



Bernalillo County, N.M.

Economic Development
Financing Policy

ECONOMIC DEVELOPMENT DEFINED

No single definition incorporates all of the different strands of economic development. Bernalillo County describes economic development in terms of objectives. These are most commonly defined as the creation of jobs and wealth and the improvement of quality of life. Economic development is a process that influences growth and restructuring of our economy and therefore enhances the economic well-being of our community. In the broadest sense, Bernalillo County seeks to develop economic development policies that encompass three major areas:

1. Policies that government undertakes to meet broad economic objectives including inflation control, high employment and sustainable growth.
2. Policies and programs to provide services including building roadways, managing parks, developing affordable or workforce housing and providing medical access to the disadvantaged.
3. Policies and programs explicitly directed at improving the business climate through specific efforts, business finance, marketing, neighborhood development, business retention and expansion, technology transfer, and real estate development, etc.

The result of economic development is improving the economic wellbeing of our community through efforts that result in job creation, job retention, tax-base enhancements, and improved quality of life.

Note: Changes, additions or deletions to any portion of these Economic Development Financing Policies and Procedures may be made at the discretion of the County Manager and Economic Development Director with the approval of the governing body.

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I. ECONOMIC DEVELOPMENT FINANCING POLICY & PROCEDURES

The Bernalillo County Economic Development Department recognizes the need for establishing a well-managed economic development financing policy. This Bernalillo County Economic Development Financing Policy & Procedures document (the “Policy”) is designed to set forth the parameters for issuing conduit bonds and other forms of economic development assistance, and monitoring the outstanding economic development financing portfolio. It provides guidance to decision makers regarding the parameters in which conduit bonds may be issued, the type and amounts of conduit bonds permitted, the timing methods of sales that may be used, and structural features that should be considered. Adherence to the Economic Development Financing Policy works to ensure that Bernalillo County’s credit quality is protected. It is the intent of the Economic Development Department to establish a policy to:

- A. Ensure high-quality economic development financing decisions,
- B. Impose order and consistency in the conduit bond financing process,
- C. Promote consistency and continuity in the decision-making process,
- D. Provide all disclosures required by law to promote transparency,
- E. Ensure that conduit-financing decisions are viewed positively by the Bernalillo County Commissioners (the “BCC”), the investment community, and the property taxing agencies, and
- F. Foster, promote and enhance local economic development while continuing to protect the Bernalillo County’s tax base.

II. GENERAL POLICIES

Bernalillo County (the “County”) shall not pledge any County revenues to its conduit bond financings or guarantee indebtedness of others. Furthermore, the County has no legal obligation to repay bondholders of conduit financings issued under its authority. Conduit financings are not the general obligation of the County and all payment obligations remain with the applicant. No County gross receipts tax or other revenue stream may be pledged.

- A. In its capacity as an issuer of conduit bonds, bonds issued by the County on behalf of a qualified for-profit or not-for-profit company, the County does not undertake financial risk because the bonds issued must be repaid solely by the revenues of the underlying project. The bonds are not general obligations of the County and all payment obligations remain with the company. However, any defaults suffered may indirectly impact the County’s reputation in the bond market.
- B. In order to encourage economic development within Bernalillo County, the County may issue conduit revenue bonds on behalf of eligible entities. Tax-exempt conduit bonds may qualify the applicant to benefit from lower interest rates on the project debt by providing:

1. An exemption of interest on the bonds from federal income tax,
2. An exemption of interest on bonds from New Mexico income tax, and
3. An exemption from state and local property or gross receipts tax for conduit bond-financed facilities.

C. The Economic Development Department will evaluate the impact of proposed conduit financing on the County. Conduit financing shall be collateralized by assets of the benefited company. Acceptable forms of collateral include:

1. The pledge of real property and/or improvements,
2. A letter of credit from a financial institution,
3. A Surety Bond, and
4. Other tangible assets acceptable to the County made in accordance with a written plan.

D. The following forms of collateral shall not be accepted by Bernalillo County:

1. Intellectual property,
2. Future earnings from royalties, or
3. Any other non-tangible assets.

III. GENERAL OBJECTIVES

A. The County identifies three goals for economic development:

1. Job growth in excess of population growth,
2. Increasing the share of the tax base coming from non-residential growth, and
3. Increasing career opportunities by attracting high-skilled jobs in expanding industries.

IV. ECONOMIC DEVELOPMENT OBJECTIVES

A. The Economic Development Department is committed to improving the quality of life for all residents. The County commits to:

1. Encouraging existing industry to expand,
2. Assisting new business start-ups,

3. Fostering retention of companies within Bernalillo County,
4. Recruiting new companies from out-of-state and internationally,
5. Attracting high technology and research-based businesses,
6. Offering workforce training and entrepreneurial development to Bernalillo County residents, and
7. Encouraging infrastructure development, including the development of affordable and workforce housing.

V. COUNTY INDEMNIFICATION

A. This Policy expressly permits the County to issue conduit bonds in accordance with Bernalillo County Economic Development Financing. In order for the County to fulfill its statutory role, all conduit bond documents must provide indemnification of the County.

B. Compliance with the indemnification requirements of the County is essential to securing the BCC's approval of the proposed conduit bond financing. The County will not participate in a bond financing if its indemnification requirements are not met.

C. The existence of credit enhancement does not obviate the obligation to indemnify the County. Credit enhancement does not release the underwriter, placement agent, remarketing agent or comparable entity of the obligation from abiding by covenants in the conduit bond documents.

D. A clear statement of the indemnification of the County must appear in all relevant conduit bond documents, including any bond purchase agreement. In addition, all official statements, offering memoranda, or other disclosure documents must clearly state the section or sections that the County has reviewed. The County will assume responsibility only for information relating to the County under those specific headings.

VI. ECONOMIC DEVELOPMENT INCENTIVES AND ELIGIBILITY CRITERIA

A. The Economic Development Department is committed to the promotion of quality development in Bernalillo County and to improving the quality of life for its citizens. To help meet these goals, the County will consider providing incentives to stimulate economic development within the County. One or more incentives may be used. These incentives include but are not limited to the following:

1. Conduit Bonds/Loans/Grants: The County may provide capital to existing and new businesses for projects related to new growth and expansion, assisting with business relocation expenses, and other types of assistance which further the community's economic development goals.

2. Infrastructure: The County may provide infrastructure improvements to assist in making property useable and available for businesses or other designated economic development activities (i.e., infrastructure for industrial property, etc.).
3. Tax Increment Financing: The County may utilize tax increment financing for the purpose of encouraging redevelopment projects.
4. Property Tax Exemption: The County may utilize property tax exemptions to spur investments.
5. Gross Receipts Tax Exemption: Through the industrial revenue bond process, the County may purchase equipment and other personal property (furniture, fixtures and other disposable assets) as agent for the company in order to provide a gross receipts tax exemption.
6. Federal and State Tax Exemptions.

B. The proposed development, redevelopment and/or expansion must create or retain jobs within the County, and provide taxable property improvements within the County.

C. The project must meet the overall development goals, building codes, and other applicable ordinances of the County.

D. In evaluating the level of economic incentives to provide to an applicant, the County will consider whether the project will:

1. Increase or preserve tax base,
2. Provide employment opportunities in the County,
3. Provide, construct, or help acquire public facilities,
4. Develop or renew blighted areas,
5. Provide access to affordable housing or services for County residents, and
6. Finance or provide public infrastructure.

VII. PROPERTY TAX EXEMPTION LIMITATIONS AND TERMS OF PROPERTY TAX EXEMPTION

A. By policy, the total annual commitment for Bernalillo County property tax exemption is not to exceed one percent (1%) of the existing County property tax mill levy. In the event of a mega scope project opportunity, the Policy allows for an exception to the Policy at the discretion of the County Manager and Economic Development Director with the approval of the governing body.

B. The County will impose a payment in lieu of taxes (“PILOT”) in connection with all Industrial Revenue Bonds (“IRBs”) in an amount equal to that portion of the abated

taxes that otherwise would be due and payable to the Albuquerque Public Schools, the University of New Mexico and Central New Mexico Community College. If the project is located within a tax increment financing district, a PILOT may also be negotiated on behalf of the district.

C. The term of a Project Revenue Bond (“PRB”) may not exceed 50 years. The term of a Multifamily Housing Revenue Bond may not exceed 30 years. The term of a lease agreement in connection with such transaction shall be coterminous with the maturity of the bonds; provided, however, that the Economic Development Director may consider exceptions, to be approved by the BCC, in the event of extraordinary circumstances (i.e., HUD requirements for longer lease terms), and reserves the right to assess PILOT.

VIII. ECONOMIC DEVELOPMENT FINANCING OPTIONS

A. Industrial Revenue Bonds are issued to finance the acquisition, construction, enlargement or improvement of industrial development facilities pursuant to the County Industrial Revenue Bond Act.

B. Project Revenue Bonds are issued to provide financial assistance to economic development projects in Bernalillo County pursuant to the County Revenue Bond Act. The County will issue project revenue bonds only on behalf of companies and non-profit 501(c)(3) organizations that show a significant benefit to the County.

C. The Local Economic Development Act program (“LEDA”) is used to provide financing for land, buildings or infrastructure to qualified entities pursuant to the Local Economic Development Act.

D. The Gross Receipts Tax Investment Policy program (“GRIP”) is used to provide financing for the development of public infrastructure associated with the development of large-scale retail and targeted commercial businesses pursuant to the County’s Home Rule Powers and County Ordinance No. ____.

E. Multifamily Housing Revenue Bonds are issued to provide tax-exempt and/or taxable financing for the construction or rehabilitation of multi-family housing projects for low-income individuals pursuant to the County Revenue Bond Act.

IX. CONDUIT FINANCING APPLICATION REVIEW PROCESS

Applicants for conduit financing are required to compile and provide certain information about the project to the County Manager and the Economic Development Director—as well as the Board of County Commissioners and other County officials as requested—in accordance with this Policy, applicable state law, the Bernalillo County Code and other applicable local rules and regulations.

A. APPLICATION REQUIREMENTS: To initiate the County’s conduit financing application process, applicants must submit to the Bernalillo County Manager/Economic Development Director a completed original of the County of Bernalillo Economic

Development Financing Application form. An example of the County's form application is attached to this Policy as Exhibit A.

1. Each application shall be accompanied by:
 - (a) A one-page summary/description of the project, a sample of which is provided in Exhibit D, including any requests for an exception to this Policy along with a justification for the exception. Any requests for exemption to this Policy must be approved by both the Director of the Economic Development Department and the County Manager,
 - (b) An economic impact summary, a sample of which is provided as Exhibit E,
 - (c) An economic disclosure statement disclosing any direct or perceived conflicts of interest, and
 - (d) A description of the proposed project scope to include benefits of the project, e.g. estimated real and business personal property capital investment; job projections, wages, and payroll; targeted industry information; expected environmental impact, if any; the project location; and public facility or infrastructure requirements.
2. The financing issuance process commences when an applicant files a completed application with the Bernalillo County Economic Development Department. Each completed application will be reviewed and evaluated within twenty (20) days of receipt.
3. Priority in approving applications will be given to qualified projects that:
 - (a) Demonstrate readiness to proceed,
 - (b) Derive most of their revenues from outside the State of New Mexico,
 - (c) Provide new capital investment,
 - (d) Provide strong community benefit and support by improving the quality of life for the areas in close and direct proximity to the project, and
 - (e) Result in job retention and combat economic decline within their respective communities.

B. APPLICATION DISCUSSION: The applicant is required to meet with the Economic Development Department Director. The purpose of this meeting is to discuss the project and determine if the proposal is a likely candidate for the Bernalillo County economic development financing process. If the project meets Bernalillo County criteria for issuance of conduit bonds, LEDA or GRIP assistance (described below), the Economic

Development Director will establish a schedule for consideration of an Inducement Resolution and Bond Ordinance by the County Commission. The application must be in complete and final form and delivered to the Economic Development Department Director by the third Monday prior to the BCC meeting at which the Inducement Resolution will be considered.

C. ECONOMIC DEVELOPMENT DEPARTMENT APPLICATION EVALUATION: Each proposed conduit transaction will be evaluated on its merits. The County Economic Development Department, in cooperation with its independent contractors and/or financial analysts, will be responsible for ensuring the application meets all federal and state laws and the requirements of this Economic Development Financing Policy.

The Economic Development Department will review the application and supporting information for completeness and will analyze the financial viability of the project. The County Economic Development Department also may undertake debt management, credit, and financial position analyses.

D. NOTICE TO DISTRICT REPRESENTATIVE AND SPONSORSHIP: At or before the time of submittal of a project plan required by Section XI below, the applicant must provide notice and a summary/description of the proposed project, including the project application and a copy of the completed project plan, if available, to the County Commissioner representing the County Commission district in which the project is to be located.

1. No item relating to a Bernalillo County economic development project will be placed on an agenda for consideration by the Board of County Commissioners unless such project has received the sponsorship of at least one member of the Board of County Commissioners.

E. CERTIFICATION OF ZONING:

1. Prior to consideration of any Bond Ordinance, the applicant must receive a Certification of Zoning from the Department of Planning and Development Services or other appropriate zoning authority.
2. County zoning must be in place prior to the consideration of the Bond Ordinance.

F. SUBMITTAL SCHEDULE:

1. Once the applicant has submitted a formal economic development financing application, the applicant and/or the applicant's agent must submit the following to the Bernalillo County Manager/Economic Development Director:
 - (a) Two copies of a project plan (1 copy for the Economic Development Department and 1 copy for the County Assessor),
 - (b) All applicable fees.

G. BOARD OF COMMISSIONERS HEARINGS/PUBLIC COMMENT PERIOD:

The economic development financing process requires two BCC hearings. At the first hearing, the BCC will consider an Inducement Resolution or Notice of Intent (for LEDA and GRIP applications). The Inducement Resolution is the County's statement of intent to consider the issuance of conduit bonds. All Inducement Resolutions must contain a 6 month sunset provision. The identity of the applicant can remain confidential for the first hearing, if desired.

1. At the BCC hearing regarding the Inducement Resolution, the Economic Development Director will:

- (a) briefly summarize the project,
- (b) provide analysis to the BCC for consideration, and
- (c) recommend that the BCC approve, conditionally approve, or reject the proposed project.

2. Any person wishing to comment on the project plan and/or the recommendation may do so by submitting written comments to the Bernalillo County Commission with a copy to the County Manager/Economic Development Director. Written comments may be either in support or opposition to the project. Comments must be submitted at least 8 days before the meeting in which the BCC is scheduled to consider the adoption of the ordinance.

3. At the second hearing, the BCC will consider a conduit Bond or Project Ordinance, and the company identity and project scope must be disclosed.

4. The applicant and/or a representative of the developer are required to attend the hearings to respond to questions from the BCC.

X. CONDUIT BOND PROJECT PLAN

Upon a determination that the proposed project is appropriate for a conduit bond, applicants must submit a project plan. The written responses to the following inquiries will constitute the project plan:

A. **GENERAL DESCRIPTION AND LOCATION:** Provide a description of the project, including general location, proposed development, use, and total par amount of bond requested. Include a statement of the benefit to be gained by the Bernalillo County community from this development.

B. **NUMBER AND TYPE OF JOBS CREATED; WAGES; AND LOCAL HIRING CONSIDERATIONS:** Identify the number and type (i.e., professional, clerical, assembly line, etc.) of permanent jobs to be created by the project, the expected wage range for each type of job, and the extent to which such jobs are to be filled with local applicants. Do not include existing jobs being relocated to the new site.

1. All conduit financing projects must result in the creation of new full-time jobs. For purposes of this Policy, a full-time job is a job at which an employee works a minimum of 32 hours per week and is not seasonal. To attract the best candidates and reduce attrition, companies are encouraged to set wages at levels eligible for the State of New Mexico High Wage Job Tax Credit. Applicants also are required to set forth in the application whether the jobs being created are at or above the median income for Bernalillo County.

2. The applicant must expect that no less than 50% of new, permanent jobs for the operation of the proposed project will be filled by employees from the Bernalillo County area. The County will include in the Lease Agreement, or other appropriate document, local hiring requirements particular to the proposed project.

3. It is the policy of the County to encourage growth in permanent “economic base employment,” defined herein as employment in an industry that generates a majority of its revenue from the export of goods or services outside the Bernalillo County area. In contrast, “non-base employment,” as defined herein, means employment in an industry that supports base industries. Manufacturing and processing jobs are generally considered economic base employment. Retail is generally considered non-base employment, and is defined to include industry sectors such as tourism, film, entertainment and recreation. Applicants must identify the number and type of jobs generated by the proposed project that will constitute economic base employment and the number and type of jobs generated by the proposed project that will constitute non-base employment. If the project will be retail-based, applicants must identify the type and function of retail, as well as the benefit to Bernalillo County. Retail projects will be considered qualified projects only if they are located in underserved areas of the County, such as a metropolitan redevelopment area or a food desert, as defined by the United States Department of Agriculture.

C. LOCAL PURCHASING EXPECTATIONS: Identify an estimated annual expenditure on labor, services, materials and supplies, which will be locally procured. The construction and operation of all conduit financing projects must result in a reasonably significant proportion of purchases of goods and services related to the project from the Bernalillo County area.

D. INFORMATION CONCERNING PRODUCTS AND PROCESSES: Identify the products and/or process involved with this project. Specifically address whether the proposed development will generate air, noise or waste pollution or traffic congestion.

E. RELOCATION OF INDIVIDUALS OR BUSINESSES: Detail the assistance the applicant will give in the relocation, if any, of individuals, families or businesses that will be displaced by the activities outlined in the project plan. Relocation is highly undesirable.

F. EXISTING CONDITIONS:

1. Present Use and Conditions: Describe the present use and development of the site, including any improvements, vacant land, etc.
2. Current and Proposed Zoning: Identify the current zoning of the property. If any change in zoning is required for the proposed use, specify the proposed new zoning. The zoning changes required must be requested before the project plan reaches the BCC, and obtained before a Bond Ordinance can be adopted.
3. Present Assessed Value: State the present assessed value according to the Bernalillo County Assessor's office. A current appraised value may be listed if it will clarify the post-development value.
4. Legal Description: Provide both the precise and complete legal description and address or identification of location.

G. ESTIMATED VALUE AFTER COMPLETION: State the estimated appraisal value of the project site after completion of the project.

H. MAXIMUM PAR AMOUNT OF CONDUIT BONDS TO BE ISSUED: State the maximum par amount of conduit bonds to be issued. A proposed conduit bond must have a minimum par amount of \$3 million.

I. CONSTRUCTION SCHEDULE: Provide expected anticipated start date and anticipated completion date of construction of the building, the expected period for equipment installation, and the probable date of commencement of operations. Projects must be shovel-ready as of the date of closing of the transaction, and construction must proceed diligently toward completion.

J. FEASIBILITY OF THE PROPOSED PROJECT: Document the feasibility of the proposed project including information establishing the ability of the project to generate revenues to render the project self-liquidating.

K. COMPETITION: Identify the effect of the project on businesses competing in the type of commerce or industry and already existing within the County and its environs. The Bernalillo County Commission typically does not provide conduit bond financing to projects that will compete with local businesses with conventional financing; therefore, unless justified, the project may not compete against or negatively impact the performance of an existing area business. Additionally, the project must produce "net new" revenue without cannibalizing its own revenue or revenue of competing businesses.

L. EFFECT ON EXISTING INDUSTRY AND COMMERCE DURING AND AFTER CONSTRUCTION: Describe the predicted benefits of the project on the County, including generation of construction jobs, increased employment, increased sales, new industrial base, and possible spin-off businesses.

M. PRIVATE INVESTMENT: Describe the amount and form of private investment in the project.

N. VALUE OF PROPOSED IMPROVEMENTS: State the total dollar value of the proposed improvements included in the project.

O. MANAGEMENT: Describe the plans for project management and identify the project manager. If the project will be managed by someone other than the developer, state whether the applicant has a long term investment in the project.

P. RESUMES: Provide resumes showing the experience of the development entity or principals, and the experience of the architect, contractor, and leasing agent, if relevant.

Q. CONCEPTUAL SITE PLANS: Attach a conceptual site plan and building elevations. Describe the construction to be undertaken in the project, including gross and net square footage, construction type, and location of construction on the project site. Indicate whether existing buildings on the site will be rehabilitated or incorporated in the construction. Detail any demolition that will be required by the project, and indicate whether demolition involves any identified historic properties. Note any public infrastructure that may be required.

R. MAP OF PROJECT AREA: Attach a vicinity map from the County Zone Atlas locating the project to the plan.

S. CORPORATE CITIZENSHIP: Describe how the applicant and the project will reinvest in the community. The County is interested in applicants that are valuable corporate citizens with an interest in people and community.

T. PLAN AMENDMENTS: Once submitted, minor revisions in the project plan can be made by letter specifically stating the changes.

XI. CONDUIT BOND PERFORMANCE AGREEMENT AND COMPLIANCE; ANNUAL REPORTING

A. Applicants for projects seeking GRT or property tax abatements must enter into a performance agreement with the County. The performance agreement will include requirements and representations regarding the jobs, wages, and other economic development impacts of the project being financed. The County will include the performance agreement requirements, also known as facility closure and performance “claw backs”, in the Lease Agreement or other appropriate document.

B. Performance will be measured annually by the Economic Development Department or a third party independent contractor. If the reviewer determines there is a substantial shortfall in actual versus projected performance, then the County will exercise a claw back of the taxes abated.

1. Facility Closure Claw Backs: During the term of a Conduit Bond Financing following the effective date of the Lease Agreement and continuing thereafter until

its termination date, the Leased Property shall not be used for any purpose other than a qualified Project as defined by the County Industrial Revenue Bond Act, and the operation and occupancy of the Leased Property in conformance with the Project shall not cease for more than thirty (30) consecutive days, except in connection with and to the extent of an event of Force Majeure. Failure to meet this requirement will trigger the start of the 120-days-to-cure period. Also, during the term of the Lease Agreement following the Lease Agreement's effective date and continuing thereafter until the termination date, the applicant (or other such beneficiary of the Lease Agreement) shall continuously lease and occupy the Leased Property. In the event the Leased Property ceases to operate as a qualified Project under the County Industrial Revenue Bond Act, the County will require a pro-rata repayment of the abated property, GRT, and compensating taxes, less amounts paid pursuant to any PILOT in accordance with the performance agreement set forth in the Lease Agreement or other appropriate document. The payment shall be made within 150 days of the cessation of Project operation and occupancy.

2. Performance Claw Backs: In the event that the applicant fails to meet employment, sales volume, or other economic criteria established in the performance agreement, the County will require a pro-rata repayment of the abated property, GRT and compensating taxes, less any amounts paid pursuant to any PILOT. For example:

(a) If the applicant committed to produce 100 jobs, but only achieved 80, then the applicant may be required to pay to the County claw backs. These claw backs would correspond to the percentage of the employment target that the applicant actually employed (as shown in the sample chart below) or an amount equal to:

(1) the applicable percentage of the ad valorem taxes on real and personal project property that the applicant would have been required to pay if the bonds had not been issued by the County and the project property had been subject to ad valorem taxation, calculated using mill levies and actual property tax valuations and rates for each tax year, plus

(2) the applicable percentage of the amount of gross receipts tax that would have been payable by vendors of project property if the bonds had not been issued and receipts from sales of project property had not been deductible from gross receipts of the vendors, plus

(3) the applicable percentage of the amount of compensating tax that would have been payable by the applicant with respect to project property if the bonds had not been issued.

<u>Percentage of Employment Target</u>	<u>Applicable Percentage</u>
90% or more	0%
80% or more but less than 90%	10%
70% or more but less than 80%	20%
Less than 70%	100%

(b) If the applicant committed to pay certain wage rates with respect to the various categories of jobs to be attributed to the project, but did not achieve those wage rates, then the applicant may be required to pay to the County claw backs. The claw backs would correspond to the percentage of the wage target that the applicant actually employed (as shown in the sample chart below) or an amount equal to:

(1) the applicable percentage of the ad valorem taxes on real and personal project property that the applicant would have been required to pay if the bonds had not been issued by the County and the project property had been subject to ad valorem taxation, calculated using mill levies and actual property tax valuations and rates for each tax year, plus

(2) the applicable percentage of the amount of gross receipts tax that would have been payable by vendors of project property if the bonds had not been issued and receipts from sales of project property had not been deductible from gross receipts of the vendors, plus

(3) the applicable percentage of the amount of compensating tax that would have been payable by the applicant with respect to project property if the bonds had not been issued.

<u>Percent of Projected Average Starting Wage Achieved</u>	<u>Maximum Percentage of Abated Tax to be Paid</u>
90% or more	0
80% or more but less than 90%	10%
70% or more but less than 80%	20%
less than 70%	100%

The County acknowledges that the purpose of this condition is not to penalize the Company for business conditions or events that are outside the control of the company.

C. Reporting Requirements: In furtherance of the County’s efforts to enforce the provisions described above, applicants are required to submit to the Economic Development Department reports on an annual basis for as long as bonds remain outstanding describing:

1. Number of newly-created jobs,
2. Starting and projected wages for such newly-created jobs,

3. Gross payroll,
4. To the extent available and not subject to legal limitations on disclosure, demographic information for new hires,
5. To the extent non-proprietary, total dollar value of purchases of goods and services both inside and outside of the State of New Mexico,
6. Performance of and actions taken by the applicant in the preceding year with regard to the performance claw back provisions, as applicable,
7. To the extent that the economic projections for the project provided in the application submitted to the County vary significantly from actual economic performance, the applicant's explanation of the variance. Where actual economic performance falls short of projections, the County may consult with the applicant and provide reasonable technical support and assistance with the goal of improving project performance, and
8. Benefits to the County or its residents arising out of the project, including examples of the County's corporate citizenship.
9. Any other reporting requirements imposed by GASB or other state or federal agencies.

D. The Economic Development Department will conduct annual site interviews with candidates that have filled newly-created jobs.

E. The Economic Development Department will prepare an annual report for the Deputy County Managers and BCC setting forth the overall economic impact of the aggregate financings approved and undertaken pursuant to this Policy, including all tax abatements as defined by GASB 77 (as defined in Section XVI herein).

XII. POST-ISSUANCE COMPLIANCE REQUIREMENTS

A. External Advisors/Documentation:

1. The County and the Borrower shall consult with Bond Counsel and other legal counsel and advisors, as needed, throughout the Tax-Exempt Bond issuance process to identify requirements and to establish procedures necessary or appropriate so that the Tax-Exempt Bonds will continue to qualify for tax-exempt status. Those requirements and procedures shall be documented in the Tax Certificate and/or other documents finalized at or before issuance of the Tax-Exempt Bonds. Those requirements and procedures shall include future compliance with applicable arbitrage rebate requirements by both the Borrower and the Trustee and all other applicable post-issuance requirements of federal tax law throughout the term of the Tax-Exempt Bonds, as well as beyond such term, in appropriate cases.

2. The Borrower also shall consult with Bond Counsel and other legal counsel and advisors, as needed, following issuance of the Tax-Exempt Bonds to ensure that all applicable post-issuance requirements in fact are met. This shall include, without limitation, consultation in connection with the use of proceeds, as well as future contracts with respect to the use of assets financed or refinanced with the proceeds of the Tax-Exempt Bonds.

3. The County shall require the Borrower to engage expert advisors (each, a “Rebate Analyst”) to assist in the calculation of arbitrage rebate payable in respect of the investment of proceeds of the Tax-Exempt Bonds, unless the Tax Certificate provides that arbitrage rebate will not be applicable to an issue of Tax-Exempt Bonds.

4. Unless otherwise provided by the indenture or other authorizing documents relating to the Tax-Exempt Bonds, unexpended proceeds of the Tax-Exempt Bonds shall be held by the Trustee, and the investment of proceeds of the Tax-Exempt Bonds shall be managed by the Borrower. The Borrower shall prepare (or cause the Trustee to prepare) regular, periodic statements regarding the investments and transactions involving proceeds of the Tax-Exempt Bonds and such statements shall be delivered to the County if it so requests.

B. Arbitrage Rebate and Yield:

1. Unless the Tax Certificate provides that arbitrage rebate will not be applicable to an issue of Tax-Exempt Bonds, it is the County’s policy that the Borrower shall be responsible for:

(a) Engaging the services of a Rebate Analyst and, prior to each rebate calculation date, causing the Trustee or other account holder to deliver periodic statements concerning the investment of proceeds of the Tax-Exempt Bonds to the Rebate Analyst,

(b) Providing to the Rebate Analyst additional documents and information reasonably requested by the Rebate Analyst,

(c) Monitoring efforts of the Rebate Analyst,

(d) Assuring payment of required rebate amounts, if any, no later than 60 days after each 5-year anniversary of the issue date of the Tax-Exempt Bonds, and no later than 60 days after the last bond of the issue of Tax-Exempt Bonds is redeemed,

(e) During the construction period of each capital project financed in whole or in part by the Tax-Exempt Bonds, monitoring the investment and expenditure of proceeds of the Tax-Exempt Bonds and consulting with the Rebate Analyst to determine compliance with any applicable exceptions from the arbitrage rebate requirements during each 6-month spending

period up to 6 months, 18 months or 24 months, as applicable, following the issue date of the Tax-Exempt Bonds, and

(f) Retaining copies of all arbitrage reports and account statements as described below under “Record Keeping Requirements” and, upon request, providing such copies to the County.

2. The Borrower, in the Tax Certificate relating to the Tax-Exempt Bonds and/or other documents finalized at or before the issuance of the Tax-Exempt Bonds, shall agree to undertake the tasks listed above (unless the Tax Certificate provides that arbitrage rebate will not be applicable to an issue of Tax-Exempt Bonds).

C. Use of Bond Proceeds and Bond-Financed or Refinanced Assets:

1. It is the County’s policy that the Borrower shall be responsible for:

(a) Monitoring the use of proceeds of the Tax-Exempt Bonds and the use of assets (e.g., facilities, furnishings or equipment) financed or refinanced with proceeds of the Tax-Exempt Bonds throughout the term of the Tax-Exempt Bonds to ensure compliance with covenants and restrictions set forth in the Tax Certificate relating to the Tax-Exempt Bonds,

(b) Maintaining records identifying the assets or portion of assets that are financed or refinanced with proceeds of the Tax-Exempt Bonds, including a final allocation of proceeds of the Tax-Exempt Bonds as described below under “Record Keeping Requirements,”

(c) Consulting with Bond Counsel and other legal counsel and advisers in the review of any contracts or arrangements involving use of assets financed or refinanced with proceeds of the Tax-Exempt Bonds to ensure compliance with all covenants and restrictions set forth in the Tax Certificate relating to the Tax-Exempt Bonds,

(d) Maintaining records for any contracts or arrangements involving the use of assets financed or refinanced with proceeds of the Tax-Exempt Bonds as described below under “Record Keeping Requirements,”

(e) Providing any relevant records described below under “Record Keeping Requirements” required by the Internal Revenue Service, Securities and Exchange Commission or other federal agency to verify compliance with federal law, rules or regulations,

(f) Conferring at least annually with personnel responsible for assets financed or refinanced with proceeds of the Tax-Exempt Bonds to identify and discuss any existing or planned use of assets financed or refinanced with proceeds of the Tax-Exempt Bonds, to ensure that those uses are consistent

with all covenants and restrictions set forth in the Tax Certificate relating to the Tax-Exempt Bonds, and

(g) To the extent that the Borrower discovers that any applicable tax restrictions regarding use of proceeds of the Tax-Exempt Bonds or assets financed or refinanced with proceeds of the Tax-Exempt Bonds will or may be violated, consulting promptly with bond counsel and other legal counsel and advisers to determine a course of action to remediate all nonqualified bonds, if such counsel advises that a remedial action is necessary.

2. The Borrower, in the Tax Certificate relating to the Tax-Exempt Bonds and/or other documents finalized at or before the issuance of the Tax-Exempt Bonds, shall agree to undertake the tasks listed above.

D. Records Retention: All relevant records and contracts shall be maintained in accordance with the record keeping requirements described below:

1. It is the County's policy that the Borrower shall be responsible for maintaining the following documents for the term of each issue of Tax-Exempt Bonds (including refunding Tax-Exempt Bonds, if any) plus at least 6 years:

(a) A copy of the closing transcript(s) relating to the Tax-Exempt Bonds and other relevant documentation delivered to the Borrower at or in connection with closing of the issue of the Tax-Exempt Bonds, including any elections made by the County or the Borrower in connection therewith,

(b) A copy of all material documents relating to capital expenditures financed or refinanced by proceeds of the Tax-Exempt Bonds, including (without limitation) construction contracts, purchase orders, invoices, trustee requisitions and payment records, draw requests for proceeds of the Tax-Exempt Bonds and evidence as to the amount and date for each draw down of proceeds of the Tax-Exempt Bonds, as well as documents relating to costs paid or reimbursed with proceeds of the Tax-Exempt Bonds and records identifying the assets or portion of assets that are financed or refinanced with proceeds of the Tax-Exempt Bonds, including a final allocation of proceeds of the Tax-Exempt Bonds,

(c) A copy of all contracts and arrangements involving the use of assets financed or refinanced with proceeds of the Tax-Exempt Bonds, and

(d) A copy of all records of investments, investment agreements, arbitrage reports and underlying documents, including trustee statements in connection with any investment agreements and copies of all bidding documents, if any.

2. For Tax-Exempt Bond financings of qualified residential projects subject to the requirements of Section 142(d) of the Internal Revenue Code of 1986, as amended (the "Code"), it is the County's policy that the Borrower shall be

responsible for maintaining the following additional documents until the end of the “qualified project period” within the meaning of Section 142(d)(2)(A) of the Code, plus at least three years:

- (a) A copy of all records evidencing compliance with the requirements of Section 142(d) of the Code including income verifications, leases and rental records.

E. The Borrower in the Tax Certificate relating to the Tax-Exempt Bonds and/or other documents finalized at or before the issuance of the Tax-Exempt Bonds shall agree to the foregoing records retention requirements and procedures.

XIII. LEDA AND GRIP PROCEDURES

A. Priority in awarding financial assistance for LEDA or GRIP applications will be given to a qualified entity that is located or is willing to locate in the underserved area of Bernalillo County and increases economic development impact in the following manner:

1. Creates wealth and capital investment,
2. Increases wages and creates jobs,
3. Positively influences and supports the community,
4. Produces environmentally sustainable outcomes,
5. Increases health and/or safety of the community, and
6. Increases the diversity of the local economy.

B. Bernalillo County and a qualifying entity under the LEDA Act (a “LEDA Qualifying Entity”) shall enter into a project participation agreement. The project participation agreement shall set out, at a minimum:

1. The contributions to be made by Bernalillo County including,
 - (a) LEDA grants provided by the State of New Mexico; and
 - (b) LEDA grants provided by Bernalillo County; and/or
 - (c) LEDA funds contributed by Bernalillo County from an increment of gross receipts taxes received by the Bernalillo County as a result of construction and other activities related to an economic development project.
 - (d) The substantive contribution to be made by the LEDA Qualifying Entity which contribution must be of value and may be paid in money, in-kind services, jobs, expanded tax base, property or other things or services of value for the expansion of the economy.

(1) If a LEDA Qualifying Entity fails to make its substantive contribution, Bernalillo County will enforce the project participation agreement to recover that portion of the contribution that the LEDA Qualifying Entity failed to make.

(2) The recovery shall be proportional to the failed performance of the substantive contribution and will take into account all previous substantive contributions for the economic development project performed by the LEDA Qualifying Entity.

2. The security provided to Bernalillo County that provides public support for an economic development project by the LEDA Qualifying Entity in the form of a lien, mortgage or other indenture and the pledge of the qualifying business's financial or material participation and cooperation to guarantee the LEDA qualifying entity's performance pursuant to the project participation agreement,

3. A schedule for project development and completion, including measurable goals and time limits for those goals, and

4. Provisions for performance review and actions to be taken upon a determination that project performance are unsatisfactory.

C. Bernalillo County also may contribute GRIP funds to a qualified business defined in the GRIP Ordinance (a "GRIP Qualifying Entity") from an increment of gross receipts taxes received by Bernalillo County as a result of the development and construction of certain public infrastructure necessary to secure the location of new, large-scale retail and targeted commercial businesses within the County or to encourage the expansion of an existing business, including retail and commercial activity. Small scale retail or targeted commercial developments may be approved as GRIP projects if the Commission determines that the project qualifies under one or more criteria established in the GRIP Ordinance and is in the public interest.

1. The amount of gross receipts tax payable to the GRIP Qualifying Entity can be up to one-half of the County's share of total gross receipts taxes directly attributable to sales from the new business, less any amount dedicated to other special purposes, received by the County each year for a specified number of years.

2. Payments shall not exceed the actual cost expended for the development of the public infrastructure.

3. The collection and pledge of allocated gross receipts tax revenues from the new business constitutes a special fund and is the sole and only source of pledged revenue available for the repayment of the GRIP project.

4. To designate a GRIP project, a public hearing must be held where a GRIP Qualifying Entity presents a reasonable estimate of projected gross receipts tax revenue due the County from the planned development. The estimated tax revenues must be supported by an independent economic analysis.

5. The County and the GRIP Qualifying Entity must enter into a development agreement for the GRIP project. Each development agreement entered into pursuant to the GRIP Ordinance must contain certain specified provisions set forth in the GRIP Ordinance.

D. All LEDA and GRIP grants must be approved by the Bernalillo County Commission and are funded strictly on a reimbursable basis.

XIV. FEES AND DEPOSIT

A. The fee schedule proposed by the Economic Development Department compensates the County for time incurred in the underwriting, approval, issuance and monitoring stages of the financing. Additionally, if the requested bonds require Private Activity Bond (“PAB”) Volume Cap, the responsibility for obtaining such cap will rest with the applicant or its agent, and the fees charged by the State Board of Finance will be paid by the applicant. Each applicant shall pay the following fees to the County, as applicable:

1. An application fee equal to one-tenth of one percent (0.10%) of the face amount of the bonds, as well as any costs related to third party project analysis. The application fee shall not be less than \$5,000.

2. A non-refundable legal fee deposit equal to \$5,000 due at the time of application.

3. An annual maintenance fee equal to one-tenth of one percent (0.10%) on the principal amount of bonds outstanding.

4. A LEDA Administrative fee of \$5,000 and LEDA Legal Fees, due upon application.

5. A GRIP Administrative fee of \$5,000 and GRIP Legal Fees, due upon application

6. Other fees including third party review fees, if any, all financial advisory fees and legal fees, including the applicant’s legal counsel fees, bond counsel fees, special tax counsel fees (if required), and other County Bond Counsel fees, are the responsibility of the applicant and payable at closing. Other financing expenses, such as title policies, also are the responsibility of the applicant. In the event that a transaction approved by the County does not close, the applicant shall be liable for and shall pay any and all costs associated with the County’s retention of outside professionals, including but not limited to legal fees of counsel to the County, in connection with the project.

7. Private Activity Bond (PAB) Volume Cap Fees, as applicable:

(a) PAB Volume Cap Application Fees currently equal to \$750 for transactions of \$15 million or more, \$1,500 for transactions greater than \$15

million and less than \$30 million, and \$3,000 for transactions of \$30 million or more.

(b) PAB Volume Cap Allocation Fees of \$250 per million requested (refundable upon issuance), and

(c) PAB Volume Cap Extension Fees of \$750, as applicable.

XV. MISCELLANEOUS

A. All forms are available at the Bernalillo County Economic Development Department located in the Bernalillo County Annex Building, 2nd Floor. The building is located downtown at 415 Tijeras NW, on the corner of 5th and Tijeras. To schedule a meeting or request specific information, call 505-768-7185.

B. Applications will be evaluated using a rolling application process that will be standardized and transparent. The applicant will be required to provide adequate information at each review stage to enable the County Economic Development Department and the BCC to make responsible decisions about the merits of the County's investment.

XVI. GASB 77 REPORTING

The County will comply with Governmental Accounting Standards Board ("GASB") Statement No. 77, which provides uniform accounting principles for the reporting by governmental entities of tax abatements.

County of Bernalillo

Economic Development Conduit Financing Application



Name of Project: _____

Location of Project (Address and UPC Number(s)): _____

Short Description: Please provide a one-page description/summary of the proposed project. Include all relevant information related to the project including but not limited to: zoning, square footage of facility, neighborhood and environmental impacts, infrastructure needs, type of industry, and job creation (both construction and permanent).

Applicant: _____

Address: _____

Telephone: _____

Email: _____

Agent: _____

Address: _____

Telephone: _____

NAICS Code: _____

Bond Counsel for Bernalillo County | Sherman & Howard L.L.C.

500 Marquette Avenue, Suite 1203

Albuquerque, NM 87102 | (505) 814-6958

Address: _____

Telephone: _____

Bond Amount Requested: _____ Fee Submitted: _____

FEES

The applicant shall be responsible for the following fees:

1. A fee of one-tenth of one percent (0.10%) of the face amount of the bonds that is due at time of application. The fee shall not be less than \$5,000.00;
2. Third party review fees; and
3. County Bond Counsel Fees.

SEND COMPLETE APPLICATION & ALL FEES TO

Mayling Armijo | Director Economic Development Department
One Civic Plaza 10th Floor | Albuquerque, NM 87102 | (505) 468-7185

Project Summary:

1. Name of Company requesting bonds
2. History of Company
3. Location of Company headquarters
4. Description of product that company manufactures, produces and/or sells
5. Sales (projected local, national and worldwide)
 - a. If a service industry, projected number of guests, clients, customers or visitors
6. Distribution of product (retail, direct or third party)
7. Requests, if any, for exemption to County Economic Development Financing Policy and Procedures and reason for request(s)
8. Type of financing requested (i.e., industrial revenue bonds, project revenue bonds, multifamily housing revenue bonds, LEDA funds, other financing, etc.)

Project Description:

1. Description of project
2. Amount of financing requested
Expected use of bond proceeds (construction, equipment purchase, and land acquisition)
3. Sources and uses table or summary showing all forms of public and private investment in the project, including state and local incentives
4. Projected expenditures on construction, equipment and land
5. Physical address and location of project
6. Estimated time frame for the project, including anticipated commencement date and estimated construction and completion period
7. Provide zonal certification(s)
8. Product(s) to be produced at the project location

9. Potential environmental concerns
10. If the project is retail based, the type of retail that will be included. An explanation of how the particular type or function of retail will benefit Bernalillo County. Note that the primary nature of a qualifying entity's project should not be retail. Retail projects can, however, become qualified in underserved areas of the County
11. Amount(s) of product to be manufactured (e.g., 7,000 desks per month at Bernalillo County location)
 - a. If a service industry, number of guests, clients, customers or visitors per month
12. Explanation of request for economic development financing
13. Project cost and benefits schedule

Aggregate Principal Amount of Bonds:

1. Amount (s).
2. Structure (e.g., bonds, notes, construction financing, draw-down obligation, etc.)
3. Series (e.g., \$10 million in two series: (i) \$5 million Taxable Variable Rate Industrial Revenue Bonds, Series 2017A; \$5 Million Taxable Fixed Rate Unsecured Industrial Revenue Bonds, Series 2017B).
4. Whether the bond(s) will be underwritten and/or purchased. (e.g., underwritten by Bank of America Securities, LLC and (ii) to be purchased by ACME LLC, and affiliate of the Company).
5. The company's equity in the project

Term of Bonds and Lease:

1. Requested term of Bonds: _____.
2. Requested term of Lease: _____ . If not coterminous with the requested term of Bonds, please explain.

Employment Information:

Permanent Employment

1. Current employment levels at facility before expansion
2. Number of new, full-time employees as a result of the project
3. Projected full-time employment after project is completed
4. Breakdown of employment by job classification and salaries (e.g. # of managerial, administrative, support, etc.), including whether salaries or wages will be above or below Bernalillo County median income
5. Benefits the Company provides employees e.g., health, stock options, disability insurance, life insurance; educational assistance, etc.
6. Note: Job classification, wages/salaries, and benefits MUST be included

Construction Related

1. Number of temporary construction jobs during the term of the project

2. Number or percentage of local subcontractors on the project
3. Estimated local construction costs
4. Estimated non-local construction costs
5. Estimated amount injected into the economy (excluding secondary spending estimates during construction period) during construction

Impact on Bernalillo County

1. How will this project impact Bernalillo County’s economy?
2. If positions are available, through what channels will the company solicit employment opportunities and application?
3. What percentage of permanent employees hired will be from Bernalillo County?
4. What percentage of permanent employees hired will be from out of state?
5. How many jobs will be economic base jobs?
6. What local purchasing provisions have been made?
7. What would happen if the project were not to receive conduit financing?
8. List the date and nature of notice provided to your district representative on this project:
9. Name the district representative sponsoring this project

PILOTS (Payments in Lieu of Taxes):

1. Amount of property tax exemption requested for real property _____%
Estimated total value of real property to be exempted: _____
2. Amount of property tax exemption requested for personal property _____%
Estimated total value of personal property to be exempted (before depreciation): _____

Additional Information Supplied by Company deemed to benefit the Citizens of the County.



Economic Development Department

415 Tijeras NW, 2nd Floor, Room 234 | Albuquerque, NM 87102 | (505) 468-7185 | www.berncogov

Note: Confidentiality/Public Records – Confidential data is normally restricted to confidential financial information concerning the Applicant’s organization and data that qualifies as trade secrets in accordance with the Uniform Trade Secrets Act, 57-3-A-1 to 57-3A-7 NMSA 1978, or as provided by the Confidential Materials Act (14-3A-1, 1978 14-3A-2 NMSA 1978), and as otherwise provided by law. With the exception of the aforementioned, information and materials received by the County in connection with this application shall be deemed to be public records, subject to public inspection. If the Applicant believes any of the information contained in its response is exempt from the Inspection of Public Records Act (NMSA 1978, Chapter 14, Article 2), then the Applicant must identify the material deemed to be exempt and cite the legal authority for the exemption. Any pages of a proposal on which the Applicant has stamped or imprinted “proprietary” or “confidential” must be readily separable from the proposal in order to facilitate public inspection of the non-confidential portion of the proposal.

The County’s determination of whether an exemption applies shall be final, and the Applicant agrees to defend indemnify and hold harmless the County elected officials, employees and agents against any loss or damages incurred by any person or entity as a result of the County’s treatment of records as public records.

EXHIBIT B

Bernalillo County Economic Development Policy

Requirements Acknowledgement Form

Instructions: Please print, sign, and return this form along with the Economic Development application and fee payment. You may submit by e-mail or mail to:

Bernalillo County Economic Development Department

Attn: Mayling Armijo, Director

One Civic Plaza 10th Floor

Albuquerque NM 87102

Bernalillo County Economic Development Policy Requirements:

All entities applying for a conduit debt issue form Bernalillo County must comply with the requirements of the Bernalillo County Economic Development Policy & Procedures (available online at www.bernco.gov).

Applicant understands that:

1. The applicant is responsible for reading and complying with the Bernalillo County Economic Development Policy & Procedures.
2. The applicant acknowledges that it does not have any outstanding Federal, State, and/or local tax obligations.
3. The applicant acknowledges that it shall pay Bernalillo County, as applicable:
 - a. **An application fee** equal to one-tenth of one percent (0.10%) of the face amount of the bonds, as well as any costs related to third party project analysis. The application fee shall not be less than \$5,000.00
 - b. **An annual maintenance fee** equal to one-tenth of one percent (0.10%) on the principal amount of bonds outstanding,
 - c. **Conduit Financing fees,**
 - d. **LEDA Fees** equal to a LEDA Administrative fee of \$10,000, and LEDA Legal Fees
 - e. **GRIP Fees** equal to GRIP Administrative of \$10,000, and GRIP Legal Fees
 - f. **Other Fees** including all third party review fees, financial advisory fees and legal fees, including the applicant's legal counsel fees, bond counsel fees, special tax counsel fees (if required), and other County counsel fees, are the responsibility of the applicant and payable at closing. Other financing expenses, such as title policies, also are the responsibility of the applicant. In the event that a transaction approved by the County does not close, the applicant shall be liable for and shall pay any and all costs associated with the County's retention of outside

professionals, including but not limited to, legal fees of counsel to the County in connection with the project.

4. **The applicant acknowledges** that the Bernalillo County Economic Development Department requires the following annual reports for the life of the project:
 - a. Job creation reports including information regarding the number of newly-created jobs.
 - b. Certificates of Compliance providing that the applicant is in compliance with terms, provisions, and conditions of the lease with Bernalillo County.
 - c. Revised amortization schedules for all outstanding debt.
 - d. Parcel numbers associated with all real property associated with a conduit financing.
5. The applicant acknowledges that the amount of the Payment in Lieu of Taxes (“PILOT”) to be paid by the applicant equals the abatement percentage of the total mill levy rate per \$1,000 of the taxable value of the real and/or personal property. The exemption percentage amount will remain constant for the term of the bond. Bernalillo County Accounting will invoice the applicant annually for the PILOT payment as identified in the IRB Lease.

Acknowledgement:

I have reviewed the Conduit Debt Policy and acknowledge the requirements enumerated above and within the policy.

Applicant Name: _____

By (Print Name): _____

By (Signature): _____

Its: _____

Date: _____

EXHIBIT C
APPLICATION
For
LOCAL ECONOMIC DEVELOPMENT ACT (LEDA)
Project Approval

Name of Project	
Location of Project	
Company Name	
Contact Person	
Address	
Company Telephone	
Project Address	
Project Email	
Project Counsel	
Project Counsel Address	
Amount Requested	

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

APPLICATION DESCRIPTION

I. GENERAL DESCRIPTION

II. SITE AND EXISTING CONDITIONS

A. Legal Description (including Parcel Numbers)

The physical address is:

B. Prevailing Site Conditions

C. Present Assessed Value

D. Present and Proposed Zoning (including Zonal Certification(s))

E. Renewable Energy

III. PROJECT PLAN

A. Information Concerning Applicant

B. Tax Issues (Federal, State, and Local)

C. Information Concerning Products and Process

D. Competition

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

F. Land Acquisition

G. Description of Proposed Development

H. Infrastructure

I. Area Enhancement

J. Local Purchasing

K. Water Conservation

L. Relocation of Individuals or Businesses

M. Number and Types of Jobs Created

Specific terms of the employee benefit plans have not yet been identified. Below is a table of job classifications and average salary.

Position	Average Salary

N. Corporate Citizenship Policy/Plan

O. Management

IV. PROJECT FINANCING

A. Cost of Improvements, Bond Amount and Private Financing

B. Estimated Value After Completion

C. Feasibility

D. Construction Schedule

E. Issuance of Bonds

V. DISTRICT REPRESENTATIVE COMMUNICATION

A. Date and Nature of Notice Provided to District Representative

B. Name of District Representative Sponsoring

EXHIBIT D

ECONOMIC DEVELOPMENT PROJECT SUMMARY

Coversheet containing following information shall be provided to BCC eight (8) days before final approval:

- Current property taxes collected on property and projected property taxes at full buildout
- Taxes payable under IRB
- Percentage and term of tax abatements
- Total tax abatement per year and total tax abatement over the life of the agreement based on the estimated added value of the property and improvements
- Amount of taxes abated by other taxing entities
- Description of competing businesses, if any. If competition exists, justification for the need for incentives
- Statement regarding compliance with BCC policies and procedures. Justification for any non-compliance. Identification of party requesting policy waiver.
- Staff recommendation and justification for recommendation
- In a separate “New Jobs” chart or charts, a summary table of job numbers including total new jobs broken down by permanent vs. temporary jobs, with job titles and annual salary.

Transparency Provision

- All information to BCC at least eight (8) days before final approval and published for public review.
- All IRB Lease Agreements shall be published.

EXHIBIT E

Project Impact Summary

Sample Project Impact Summary

Sample Project is a planned \$22 million expansion of a Bernalillo County company. The company will employ 75 additional workers once the expansion is completed. The firm is requesting an \$18 million IRB to finance this expansion.

County & City Net Benefits Over 30 Years

JOBS



109.0 Total
75.0 Direct
34.0 Spin-off

AVERAGE SALARY



\$42,240 Total
\$40,000 Direct
\$47,170 Spin-off

CAPITAL INVESTMENT



\$22.0 M
Buildings & Equipment

ECONOMIC IMPACT



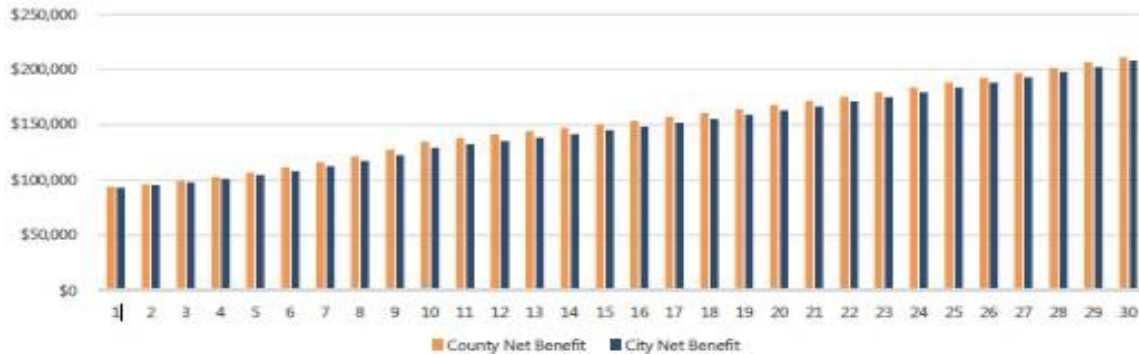
\$14.9 M Total
\$8.1 M Direct
\$6.8 M Spin-off

Average economic output over period.

	Bernalillo County	City of Albuquerque
Gross Receipts Taxes	\$3,567,664	\$2,880,553
Property Taxes*	\$963,458	\$907,822
Utilities	\$0	\$4,138,895
Utility Franchise Fees	\$0	\$442,794
Payments in Lieu of Taxes	\$0	\$0
Lodgers Taxes	\$0	\$0
Other Taxes and User Fees	\$42,596	\$48,682
Subtotal Benefits	\$4,573,718	\$8,418,746
Costs of Services to New Residents	(\$36,511)	(\$73,023)
Costs of Services to the Facility	\$0	\$0
Cost of Utility Services	\$0	(\$3,931,950)
Subtotal Costs	(\$36,511)	(\$4,004,973)
Net Benefits Less Incentives	\$4,537,207	\$4,413,773
Present Value (5.5% discount rate)	\$1,973,672	\$1,919,735

* After property tax abatement.

Annual Net Benefits



Overall Summary

	Benefits	Costs	Net Benefits	Present Value of Net Benefits	Value of Tax Abatement
Bernalillo County	\$4,573,718	(\$36,511)	\$4,537,207	\$1,973,672	\$464,784
City of Albuquerque	\$8,418,746	(\$4,004,973)	\$4,413,773	\$1,919,735	\$437,944
Albuquerque Public Schools	\$1,308,540	(\$265,756)	\$1,042,784	\$962,158	\$428,820
University of New Mexico Hospital	\$504,346	\$0	\$504,346	\$348,388	\$243,302
Central New Mexico Community College	\$279,754	\$0	\$279,754	\$140,042	\$134,957
AMAFCA	\$90,782	\$0	\$90,782	\$45,445	\$43,794
MIRGCD	\$431,137	\$0	\$431,137	\$215,822	\$207,986
Total	\$15,607,022	(\$4,307,240)	\$11,299,782	\$5,605,263	\$1,961,588

Note: The benefits and net benefits shown above have already been reduced by the amount of the tax abatement.

