 12	11	100%
December 31, 2028	12+10 = 22	20	50%

December 31, 2033	22	20	25%
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For the purposes of this table:

(i) The “Clawback Penalty” is a penalty that Cinelease will be required to repay to the City upon Cinelease’s failure to meet the minimum Job Target on or before the conclusion of the applicable Job Determination Period, if such Job Target is not otherwise reached by Cinelease during the Cure Period. If Cinelease fails to reach the Minimum Job Number during the Cure Period, Cinelease shall repay the City a Clawback Penalty determined in accordance with the table set forth above at a rate of 50% by year 5, 25% by year 10. See Exhibit D hereto for examples of Clawback Penalty Calculations. Notwithstanding anything herein to the contrary, in no event shall the aggregate Clawback Penalty paid by Cinelease exceed the total amount of funds paid under this Agreement.

Cinelease shall complete an annual economic impact data sheet (EIA) provided by the State of New Mexico Economic Development Department and the City of Albuquerque Economic Development Department; completion shall be no later than February 28 of each year beginning in 2025. This will reflect actual economic activity and job creation by Cinelease for the preceding calendar year. Failure to complete EIA data sheet by April 15th of any calendar year, Cinelease shall be subject to a 10% clawback of all funds received.

(ii) “Cure Period” is the period of 180 days after the end of each Job Determination Period during which time Cinelease shall have the opportunity to cure any shortfall in meeting the Minimum Full-Time Job Creation. For the avoidance of doubt, if Cinelease meets the Minimum Full-Time Job Creation at any time during the Cure Period, Cinelease shall have no obligation to pay a Clawback Penalty corresponding to the applicable Job Determination Period. If Cinelease fails to reach the Job Target during the Cure Period, then Cinelease shall pay the City a Clawback Penalty determined in accordance with the table set forth above.

Notwithstanding the foregoing, if Cinelease fails to employ the required full-time employees as identified in Section 7.A herein, and Cinelease believes Business Climate Changes were the cause for the failure to meet such requirements, Cinelease will so advise the City in writing describing the Business Climate Changes in detail. “Business Climate Changes” mean substantial changes outside of the control of Cinelease, in the segment of the industry in which the Cinelease operates, that cause a significant decrease in the amount of sales Cinelease is able to achieve. The shifting of Cinelease’s operations to another Project, whether within or outside of Albuquerque, will not constitute a Business Climate Change.

If the City determines that Business Climate Changes affect Cinelease’s ability to maintain employment levels, it may waive or modify the Performance Clawback, but only related to the City Contribution and the City shall consult with the State EDD as to any potential waiver of the Performance Clawback or a portion thereof related to the State Contribution. Any Performance Clawback due will be paid within 30 days after the City notifies Cinelease of its decision or the decision of the State EDD. If Cinelease does not attribute the failure to meet employment

LEDA 24-3: Cinelease Studios LEDA

requirements to Business Climate Changes, the payment of any Performance Clawback due will be submitted to the City within ten (10) days after the due date of the annual report reflecting the failure to maintain the required employment level.

D. Production Spend Clawback. If on December 31 of each year, beginning in calendar year 2024, Cinelease’s production spend is less than the average spend defined below, Cinelease will pay a penalty equal to the percentage shortfall multiplied by the cumulative total State LEDA funds and City LEDA funds distributed to Cinelease at that time.

Year	Spend Requirement	Minimum Spend	Cumulative Spend Minimum	Average Spend Minimum
2024	\$ 100,000,000	\$ 90,000,000	\$ 90,000,000	\$ 90,000,000
2025	\$ 150,000,000	\$ 145,000,000	\$ 235,000,000	\$ 117,500,000
2026	\$ 180,000,000	\$ 165,000,000	\$ 400,000,000	\$ 133,333,333
2027	\$ 180,000,000	\$ 165,000,000	\$ 565,000,000	\$ 141,250,000
2028	\$ 180,000,000	\$ 165,000,000	\$ 730,000,000	\$ 146,000,000
2029	\$ 180,000,000	\$ 165,000,000	\$ 895,000,000	\$ 149,166,667
2030	\$ 180,000,000	\$ 165,000,000	\$ 1,060,000,000	\$ 151,428,571
2031	\$ 180,000,000	\$ 165,000,000	\$ 1,225,000,000	\$ 153,125,000
2032	\$ 180,000,000	\$ 165,000,000	\$ 1,390,000,000	\$ 154,444,444
2033	\$ 180,000,000	\$ 165,000,000	\$ 1,555,000,000	\$ 155,500,000

Example:

Production Spend is \$81,000,000 (90% of \$90,000,000 requirement)

City Funds Distributed: \$750,000

State Funds Distributed: \$3,000,000

Total City and State: \$3,750,000

Penalty (% amount of \$81,000,000 below \$905,000,000 allowance factor) = 10%

Amount Due: \$375,000

E. Project Closure Clawback. Should Cinelease cease operations, or notify the City of its intent to cease operations, of the Project (i.e., cease to conduct operations at the Project) before December 31, 2034, Cinelease shall, within ninety (90) days of the cessation of operations at the Facility, pay to the City, in cash (including by wire transfer of immediately available funds),



LEDA 24-3: Cinelease Studios LEDA

an amount equal to a specified percentage of the amount of the City Contribution and State Contribution paid pursuant to this Agreement, with the specific percentage based on the date of cessation of operations in accordance with the following table (each percentage inclusive of any Performance Clawback already paid by Cinelease):

Date of Cessation of Operations	Percent of Public Contributions to be Repaid
On or before December 31, 2028	100%
From January 1, 2029 through December 31, 2030	60%
From January 1, 2031 through December 31, 2034	25

Winding down of Cinelease’s operations at the Facility in preparation for a cessation of operations may be considered a cessation of operations, and any such determination will be made by the City in its sole reasonable discretion.

F. Maximum Clawback; Unpaid Payments. Notwithstanding anything herein to the contrary, the maximum aggregate clawback and reimbursement payable hereunder will be \$7,700,000, not including interest. Any clawbacks not paid when due shall bear interest at the Prime Rate plus 2% per annum from the due date until paid. “Prime Rate” means the U.S. prime rate as reported from time to time in *The Wall Street Journal* in its Bonds, Rates and Yields table, or successor table.

8. Security. To secure the performance of its obligations under this Agreement, prior to the payment of any portion of the State Contribution or the City Contribution to Cinelease, Cinelease shall provide the City an acceptable form of security in favor of the City in the form of an annually renewable surety bond/letter of credit. See Exhibit C. If Cinelease chooses to provide an annually renewable surety bond/letter of credit, non-renewal from the surety company/bank does not constitute a claim under the surety bond or letter of credit, as applicable. The amount of the security posted will be equal to the amount of funds provided by the State and the City or the liability of the clawbacks as provided in Section 7, herein, whichever is less.

9. Events of Default and Remedies.

A. Failure to Comply With Obligations. Failure by Cinelease to comply with any obligation under this Agreement, including without limitation, the failure to make timely payment of any clawback payment due hereunder, shall be an Event of Default. Notwithstanding the foregoing, failure to meet employment projections or failure to meet wage and benefit projections shall not be considered an Event of Default; however, the failure to make timely payment of any clawback payment due as a result thereof shall be an Event of Default.

B. Notice of Event of Default. If any Event of Default occurs, the City shall notify Cinelease in writing, and Cinelease shall have thirty (30) days in which to cure such Event of Default. If the Event of Default is not cured within such thirty-day period, the City shall have and may exercise any remedies available at law or in equity.

10. Fees. Cinelease will promptly pay or reimburse the City for all reasonable third-party expenses incurred by the City in connection with this Agreement and the Project, provided, however, that Cinelease shall not be liable for costs incurred by the City that are the responsibility of the City in the ordinary course of business. If so determined by the City, in its sole discretion, such third-party expenses may be offset against or reimbursed from the City Contribution or the State Contribution. The City's reasonable third-party expenses shall consist of expenses associated with performance reviews or audits with respect to the Project and legal fees for outside counsel in the event of any proposed amendment to this Agreement or any necessary enforcement action with respect to this Agreement.

11. Reporting Requirement, Performance Review and Termination. Quarterly, on or before each January 31, April 30, July 31 and October 31, Cinelease will provide to the City and to State EDD the company's 903A or its equivalent filed with New Mexico's Department of Workforce Solutions for the previous quarter regarding the workforce for Cinelease and such other information necessary for the City or its independent contractor to determine whether Cinelease has met its obligations under this Agreement. Annually (reporting beginning in 2026 for activities in calendar year 2025), on or before March 1 or other date agreed to by the City and Cinelease, Cinelease will provide to the City data for the previous calendar year regarding its production performance and such other information necessary for the City or its independent contractor to determine whether Cinelease has met its production obligations under this Agreement. As required by the LEDA Ordinance, the Project will be subject to an annual performance review conducted by City staff, which will evaluate whether the Project is attaining the goals and objectives set forth in Section 2 of this Agreement. This review shall be presented to the City administration and the City Council. If the goals and objectives are not being attained due to Cinelease missing the aforementioned benchmarks, the City will work in good faith with Cinelease regarding the missed benchmarks; however, the City Council at a public hearing may terminate assistance to the Project by passage of an ordinance which terminates this Agreement and specifies the disposition of all assets and obligations of the Project, after satisfying this Agreement and all rights of the parties arising under this Agreement through the date of such termination.

## **FINDINGS:**

1. LEDA 24-3 is a qualified project as defined by the State's Local Economic Development Act and the City enabling legislation (F/S O-04-10); and
2. LEDA 24-3 would make positive substantive contributions to the local economy and community by renovating older industrial facilities in Albuquerque, and committing to \$80 Million in Direct Spend on TV, film, and media productions; and

LEDA 24-3: Cinelease Studios LEDA

3. LEDA 24-3 has demonstrated the financial capability to undertake and successfully manage the Project; and

4. LEDA 24-3 demonstrates a strong commitment to providing career opportunities with wages above industry averages for Albuquerque residents; and

5. Subject to the development of acceptable security documents, LEDA 24-3 would adequately meet the evaluation criteria established by the City for Local Economic Development Act projects, including the requirement that the City recoup the value of its investment within 10 years.

**STAFF RECOMMENDATION:**

Based on the above findings, staff recommends approval of LEDA 24-3 as proposed in the project plan application.

## FY23/24 LEDA Application

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Applicant	Gannon Murphy
Applicant ID	APP-018040
Company Name	Cinelease Studios
Email	gannon.murphy@cinelease.com
Status	Submitted
Application Amount	\$0.00
Funded/Approved	<input type="checkbox"/>

## Contact Information

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**Question:** Legal Company Name

Cinelease, Inc.

**Question:** Trade Name (dba)

Not Answered

**Question:** Project Name

Project Gustavo

**Question:** Company Street Address

9201 Pan American Freeway NE

**Question:** Company City

Albuquerque

**Question:** Company State

New Mexico

**Question:** Company Zip

87113

**Question:** Phone

(404) 301-6850

**Question:** Website

[www.cineleasestudios.com](http://www.cineleasestudios.com)

**Question:** Primary Contact Person First Name

Mark

**Question:** Primary Contact Person Last Name

Lamberton

**Question:** Federal Tax ID #

95-3167269

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

03-069373000

**Question:** City/County Business License Registration will be pursued

Yes

No

**Question:** NAICS Code(s)

532490

**Question:** DUNS # (preferred but not required)

103052403 / 614886062

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

C-Corporation

S-Corporation

LLC

Partnership

Sole Proprietorship

B-Corporation

**Question:** Incorporation Papers

No Attachments

**Question:** Resumes of all principals (owners, partners, directors or officers; required for businesses 1 year or younger)

No Attachments

**Question:** Company Contact for Project Administration (if different from above)

Mark Lamberton

**Question:** Title

President, Cinelease

**Question:** Telephone

805-207-4622

**Question:** Cell Phone

Not Answered

**Question:** Email

mark.lamberton@hercrentals.com

## Project Information

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Please include detailed information such as:

- Executive Summary; Business description and history
- Infrastructure Development/Needs
- Market analysis and strategy
- Summary of competition
- Tax Reporting Status
- Effect on Existing Industry and Commerce during and after Construction
- Land Acquisition
- Local Purchasing

- Water Conservation
- Relocation of Individuals or Businesses
- Construction Schedule
  - Target Close Date
  - General Contract Signed
  - Construction Start
  - Construction End
  - New Facility Operational Date
- Operations plan; Organizational chart
- Any document or record that the local governing body, in its sole discretion, deems necessary.

**Question:** Description of the Proposed Development, its product and its timeline.

Cinelease Inc. (Cinelease) is currently evaluating its location options to expand its sound stage capabilities at its Cinelease Studio in Albuquerque or other Cinelease Studios locations outside New Mexico, including Canada. For Albuquerque, the Company is considering the construction of five new state-of-the-art sound stage studios along with three additional buildings to support operations (“the Project”). The Project would be located on property recently purchased from Titan Developers. The existing Cinelease Studios facility in Albuquerque 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 also include greenery, an entry plaza, and dog park. Cinelease is heavily leaning towards Albuquerque, New Mexico, but has a global presence and could easily build its new sound stages at one of its existing locations outside the state of New Mexico. Should New Mexico be selected, Cinelease would complete the project under a phased approach. The first phase would include the construction and delivery of two sound stages within twelve months of the execution of the PPA. The second phase would be complete within eighteen to twenty-four months from the execution date of the PPA and conclude with the construction and delivery of all five sound stages and ancillary facilities. This expedited timeline will greatly accelerate film and television production opportunities and investment in the state while creating high-wage jobs for New Mexicans.

Initially, when Cinelease met with the EDD, they anticipated spending \$4,200,000 to update the storm drainage system outside of the proposed site plan, as mandated by the City. However, after a recent meeting with the City Planning Director, Engineer, and the Director of Economic Development for the City of Albuquerque, the City agreed to waive the requirements of upgrading the storm drainage system. The City Engineer confirmed the waiver of this requirement via email, which has been attached.

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

If awarded, the funding awarded would be applied toward, buildings, site development, land acquisition, and infrastructure improvements consisting of rough and finished grading,

installation of electric infrastructure and all other required utilities, and improvement of the streetscape, completed parking lots and staging areas.

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

Not Answered

**Question:** Supporting Documentation

[EDD Drainage Channel Waiver.pdf](#) (12/18/2023, 11:32 AM)

[DMP excerpt 2.pdf](#) (12/12/2023, 12:13 PM)

[DMP excerpt 1.pdf](#) (12/12/2023, 12:12 PM)

[Cinelease LEDA Supporting Documentation.pdf](#) (11/20/2023, 2:17 PM)

## Financial Information

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\*Upload sources and uses chart; enter N/A and zero for questions that do not apply to your business

**Question:** Provide detailed assumptions for your project including three years of projected cash flow income statements. If the applicant has been in business less than one year, you may be requested to provide additional financial information after review.

[LEDA\\_Q\\_29\\_Financial\\_Information.pdf](#) (12/19/2023, 9:15 AM)

**Question:** Provide financial statements (balance sheet, profit and loss and cash flow) or tax returns for the past three years. Also provide interim statements within 90 days of application date.

[Herc Rentals 10-Q ending 093023 \(2\).pdf](#) (10/25/2023, 10:37 AM)

[2022-Annual-Report.pdf](#) (10/25/2023, 10:36 AM)

[2021-Annual-Report.pdf](#) (10/25/2023, 10:35 AM)

[2020-Annual-Report.pdf](#) (10/25/2023, 10:35 AM)

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

- Letter of Credit
- Surety Bond
- Mortgage Security
- Security Agreement/Escrow
- Security Agreement/Lien
- Security Interest/Lien



**Question:** What is the method of appraisal for stated security (if Security Mortgage or Lien were selected above)?

The Letter of Credit will be determined based on the performance conditions set forth in the LEDA agreement, such as job creation, investment and cessation of operations.

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

\$95,700,000.00

**Question:** External Equity Investment Sources

N/A

**Question:** External Equity Investment Amount

\$0.00

**Question:** City/County Funding Source

LEDA Cash Grant, City of Albuquerque IRB (tax abatement and exemptions), and PNM electric rate rider

**Question:** City/ County Funding Amount

\$1,000,000.00

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

N/A

**Question:** Bank Loans Amount Total

\$0.00

**Question:** Other Loans Source

N/A

**Question:** Other Loans Amount

\$0.00

**Question:** Other Sources

N/A

**Question:** Other Sources Amount

\$0.00

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

\$96,700,000.00

**Question:** Supporting financial documentation

No Attachments

## Company History and Background

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

Cinelease Inc. was established in 1977.

**Question:** At the time of this application, how many full-time employees do you currently employ? Please provide the most recent Department of Workforce Solutions report below. If no employees, disregard report. Enter 0.

10.00

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

Cinelease Inc. is a wholly owned subsidiary of Herc Rentals Inc.

Officers include:

Larry Silber, President & CEO

Mark Humphrey, SVP & CFO

Aaron Birnbaum, SVP & COO

Leslie Hunziker, SVP, Investor Relations & Communications

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

The owners and/or officers are current with financial obligations and payments to the State of New Mexico and other federal or state entities.

**Question:** Does the applicant have any loans or other financial obligations on which payments are not current? If yes, please explain.

The applicant does not have any loans or other financial obligations with which payments are not current.

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

Black and Gold Insurance Ltd.

Cinelease, Inc.

Herc Build, LLC

Herc Intermediate Holdings, LLC  
Herc Investors, LLC  
Herc Management Services, LLC  
Herc Purchasing LLC  
Herc Sales Force A LLC  
Herc Sales Force B LLC  
Herc Sales Holdings LLC  
Herc Receivables U.S.

## Community Aspects

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

Improvements to and investment in electrical infrastructure are required to support the proposed development project at an estimated cost of \$11 million to the company.

**Question:** What specific incentives are being REQUESTED from the COMMUNITY? Please explain where the applicant is in this process and provide an idea of a timeline for incentives' deployment.

The following incentives are being requested from the community: an Industrial Revenue Bond that includes Personal and Real Property Tax and Compensating/Gross Receipts Tax Exemptions, funding under the LEDA Act from the City of Albuquerque, and electric rate rider from PNM. Currently, the applicant is in the process of applying for all of these incentives. The Company could begin construction as early as late Q1 of 2024. The majority of the hiring, purchasing of equipment and the completion of construction for Phase 1 could be completed by Q4 2024 with the full Project being placed in service by Q4 2025.

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

The City of Albuquerque has provided an initial offer of the incentives listed in question 53. The company is in the process of completing applications for each incentive to secure the benefit.

## Job Creation / Performance

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Please download the job creation worksheet to work up the required information for this section.

- [Job Creation Worksheet](#)

**Question:** Outline the number and types of jobs to be created.

Cinelease will directly create 12 new full-time jobs which are listed below. Additionally, the sound stage studios are expected to contribute an additional 400+ production jobs annually. Combined with the indirect and induced jobs, the expansion project is expected to support around 2,600 jobs a year.

- 2 - Store Managers
- 2 - Facilities
- 1 - Rental Agent
- 1 - Shop Supervisor
- 2 - Warehouse Persons
- 1 - Driver
- 3 - Yard Workers

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

The average annual wage for the new jobs is \$73,429. More specifically:  
Store Managers - \$25.00 per hour or \$52,000 annually plus overtime and benefits (\$80,000 total compensation)  
Facilities - \$62,400 annually plus benefits (\$75,000 total compensation)  
Rental Agent - \$72,800 annually plus benefits (\$91,000 total compensation)  
Shop Supervisor - \$60,320 annually plus benefits (\$75,400 total compensation)  
Warehouse Persons - \$22.50 per hour or \$46,800 annually plus overtime and benefits (\$65,250 total compensation)  
Driver - \$25.00 per hour or \$52,000 annually plus overtime and benefits (\$72,500 total compensation)  
Yard Workers - \$22.50 per hour or \$46,800 annually plus overtime and benefits (\$65,250 total compensation)

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

The following benefits will be provided to all full-time employees: medical, dental, vision, retirement, HSA, HRA, FSA, Tools for Wellness credits, 2nd MD, 401K with employer matching, PTO, life insurance, short-term disability, long-term disability, accidental death and dismemberment insurance, employee stock purchase program, tuition reimbursement, parental leave, adoption assistance reimbursement, and an employee assistance program. Benefits will equate to approximately 25% of an employee's annual wages.

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

The applicant would hire from the local employment pool within the state of New Mexico. They would work with local and state government authorities to identify and recruit for open employee positions. The Company would also recruit directly through local advertisement and through its human resource department and online job sites.

**Question:** Attach job creation worksheet

[LEDA Q 59 Job Creation Worksheet \(2\).pdf](#) (10/25/2023, 10:48 AM)

**Question:** Starting Headcount (from worksheet above)

10.00

**Question:** Total new jobs to be created Year 1 (from worksheet above)

7.00

**Question:** Total new payroll Year 1 (from worksheet above)

\$469,000.00

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

5.00

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

\$335,000.00

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

0.00

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

\$0.00

## Economic Impact Analysis

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NMEDD will perform an Economic Impact Analysis to address the impact to the local tax base, the school system, etc. using the Economic Impact Datasheet provided by the applicant.

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

There will be very limited impact, either positive or negative, to the environment with regard to the project.

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

All required permits and regulatory matters will be submitted by the Company for approval by local/city agencies.

## Attachments

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

- [Authorization for examination and release of information form](#)

- [Employer quarterly wage and contribution report example](#)

If you are a new business, please apply for a NM Tax Identification Number here:

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

Please download the LEDA Application Affirmation Template here:

[LEDA Application Affirmation Template](#)

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

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

[1\\_LED\\_Authorization\\_for\\_examination\\_and\\_release\\_of\\_information\\_-\\_signed.pdf](#) (12/23/2023, 9:52 PM)

**Question:** Latest New Mexico employer's quarterly wage and contribution report submitted to the Department of Workforce Solutions.

[Form\\_ES-903\\_3Q23\\_.pdf](#) (10/31/2023, 10:48 AM)

**Question:** Affirmation and any other supporting documents

[2\\_LED\\_App\\_Affirmation\\_\(004\)\\_-signed.pdf](#) (12/23/2023, 9:52 PM)



**EDD** ECONOMIC  
DEVELOPMENT  
DEPARTMENT

6/26/2023

## FISCAL IMPACT ANALYSIS AND ECONOMIC IMPACT OF THE EXPANSION OF CINELEASE

Prepared by:

New Mexico Economic Development Department  
Joseph Montoya Building  
1100 S. St. Francis Drive  
Santa Fe, New Mexico 87505





## Purpose and Limitations:

This report and analysis, provided by the New Mexico Economic Development Department, relies on prospective estimates of business activity. These estimates, which are provided by the company, may not be realized due to unforeseen events that are outside the control of the company and unknown to the New Mexico Economic Development Department.

The New Mexico Economic Development Department made reasonable efforts to ensure that the estimates provided by the company, are realistic estimates of future activity.

The model was created by the New Mexico Economic Development Economists and used assumptions to generate the final report. The report and analysis provided by the New Mexico Economic Development Department is not a guarantee that any of the estimates or results contained in this report will actually be achieved.



## Introduction:

This report and analysis presents the results of an economic impact analysis performed using a model developed by the New Mexico Economic Development Department. The report estimates the impact that a potential project may have on the state and local economies and estimates the costs and benefits for the state and local economies over a 10-year period. The report and analysis uses RIMS II Multipliers produced by the U.S. Bureau of Economic Analysis (BEA).

Most projects produce a growth in population and/or a growth in the workforce in a City, County and the State of New Mexico. All growth comes at a cost, the additional economic activity and population growth stimulated by the project will generate additional costs in terms of providing basic infrastructure (roadways, bridges and utilities) and public services (including public safety, schools and administrative services). For example, if the applicant hires employees from outside the State, County and City, those workers who end up relocating their residence to within one or all of those areas, the population for which the government must provide services also increases. The costs associated with the expansion are broken down into two categories: 1) New residents to the State, County and City. 2) New Mexican residents hired to work for the company. The analysis assumes that all workers will live in the area of the expansion.

## Description of the Company:

Cinelease Studios is a unique studio management team that was created as a natural extension of the respected Cinelease and Herc Entertainment 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 studios conveniently located in film-friendly cities throughout the United States, its team unites Cinelease's unmatched customer service and a vast stock of lighting and grip equipment, with the reliability and convenience of in-house Herc Entertainment heavy equipment, climate control, and power solutions.

## Description of the Project:

Cinelease's expansion project presents a significant economic opportunity for the location that it chooses.

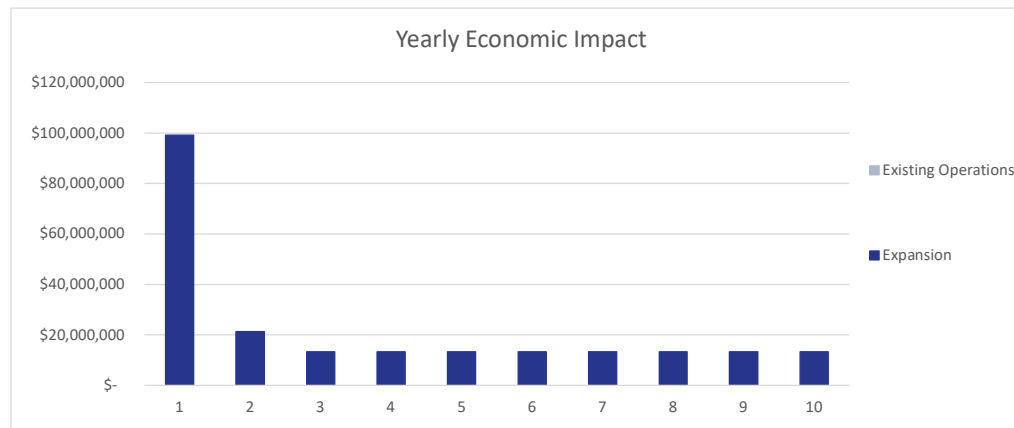
- ▶ The Company operates in an ever-changing entertainment market that is primed for growth as new organizations enter the playing field and mature companies increase their demand for services.
- ▶ The Cinelease client/production company list will provide additional branding and representation for the City of Albuquerque and the State of New Mexico.
- ▶ Cinelease anticipates training new employees and existing employees to become a highly skilled and sophisticated workforce that could support their growth.
- ▶ Employee compensation both directly from Cinelease and production operations will feed back into the local economy as employees spend their income locally on taxes, housing, hotel stays, food, entertainment, etc., through the economic multiplier process.
- ▶ Cinelease is a strong local and international corporate citizen, giving back to the public through community outreach experiences and mentorship opportunities.



# Economic Impact

### Total Economic Impact

	Total
Estimated Economic Impact Over 10 Years:	\$ 226,969,924
Combined Total Incentive Over 10 Years:	\$ 4,868,500
Economic Impact Rate of Return:	4,562%



### Workers and New Residents over 10 years

	Direct	Indirect and Induced
Number of Jobs Created:	12	11
Estimated Number of Construction Workers:	656	
Estimated Number of New Residents to the State:	0	
Estimated Number of New Residents to the County:	0	
Estimated Number of New Residents to the City:	0	

# Total Public Impacts



## Fiscal Impact of Existing and Expanded Operations Over the Next Ten Years

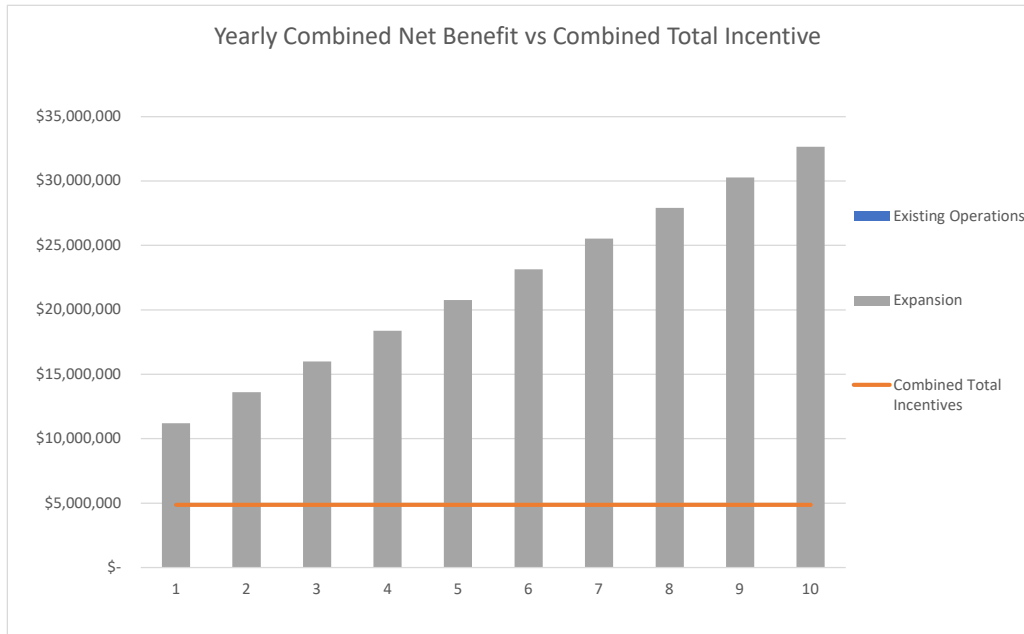
Cumulative Net Benefits								
	Existing Operations		Expansion		Existing & Expanded Operations	Present Value of Net Benefits*		
State of New Mexico	\$	-	\$	21,041,813	\$	21,041,813	\$	17,991,545
County	\$	-	\$	5,585,034	\$	5,585,034	\$	4,752,072
City	\$	-	\$	6,026,949	\$	6,026,949	\$	5,407,131
School District	\$	-	\$	-	\$	-	\$	-
Special Taxing District	\$	-	\$	-	\$	-	\$	-
<b>Total</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>32,653,796</b>	<b>\$</b>	<b>32,653,796</b>	<b>\$</b>	<b>28,150,747</b>

\* The Present Value of Net Benefits expresses the future stream of net benefits received over several years as a single value in today's dollars. Today's dollar and a dollar to be received at differing times in the future are not comparable because of the time value of money. The time value of money is the interest rate or each taxing entity's discount rate. This analysis uses a discount rate of 5% to make the dollars comparable.

\*\* In the cumulative net benefits of the existing and expanded operations for the State of New Mexico, corporate income tax has been removed from the existing operations total to avoid double counting.

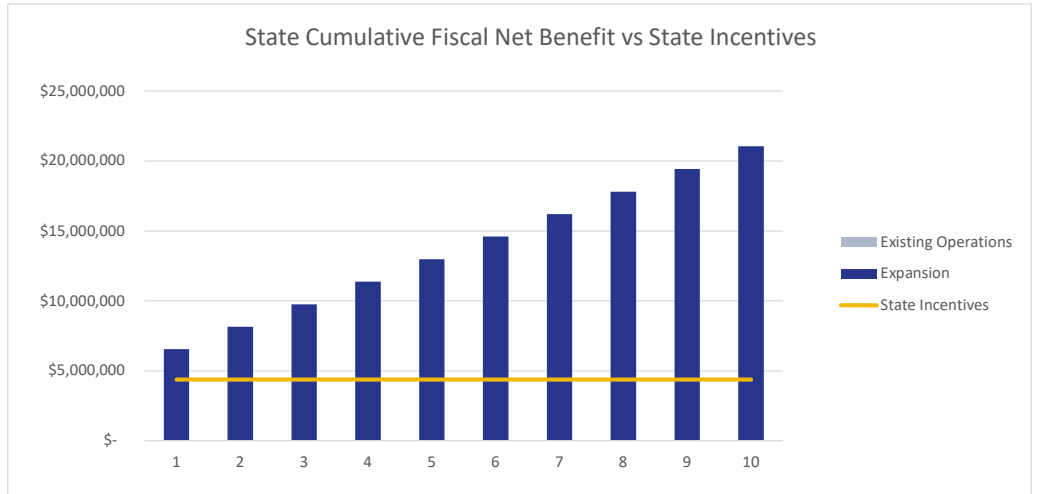
### Total Public Net Benefit

	Total
Estimated Total Public Net Benefit Over 10 Years:	\$ 32,653,796
Combined Total Incentive Over 10 Years:	\$ 4,868,500
<b>Total Public Net Benefit Rate of Return:</b>	<b>571%</b>



# State Impacts





#### Incentives

Total State Incentive:	\$ 4,368,500
State Incentive Per Job:	\$ 364,042

#### Combined Payback and Return

State Payback Period Combined:	0.67 Years
State Rate of Return Combined:	312%

#### Expansion Only Payback and Return

State Payback Period Expansion:	0.67 Years
State Rate of Return Expansion:	312%

#### State Net Benefits Of Current Operations

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ -	\$ -	\$ -	\$ -
2	\$ -	\$ -	\$ -	\$ -
3	\$ -	\$ -	\$ -	\$ -
4	\$ -	\$ -	\$ -	\$ -
5	\$ -	\$ -	\$ -	\$ -
6	\$ -	\$ -	\$ -	\$ -
7	\$ -	\$ -	\$ -	\$ -
8	\$ -	\$ -	\$ -	\$ -
9	\$ -	\$ -	\$ -	\$ -
10	\$ -	\$ -	\$ -	\$ -

### State Net Benefits Of Expansion

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 6,533,602	\$ -	\$ 6,533,602	\$ 6,533,602
2	\$ 1,611,967	\$ -	\$ 1,611,967	\$ 8,145,569
3	\$ 1,611,981	\$ -	\$ 1,611,981	\$ 9,757,550
4	\$ 1,611,995	\$ -	\$ 1,611,995	\$ 11,369,545
5	\$ 1,612,009	\$ -	\$ 1,612,009	\$ 12,981,554
6	\$ 1,612,023	\$ -	\$ 1,612,023	\$ 14,593,577
7	\$ 1,612,037	\$ -	\$ 1,612,037	\$ 16,205,614
8	\$ 1,612,052	\$ -	\$ 1,612,052	\$ 17,817,666
9	\$ 1,612,066	\$ -	\$ 1,612,066	\$ 19,429,732
10	\$ 1,612,081	\$ -	\$ 1,612,081	\$ 21,041,813

### State Combined Net Benefits

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 6,533,602	\$ -	\$ 6,533,602	\$ 6,533,602
2	\$ 1,611,967	\$ -	\$ 1,611,967	\$ 8,145,569
3	\$ 1,611,981	\$ -	\$ 1,611,981	\$ 9,757,550
4	\$ 1,611,995	\$ -	\$ 1,611,995	\$ 11,369,545
5	\$ 1,612,009	\$ -	\$ 1,612,009	\$ 12,981,554
6	\$ 1,612,023	\$ -	\$ 1,612,023	\$ 14,593,577
7	\$ 1,612,037	\$ -	\$ 1,612,037	\$ 16,205,614
8	\$ 1,612,052	\$ -	\$ 1,612,052	\$ 17,817,666
9	\$ 1,612,066	\$ -	\$ 1,612,066	\$ 19,429,732
10	\$ 1,612,081	\$ -	\$ 1,612,081	\$ 21,041,813

### State Breakdown of Combined Benefits, Costs, and Net Benefits Over the Next 10 Years

#### Taxes and Revenue

Gross Receipt Taxes	\$ 8,146,422
Personal Income Taxes	\$ 1,543,725
Corporate Income Taxes	\$ 11,351,667
Misc. Taxes and Revenue	\$ -
<b>Subtotal of Benefits</b>	<b>\$ 21,041,813</b>

#### Costs

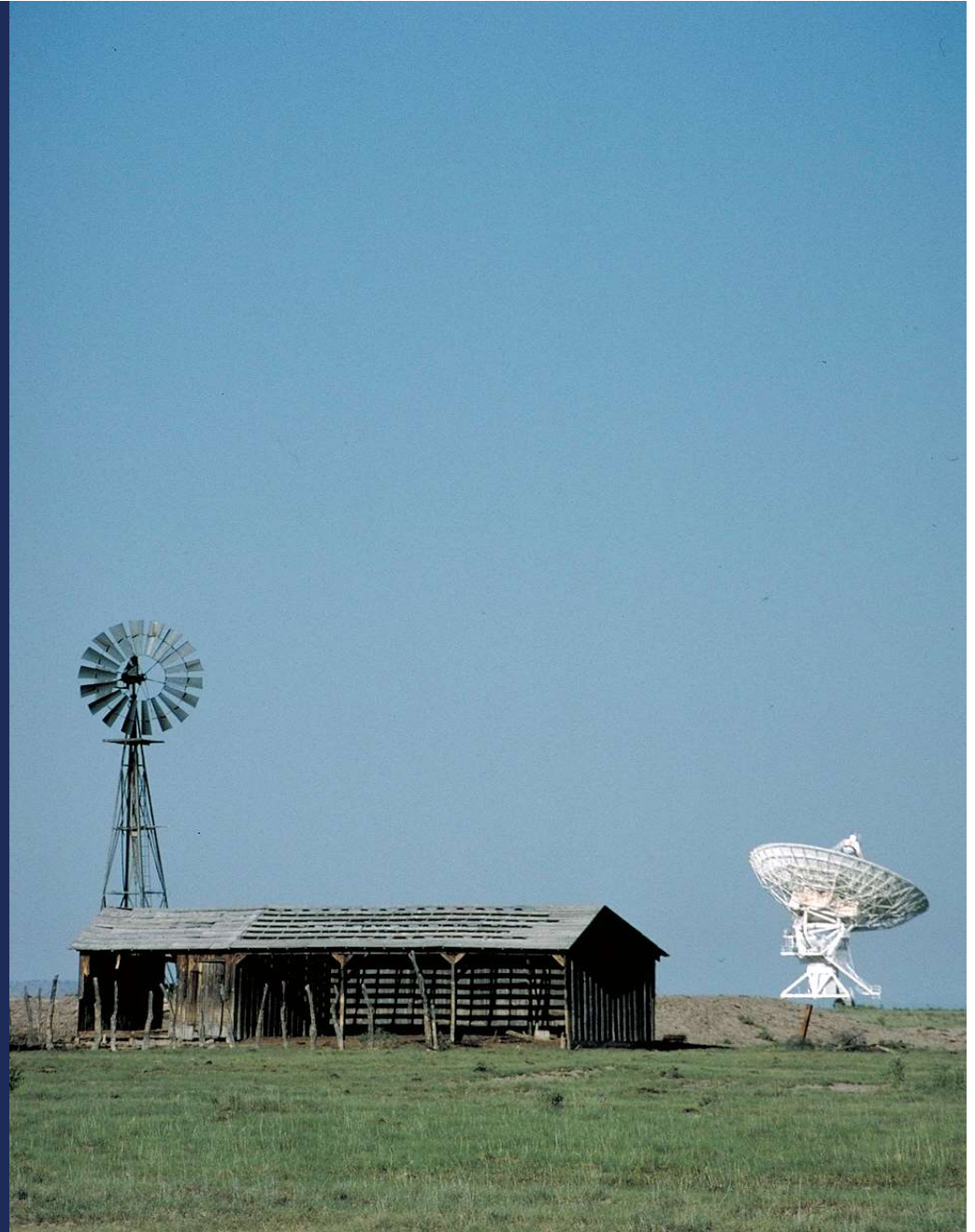
Costs	\$ -
<b>Subtotal of Costs</b>	<b>\$ -</b>

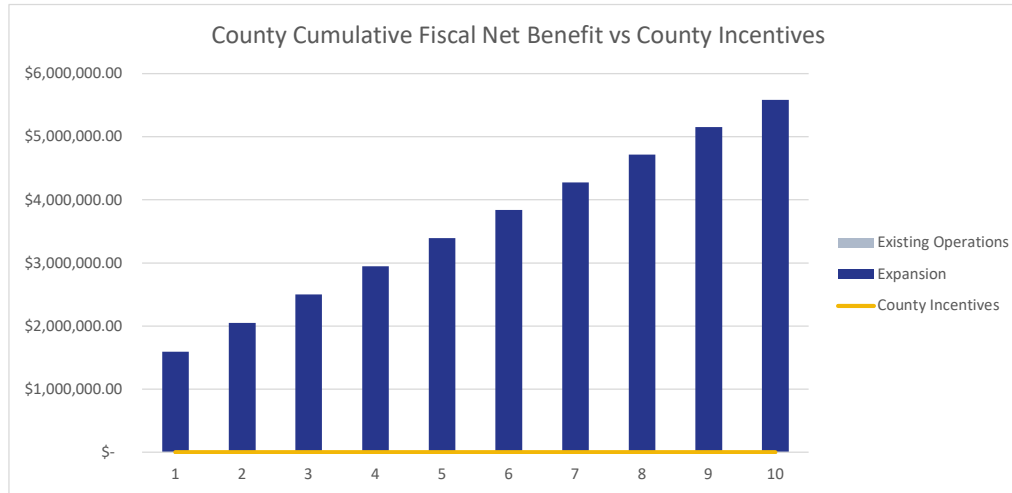
#### Net Benefits

<b>Net Benefits</b>	<b>\$ 21,041,813</b>
<b>Present Value</b>	<b>\$ 17,991,545</b>



# County Impacts





### Incentives

Total County Incentive:	\$	-
County Incentive Per Job:	\$	-

### Combined Payback and Return

County Payback Period Combined:	-	Years
County Rate of Return Combined:	N/A	

### Expansion Only Payback and Return

County Payback Period Expansion:	-	Years
County Rate of Return Expansion:	N/A	

### County Net Benefits Of Current Operations

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ -	\$ -	\$ -	\$ -
2	\$ -	\$ -	\$ -	\$ -
3	\$ -	\$ -	\$ -	\$ -
4	\$ -	\$ -	\$ -	\$ -
5	\$ -	\$ -	\$ -	\$ -
6	\$ -	\$ -	\$ -	\$ -
7	\$ -	\$ -	\$ -	\$ -
8	\$ -	\$ -	\$ -	\$ -
9	\$ -	\$ -	\$ -	\$ -
10	\$ -	\$ -	\$ -	\$ -

### County Net Benefits Of Expansion

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 1,594,143	\$ -	\$ 1,594,143	\$ 1,594,143
2	\$ 453,126	\$ -	\$ 453,126	\$ 2,047,269
3	\$ 451,881	\$ -	\$ 451,881	\$ 2,499,150
4	\$ 449,077	\$ -	\$ 449,077	\$ 2,948,227
5	\$ 446,272	\$ -	\$ 446,272	\$ 3,394,498
6	\$ 443,467	\$ -	\$ 443,467	\$ 3,837,965
7	\$ 440,974	\$ -	\$ 440,974	\$ 4,278,939
8	\$ 438,169	\$ -	\$ 438,169	\$ 4,717,109
9	\$ 435,365	\$ -	\$ 435,365	\$ 5,152,474
10	\$ 432,560	\$ -	\$ 432,560	\$ 5,585,034

### County Combined Net Benefits

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 1,594,143	\$ -	\$ 1,594,143	\$ 1,594,143
2	\$ 453,126	\$ -	\$ 453,126	\$ 2,047,269
3	\$ 451,881	\$ -	\$ 451,881	\$ 2,499,150
4	\$ 449,077	\$ -	\$ 449,077	\$ 2,948,227
5	\$ 446,272	\$ -	\$ 446,272	\$ 3,394,498
6	\$ 443,467	\$ -	\$ 443,467	\$ 3,837,965
7	\$ 440,974	\$ -	\$ 440,974	\$ 4,278,939
8	\$ 438,169	\$ -	\$ 438,169	\$ 4,717,109
9	\$ 435,365	\$ -	\$ 435,365	\$ 5,152,474
10	\$ 432,560	\$ -	\$ 432,560	\$ 5,585,034

### County Breakdown of Combined Benefits, Costs, and Net Benefits Over the Next 10 Years

#### Taxes and Revenue

Gross Receipt Taxes	\$ 2,562,616
Misc. Taxes and Revenue	\$ -
Property Taxes	\$ 3,022,418
<b>Subtotal of Benefits</b>	<b>\$ 5,585,034</b>

#### Costs

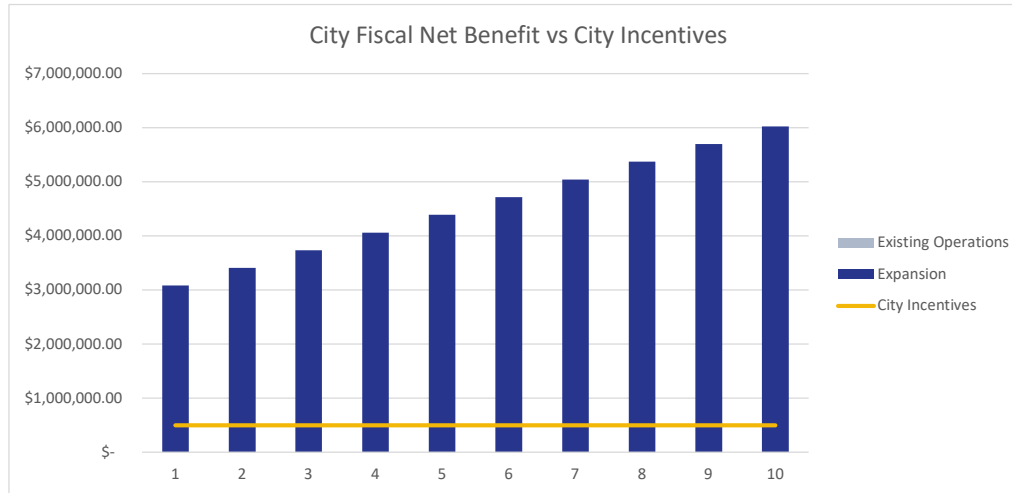
Costs	\$ -
<b>Subtotal of Costs</b>	<b>\$ -</b>

#### Net Benefits

<b>Net Benefits</b>	<b>\$ 5,585,034</b>
<b>Present Value</b>	<b>\$ 4,752,072</b>

# City Impacts





### Incentives

Total City Incentive:	\$	500,000
City Incentive Per Job:	\$	41,667

### Combined Payback and Return

City Payback Period Combined:	0.16 Years
City Rate of Return Combined:	981%

### Expansion Only Payback and Return

City Payback Period Expansion:	0.16 Years
City Rate of Return Expansion:	981%

### City Net Benefits Of Current Operations

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ -	\$ -	\$ -	\$ -
2	\$ -	\$ -	\$ -	\$ -
3	\$ -	\$ -	\$ -	\$ -
4	\$ -	\$ -	\$ -	\$ -
5	\$ -	\$ -	\$ -	\$ -
6	\$ -	\$ -	\$ -	\$ -
7	\$ -	\$ -	\$ -	\$ -
8	\$ -	\$ -	\$ -	\$ -
9	\$ -	\$ -	\$ -	\$ -
10	\$ -	\$ -	\$ -	\$ -

### City Net Benefits Of Expansion

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 3,077,997	\$ (1,076)	\$ 3,079,073	\$ 3,079,073
2	\$ 326,337	\$ (1,117)	\$ 327,455	\$ 3,406,527
3	\$ 326,347	\$ (1,129)	\$ 327,476	\$ 3,734,003
4	\$ 326,357	\$ (1,140)	\$ 327,497	\$ 4,061,501
5	\$ 326,368	\$ (1,151)	\$ 327,519	\$ 4,389,020
6	\$ 326,378	\$ (1,163)	\$ 327,541	\$ 4,716,561
7	\$ 326,389	\$ (1,174)	\$ 327,563	\$ 5,044,124
8	\$ 326,399	\$ (1,186)	\$ 327,586	\$ 5,371,710
9	\$ 326,410	\$ (1,198)	\$ 327,608	\$ 5,699,318
10	\$ 326,421	\$ (1,210)	\$ 327,631	\$ 6,026,949

### City Combined Net Benefits

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 3,077,997	\$ (1,076)	\$ 3,079,073	\$ 3,079,073
2	\$ 326,337	\$ (1,117)	\$ 327,455	\$ 3,406,527
3	\$ 326,347	\$ (1,129)	\$ 327,476	\$ 3,734,003
4	\$ 326,357	\$ (1,140)	\$ 327,497	\$ 4,061,501
5	\$ 326,368	\$ (1,151)	\$ 327,519	\$ 4,389,020
6	\$ 326,378	\$ (1,163)	\$ 327,541	\$ 4,716,561
7	\$ 326,389	\$ (1,174)	\$ 327,563	\$ 5,044,124
8	\$ 326,399	\$ (1,186)	\$ 327,586	\$ 5,371,710
9	\$ 326,410	\$ (1,198)	\$ 327,608	\$ 5,699,318
10	\$ 326,421	\$ (1,210)	\$ 327,631	\$ 6,026,949

### City Breakdown of Combined Benefits, Costs, and Net Benefits Over the Next 10 Years

#### Taxes and Revenue

Gross Receipt Taxes	\$ 6,015,404
Misc. Taxes and Revenue	-
Property Taxes	-
<b>Subtotal of Benefits</b>	<b>\$ 6,015,404</b>

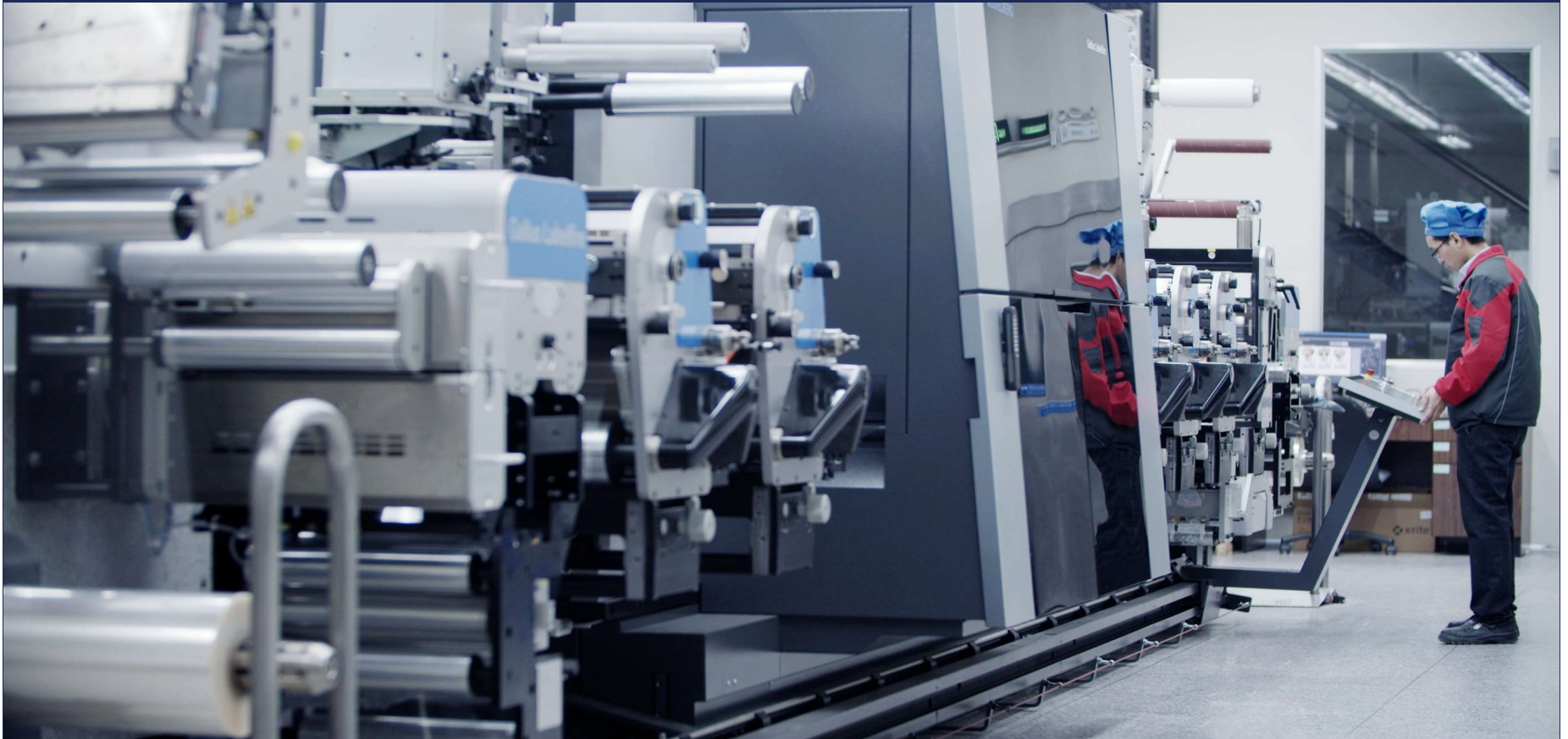
#### Costs

Costs	\$ (11,545)
<b>Subtotal of Costs</b>	<b>\$ (11,545)</b>

#### Net Benefits

<b>Net Benefits</b>	<b>\$ 6,026,949</b>
<b>Present Value</b>	<b>\$ 5,407,131</b>

# Special Taxing District and Public Schools



# Special Taxing District

## Special Taxing District Net Benefits of Current Operations

Year	Benefits		Costs		Net Benefits	Cumulative Net Benefits
1	\$	-	\$	-	\$	-
2	\$	-	\$	-	\$	-
3	\$	-	\$	-	\$	-
4	\$	-	\$	-	\$	-
5	\$	-	\$	-	\$	-
6	\$	-	\$	-	\$	-
7	\$	-	\$	-	\$	-
8	\$	-	\$	-	\$	-
9	\$	-	\$	-	\$	-
10	\$	-	\$	-	\$	-

## Special District Net Benefits of Expansion

Year	Benefits		Costs		Net Benefits	Cumulative Net Benefits
1	\$	-	\$	-	\$	-
2	\$	-	\$	-	\$	-
3	\$	-	\$	-	\$	-
4	\$	-	\$	-	\$	-
5	\$	-	\$	-	\$	-
6	\$	-	\$	-	\$	-
7	\$	-	\$	-	\$	-
8	\$	-	\$	-	\$	-
9	\$	-	\$	-	\$	-
10	\$	-	\$	-	\$	-

## Special District Combined Net Benefits

Year	Benefits		Costs		Net Benefits	Cumulative Net Benefits
1	\$	-	\$	-	\$	-
2	\$	-	\$	-	\$	-
3	\$	-	\$	-	\$	-
4	\$	-	\$	-	\$	-
5	\$	-	\$	-	\$	-
6	\$	-	\$	-	\$	-
7	\$	-	\$	-	\$	-
8	\$	-	\$	-	\$	-
9	\$	-	\$	-	\$	-
10	\$	-	\$	-	\$	-



# Public Schools

## Public Schools Net Benefits of Current Operations

Year	Benefits		Costs		Net Benefits	Cumulative Net Benefits
1	\$	-	\$	-	\$	-
2	\$	-	\$	-	\$	-
3	\$	-	\$	-	\$	-
4	\$	-	\$	-	\$	-
5	\$	-	\$	-	\$	-
6	\$	-	\$	-	\$	-
7	\$	-	\$	-	\$	-
8	\$	-	\$	-	\$	-
9	\$	-	\$	-	\$	-
10	\$	-	\$	-	\$	-

## Public Schools Net Benefits of Expansion

Year	Benefits		Costs		Net Benefits	Cumulative Net Benefits
1	\$	-	\$	-	\$	-
2	\$	-	\$	-	\$	-
3	\$	-	\$	-	\$	-
4	\$	-	\$	-	\$	-
5	\$	-	\$	-	\$	-
6	\$	-	\$	-	\$	-
7	\$	-	\$	-	\$	-
8	\$	-	\$	-	\$	-
9	\$	-	\$	-	\$	-
10	\$	-	\$	-	\$	-

## Public Schools Combined Net Benefits

Year	Benefits		Costs		Net Benefits	Cumulative Net Benefits
1	\$	-	\$	-	\$	-
2	\$	-	\$	-	\$	-
3	\$	-	\$	-	\$	-
4	\$	-	\$	-	\$	-
5	\$	-	\$	-	\$	-
6	\$	-	\$	-	\$	-
7	\$	-	\$	-	\$	-
8	\$	-	\$	-	\$	-
9	\$	-	\$	-	\$	-
10	\$	-	\$	-	\$	-

# Property Tax Exemptions and Industrial Revenue Bonds



## Property Tax Exemptions and Industrial Revenue Bonds

The City and/or the County is considering abating taxes on the Project's property. Below is a table that identifies the types of property that are under consideration for property tax abatement:

Land:	Yes
Building and Property Improvements:	Yes
Furniture, Fixtures and Equipment:	Yes

### Property Tax Percentage Exemptions On Land and Building

County	City	Schools	Special Taxing District
75%	75%	75%	75%

### Property Tax Percentage Exemptions On Furniture, Fixtures and Equipment

County	City	Schools	Special Taxing District
75%	75%	75%	75%

Value of Exemption Through 10 Years:	<b>\$ 3,436,351</b>	<b>\$ 3,238,976</b>	<b>\$ 337,332</b>	<b>\$ 309,807</b>
*Value of Payment in Lieu of Taxes Through 10 Years:	<b>\$ 3,022,418</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

\*The model assumes that the payment in lieu of taxes will be administered to the either the county or city, and the local government will disperse the amounts to the appropriate districts.

### Percentage of Gross Receipt Taxes Foregone on Newly Purchased Furniture, Fixtures and Equipment Over 10 Years

Year	State	County	City
1	100%	100%	100%
2	100%	100%	100%
3	100%	100%	100%
4	100%	100%	100%
5	100%	100%	100%
6	100%	100%	100%
7	100%	100%	100%
8	100%	100%	100%
9	100%	100%	100%
10	100%	100%	100%
Value of Exemption Through 10 Years:	<b>\$ 151,000</b>	<b>\$ 47,500</b>	<b>\$ 111,500</b>

**Project Participation Agreement**  
**City of Albuquerque and Cinelease Co.**  
**Local Economic Development Act Project**

This Project Participation Agreement is made as of this \_\_\_\_ day of \_\_\_\_\_, 2024 by and between the CITY OF ALBUQUERQUE, NEW MEXICO (the “City”), and CINELEASE, INC., incorporated in the State of Nevada, with a place of business at 9201 Pan American Freeway NE, Albuquerque, New Mexico 87113 (“Cinelease”).

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

WHEREAS, pursuant to the Local Economic Development Act, Sections 5-10-1 to 5-10-17 NMSA 1978 (“LEDA”), the City has adopted Ordinance No. F/S O-04-10 (the “LEDA Ordinance”), approving an economic development plan for the City and authorizing the City to consider applications for economic development assistance; and

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

Cinelease shall acquire, construct and develop five sound stage studios, and ancillary facilities, adjacent to its current operations at 9201 Pan American Freeway NE in the City, which facilities shall serve third-party customers who are creating film, television and other media content (collectively, the “Facilities”); the Facilities are projected to be complete within twenty-four (24) months of the date of this Agreement and Cinelease anticipates its total investment in the Facilities will be approximately \$104,000,000;

The Project consists of renovating five existing sound stage studios on site and constructing five new sound stage studios and three supporting building, including two construction mills and a lamp dock. The Project site consists of 55.73 acres. Cinelease commits to \$80 million in production spending annually in New Mexico beginning after January 1, 20\_\_;

Cinelease will support the New Mexico Arts Collective by providing lighting, grip, and equipment at no cost to support film development projects and student training for aspiring filmmakers and production individuals (projected at \$500,000 annually).

Cinelease will contribute to the innovative 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.

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

Cinelease shall hire and retain employees as contemplated by this Agreement all in accordance with the schedule and other terms and conditions set forth in Section 7.A herein; and

WHEREAS, the growth of film, media and movie production has been a steady economic development driver in the City and State over the last two decades. In fiscal year 2004, Direct Spend in the State was \$12 million and by fiscal year 2023 had reached \$\_\_\_\_\_ million; and

WHEREAS, through this ascent, the City and the State have positioned themselves as a top film production location in the Country with quality production assets, infrastructure and workforce; and

WHEREAS, much of this film production activity is driven by entities without a permanent or physical presence in the City or State; and

WHEREAS, Cinelease estimates that activities at the Facility and around the county will result in approximately 400 direct production and production-related jobs on an annual basis for the term of this Agreement; and

WHEREAS, the film industry affords competitive wages and benefits for “below the line”/technical crew (not including producers/directors), with hourly wages ranging from \$\_\_\_\_\_ (on lower budget productions) to \$\_\_\_\_\_ and even higher on large budget productions (ref: IATSE Area Standards Agreement); and

WHEREAS, through this Project, the City and the State will not only derive significant economic development benefit, but also further advance Albuquerque and New Mexico as a premier location for all components of the film production business, benefiting residents, businesses and the broader community; and

WHEREAS, the City Council approved the LEDA Project on March \_\_, 2024; and

WHEREAS, Cinelease estimates a total investment of approximately \$104,000,000 for the acquisition, construction and development of the Facility; and

WHEREAS, the Cinelease Application proposes that in exchange for Cinelease undertaking and completing the Project, the City funds obtained from the State Economic Development Department (the “State EDD”), pursuant to LEDA, in addition to local City LEDA

funds, will be used to reimburse a portion of Cinelease’s acquisition, construction and development costs related to the Project, on the terms set forth herein; and

WHEREAS, the City has determined that the cost benefit analysis with respect to the Project, based on assessments obtained by the City on the basis of information provided to the City by Cinelease, shows that the City will recoup the value of its contribution within ten (10) years; and

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

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

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

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

WHEREAS, the City adopted Ordinance No. O-24-\_\_\_ on March \_\_, 2024 (the “Project Ordinance”) (i) finding that Cinelease is a qualifying entity as defined in Section 5-10-3(L) NMSA, (ii) approving the Cinelease Application for assistance with the Project pursuant to the LEDA Ordinance, which Application proposed that the City direct up to \$6,700,000 in funds to be received from the State EDD (the “State Contribution”) and \$1,000,000 in funds to be committed by the City (the “City Contribution”), all to finance certain statutorily eligible expenses of the Project consisting of reimbursement for acquiring, constructing and developing the Facility, and (iii) approving this Agreement.

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

1. Goals and Objectives. The goals and objectives of the Project are to create and support an economic development project that fosters, promotes and enhances local economic development efforts. The goal is that the Project will provide job growth and career opportunities for Albuquerque-area residents and otherwise make a substantive contribution to the community as set forth in this Agreement and in the Cinelease Application.
2. Company Contribution. Cinelease shall acquire, construct and develop the Facility, which facilities shall serve third-party customers who are creating film, television and other media

content, with Cinelease investing an estimated total of \$104,000,000, and will hire and retain employees as contemplated by this Agreement all in accordance with the schedule and other terms and conditions set forth in this Agreement. Cinelease will also support the New Mexico Arts Collective by providing lighting, grip, and equipment at no cost to support film development projects and student training for aspiring filmmakers and production individuals. Cinelease will maintain the Project's operations in Albuquerque for a minimum of ten (10) years. Cinelease will comply with all applicable laws in connection with the operation of the Project and will timely pay all personal property taxes with respect thereto.

3. The State Contributions; Procedure for Disbursement of the State Contributions. The City anticipates that the State Contribution of up to \$6,700,000 will be delivered to the City for subsequent disbursement to Cinelease, following enactment of the Project Ordinance and execution of this Agreement and an intergovernmental agreement between the State and the City. The City will submit an invoice to the State and request transfer of the State funds. Upon receipt, the City will place the State Contribution into a separate account established in connection with the Project, as required by law. If, and only if, the City receives the State Contribution, the City will disburse the State Contribution to Cinelease, upon demonstration of LEDA eligible expenses, in the manner as follows:

- 1) \$2,200,000 upon receipt of Certificate of Occupancy for new stages (minimum of 2 stages). LEDA Eligible expenditures and current with all reporting.
- 2) \$500,000 (annually until funds exhausted) upon verification of providing no cost equipment rentals to the Media Collaborative not to exceed \$500K annually. LEDA Eligible expenditures and current with all reporting.
- 3) \$130,000 (annually until funds exhausted) for every \$10,000,000 in production spend in excess of \$100,000,000 on an annual basis. LEDA eligible expenditures and current with all reporting

4. The City Contribution. Pursuant to the Project Ordinance and the LEDA Ordinance, the City has committed the amount of \$1,000,000 for use in connection with the Project. As required by the LEDA Ordinance, the City will deposit the proceeds of the City Contribution into a clearly identified separate account, which account will be subject to an annual independent audit. City funds in the amount of \$\_\_\_\_\_ will be dispensed upon Cinelease obtaining an Certificate of Occupancy for the Facility and hiring 12 employees. Additionally, the City will disburse \$20,000 annually (until all funds exhausted) for every \$10,000,000 in production spend in excess of \$100,000,000 on an annual basis.

5. Time Commitment. Cinelease intends to invest \$104,000,000 for the acquisition, construction and development of the Facility with operations at the Facility to begin as soon as possible thereafter. Cinelease will continue to operate the Facility and diligently conduct operations in the Facility in the manner contemplated by this Agreement at least through December 31, 2034.

6. Use of Public Contributions. Cinelease will be eligible for reimbursement of up to \$6,700,000 in State funds for costs of acquiring, constructing and developing the Facility. All costs associated with the acquisition, construction and development of the facility including but not limited to design, permitting, and facility improvements actually incurred after the date hereof and paid for are considered LEDA eligible expenditures subject to the receipt by the City of the State Contribution. The City will make payment to Cinelease following submission to the City of documentation reasonably satisfactory to the City evidencing receipt of the Occupancy Permit with respect to the Project, and meeting the occupancy, operations, job creation and production targets set forth herein

Cinelease will be eligible for reimburse of up to \$1,000,000 in City funds for all costs associated with the acquisition, construction and development of the Facility including, but not limited to design, permitting, and facility improvements actually incurred after the date hereof and paid for are considered LEDA eligible expenditures, The City will make payment to Cinelease following submission to the City of documentation reasonably satisfactory to the City evidencing receipt of the Occupancy Permit with respect to the Project, and meeting the occupancy, operations, job creation and production targets set forth herein.

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

7. Job Commitment and Clawbacks.

A. Number of Jobs. Cinelease will increase employment, above the current level of ten (10) New Mexico employees, as set forth in the table below in Section C. A Job will represent an employment position for a person for at least one pay period consisting of at least 32 hours of work per week and offering the employee the full range of benefits offered to other similarly situated Cinelease employees. Positions filled by contract, part-time and temporary workers will not be considered Jobs. All references herein to “employees” mean employees in Jobs as contemplated by this Section 7.A.

B. Wages and Benefits. Cinelease anticipates that the Jobs will fall within the wage ranges and will come with the benefits shown on Exhibit B. However, failure to meet the wage and benefit projections shown on Exhibit B or the total estimated increase set forth in Section 7.A. shall not constitute an Event of Default (defined below) or form the basis for any clawback payment.

C. Performance Clawbacks. If Cinelease does not employ and maintain at least 90% of the required number of full-time employees as set forth in the table below, by December 31, 2024, December 31, 2028 or by December 31, 2033, then Cinelease may cure any shortfall in meeting the Minimum Job Number as per Section 9.C(ii). If Cinelease fails to reach the Minimum Job Number during the Cure Period, Cinelease will repay to the City, within sixty



(60) days, the LEDA Fund Contribution paid on behalf of Cinelease pursuant to this Agreement that has already been disbursed to Cinelease as of the date of repayment (the “Performance Clawback”) in accordance with the following table:

Job Measurement Date	Cumulative Fulltime Target Job Number	Minimum Job Number	%- Clawback
December 31, 2024	10+2 = 12	11	100%
December 31, 2028	12+10 = 22	20	50%
December 31, 2033	22	20	25%

For the purposes of this table:

(i) The “Clawback Penalty” is a penalty that Cinelease will be required to repay to the City upon Cinelease’s failure to meet the minimum Job Target on or before the conclusion of the applicable Job Determination Period, if such Job Target is not otherwise reached by Cinelease during the Cure Period. If Cinelease fails to reach the Minimum Job Number during the Cure Period, Cinelease shall repay the City a Clawback Penalty determined in accordance with the table set forth above at a rate of 50% by year 5, 25% by year 10. See Exhibit D hereto for examples of Clawback Penalty Calculations. Notwithstanding anything herein to the contrary, in no event shall the aggregate Clawback Penalty paid by Cinelease exceed the total amount of funds paid under this Agreement.

Cinelease shall complete an annual economic impact data sheet (EIA) provided by the State of New Mexico Economic Development Department and the City of Albuquerque Economic Development Department; completion shall be no later than February 28 of each year beginning in 2025. This will reflect actual economic activity and job creation by Cinelease for the preceding calendar year. Failure to complete EIA data sheet by April 15th of any calendar year, Cinelease shall be subject to a 10% clawback of all funds received.

(ii) “Cure Period” is the period of 180 days after the end of each Job Determination Period during which time Cinelease shall have the opportunity to cure any shortfall in meeting the Minimum Full-Time Job Creation. For the avoidance of doubt, if Cinelease meets the Minimum Full-Time Job Creation at any time during the Cure Period, Cinelease shall have no obligation to pay a Clawback Penalty corresponding to the applicable Job Determination Period. If Cinelease fails to reach the Job Target during the Cure Period, then Cinelease shall pay the City a Clawback Penalty determined in accordance with the table set forth above.

Notwithstanding the foregoing, if Cinelease fails to employ the required full-time employees as identified in Section 7.A herein, and Cinelease believes Business Climate Changes were the cause for the failure to meet such requirements, Cinelease will so advise the City in writing describing the Business Climate Changes in detail. “Business Climate Changes” mean

substantial changes outside of the control of Cinelease, in the segment of the industry in which the Cinelease operates, that cause a significant decrease in the amount of sales Cinelease is able to achieve. The shifting of Cinelease’s operations to another Project, whether within or outside of Albuquerque, will not constitute a Business Climate Change.

If the City determines that Business Climate Changes affect Cinelease’s ability to maintain employment levels, it may waive or modify the Performance Clawback, but only related to the City Contribution and the City shall consult with the State EDD as to any potential waiver of the Performance Clawback or a portion thereof related to the State Contribution. Any Performance Clawback due will be paid within 30 days after the City notifies Cinelease of its decision or the decision of the State EDD. If Cinelease does not attribute the failure to meet employment requirements to Business Climate Changes, the payment of any Performance Clawback due will be submitted to the City within ten (10) days after the due date of the annual report reflecting the failure to maintain the required employment level.

D. Production Spend Clawback. If on December 31 of each year, beginning in calendar year 2024, Cinelease’s production spend is less than the average spend defined below, Cinelease will pay a penalty equal to the percentage shortfall multiplied by the cumulative total State LEDA funds and City LEDA funds distributed to Cinelease at that time.

Year	Spend Requirement	Minimum Spend	Cumulative Spend Minimum	Average Spend Minimum
2024	\$ 100,000,000	\$ 90,000,000	\$ 90,000,000	\$ 90,000,000
2025	\$ 150,000,000	\$ 145,000,000	\$ 235,000,000	\$ 117,500,000
2026	\$ 180,000,000	\$ 165,000,000	\$ 400,000,000	\$ 133,333,333
2027	\$ 180,000,000	\$ 165,000,000	\$ 565,000,000	\$ 141,250,000
2028	\$ 180,000,000	\$ 165,000,000	\$ 730,000,000	\$ 146,000,000
2029	\$ 180,000,000	\$ 165,000,000	\$ 895,000,000	\$ 149,166,667
2030	\$ 180,000,000	\$ 165,000,000	\$ 1,060,000,000	\$ 151,428,571
2031	\$ 180,000,000	\$ 165,000,000	\$ 1,225,000,000	\$ 153,125,000
2032	\$ 180,000,000	\$ 165,000,000	\$ 1,390,000,000	\$ 154,444,444
2033	\$ 180,000,000	\$ 165,000,000	\$ 1,555,000,000	\$ 155,500,000

Example:

Production Spend is \$81,000,000 (90% of \$90,000,000 requirement)

City Funds Distributed: \$750,000

State Funds Distributed: \$3,000,000

Total City and State: \$3,750,000

Penalty (% amount of \$81,000,000 below \$905,000,000 allowance factor) = 10%

Amount Due: \$375,000

E. Project Closure Clawback. Should Cinelease cease operations, or notify the City of its intent to cease operations, of the Project (i.e., cease to conduct operations at the Project) before December 31, 2034, Cinelease shall, within ninety (90) days of the cessation of operations at the Facility, pay to the City, in cash (including by wire transfer of immediately available funds), an amount equal to a specified percentage of the amount of the City Contribution and State Contribution paid pursuant to this Agreement, with the specific percentage based on the date of cessation of operations in accordance with the following table (each percentage inclusive of any Performance Clawback already paid by Cinelease):

Date of Cessation of Operations	Percent of Public Contributions to be Repaid
On or before December 31, 2028	100%
From January 1, 2029 through December 31, 2030	60%
From January 1, 2031 through December 31, 2034	25

Winding down of Cinelease’s operations at the Facility in preparation for a cessation of operations may be considered a cessation of operations, and any such determination will be made by the City in its sole reasonable discretion.

F. Maximum Clawback; Unpaid Payments. Notwithstanding anything herein to the contrary, the maximum aggregate clawback and reimbursement payable hereunder will be \$7,700,000, not including interest. Any clawbacks not paid when due shall bear interest at the Prime Rate plus 2% per annum from the due date until paid. “Prime Rate” means the U.S. prime rate as reported from time to time in *The Wall Street Journal* in its Bonds, Rates and Yields table, or successor table.

8. Security. To secure the performance of its obligations under this Agreement, prior to the payment of any portion of the State Contribution or the City Contribution to Cinelease, Cinelease

shall provide the City an acceptable form of security in favor of the City in the form of an annually renewable surety bond/letter of credit. See Exhibit C. If Cinelease chooses to provide an annually renewable surety bond/letter of credit, non-renewal from the surety company/bank does not constitute a claim under the surety bond or letter of credit, as applicable. The amount of the security posted will be equal to the amount of funds provided by the State and the City or the liability of the clawbacks as provided in Section 7, herein, whichever is less.

9. Events of Default and Remedies.

A. Failure to Comply With Obligations. Failure by Cinelease to comply with any obligation under this Agreement, including without limitation, the failure to make timely payment of any clawback payment due hereunder, shall be an Event of Default. Notwithstanding the foregoing, failure to meet employment projections or failure to meet wage and benefit projections shall not be considered an Event of Default; however, the failure to make timely payment of any clawback payment due as a result thereof shall be an Event of Default.

B. Notice of Event of Default. If any Event of Default occurs, the City shall notify Cinelease in writing, and Cinelease shall have thirty (30) days in which to cure such Event of Default. If the Event of Default is not cured within such thirty-day period, the City shall have and may exercise any remedies available at law or in equity.

10. Fees. Cinelease will promptly pay or reimburse the City for all reasonable third-party expenses incurred by the City in connection with this Agreement and the Project, provided, however, that Cinelease shall not be liable for costs incurred by the City that are the responsibility of the City in the ordinary course of business. If so determined by the City, in its sole discretion, such third-party expenses may be offset against or reimbursed from the City Contribution or the State Contribution. The City's reasonable third-party expenses shall consist of expenses associated with performance reviews or audits with respect to the Project and legal fees for outside counsel in the event of any proposed amendment to this Agreement or any necessary enforcement action with respect to this Agreement.

11. Reporting Requirement, Performance Review and Termination. Quarterly, on or before each January 31, April 30, July 31 and October 31, Cinelease will provide to the City and to State EDD the company's 903A or its equivalent filed with New Mexico's Department of Workforce Solutions for the previous quarter regarding the workforce for Cinelease and such other information necessary for the City or its independent contractor to determine whether Cinelease has met its obligations under this Agreement. Annually (reporting beginning in 2026 for activities in calendar year 2025), on or before March 1 or other date agreed to by the City and Cinelease, Cinelease will provide to the City data for the previous calendar year regarding its production performance and such other information necessary for the City or its independent contractor to determine whether Cinelease has met its production obligations under this Agreement. As required by the LEDA Ordinance, the Project will be subject to an annual performance review conducted by City staff, which will evaluate whether the Project is attaining the goals and objectives set forth in Section 2 of this Agreement. This review shall be presented to the City administration and the

City Council. If the goals and objectives are not being attained due to Cinelease missing the aforementioned benchmarks, the City will work in good faith with Cinelease regarding the missed benchmarks; however, the City Council at a public hearing may terminate assistance to the Project by passage of an ordinance which terminates this Agreement and specifies the disposition of all assets and obligations of the Project, after satisfying this Agreement and all rights of the parties arising under this Agreement through the date of such termination.

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

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

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

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

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

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

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

19. Electronic Signatures. Authenticated electronic signatures are legally acceptable pursuant to Section 14-16-7 NMSA 1978. The parties agree that this Agreement may be electronically signed and that the electronic signatures appearing on the Agreement are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility.

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

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

22. Force Majeure. Neither party shall be liable to the other party for any failure to perform any provisions or obligations of this Agreement if such failure to perform is caused by or results directly or indirectly from Force Majeure. "Force Majeure" means any cause beyond the reasonable control of a party affected, including but not limited to, any acts of God, fire, flood, storm, strike, riot or civil disturbance, war, earthquake, lightning, epidemic, pandemic, labor disturbance, sabotage, or restraint by court or public authority, or any other cause beyond the reasonable control of a party affected whether similar or dissimilar to the ones listed, which makes it impossible or unreasonably difficult for a party to perform its obligations under this Agreement.

Nothing contained in this paragraph shall be construed to require either party to prevent or settle a strike against its will. The party unable to perform its obligations due to Force Majeure will provide notice to the other party within fifteen (15) days of its becoming aware of the Force Majeure of its inability to perform and its expectations as to when, if ever, it will be able to resume its obligations.

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

24. Assignment by the Company. Should Cinelease move, sell, lease or transfer its leasehold or operation duties in the Facility before the expiration of this Agreement and desire to transfer its right hereunder to such assignee, the City retains the right to deny any and all assignments, sales, leases or transfers of any interests in the Facility until adequate assurances are made that the transferee, assignee or lessee is a qualifying entity and that the terms of this Agreement shall be satisfied by the transferee, assignee or lessee or Cinelease terminates this Agreement and pays any Clawback or reimbursement amounts due hereunder as of such date. At its discretion, the City may choose to deny said assignment, lease or transfer or may negotiate a new agreement with the new operator.

25. Miscellaneous. This Agreement, together with the [Letter or Credit], represents the entire agreement of the parties on the subject hereof and supersedes all prior agreements or understandings between the parties, whether written or verbal. This Agreement may be amended or modified, and the performance by any party of its obligations under this Agreement may be waived, only in a written instrument duly executed by both parties. This Agreement may be executed in any number of counterparts, each of which is an original and all of which taken together constitute one instrument. This Agreement is governed by and is to be construed in accordance with the laws of New Mexico applicable to agreements made and to be performed in New Mexico.

26. Effective Date. This Agreement will be effective on \_\_\_\_\_, 2024 (the “Effective Date”).

[Signature Page Follows]

CITY OF ALBUQUERQUE,  
NEW MEXICO

CINELEASE, CO., a Nevada corporation

By \_\_\_\_\_  
Name: Samantha Sengel  
Title: Chief Administrative Officer  
Date: \_\_\_\_\_

By \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Address for notice:  
One Civic Plaza NW  
Albuquerque, NM 87102  
Attention: Economic Development  
Director  
Tel: (505)768-3000  
Email: mgruner@cabq.gov

Address for notice:  
Cinelease Co.  
9201 Pan American Freeway NE  
Albuquerque, NM 87113  
Attention: General Counsel  
Tel: \_\_\_\_\_  
Email: \_\_\_\_\_

With a copy to:  
City Attorney  
One Civic Plaza NW  
Albuquerque, NM 87102  
Tel: (505)768-3000  
Email: [lkeefe@cabq.gov](mailto:lkeefe@cabq.gov)

Mailing Address:  
P.O. Box 1293  
Albuquerque, NM 87103

Approved by:

\_\_\_\_\_  
Max Gruner  
Director, Economic Development Department  
Date: \_\_\_\_\_

\_\_\_\_\_  
Lauren Keefe  
City Attorney  
Date: \_\_\_\_\_



Exhibits

Exhibit A	Application for LEDA Assistance
Exhibit B	Wages and Benefits
Exhibit C	Security
Exhibit D	Clawback Example