CITY OF SANTA FE, NEW MEXICO

BILL NO. 2018-24

INTRODUCED BY:

Councilor Peter N. Ives

Councilor Carol Romero-Wirth — Councilor Signe Lindell

AN ORDINANCE

RELATING TO THE CITY OF SANTA FE ECONOMIC DEVELOPMENT PLAN ORDINANCE, ARTICLE 11-11 SFCC 1987; APPROVING AND ADOPTING A LOCAL ECONOMIC DEVELOPMENT PROJECT PARTICIPATION AGREEMENT BETWEEN THE CITY OF SANTA FE AND MARTY'S MEALS, INC. FOR LEASE PAYMENTS FOR THE EXPANSION OF A NEW HEADQUARTERS AND MANUFACTURING FACILITY, A LOCAL ECONOMIC DEVELOPMENT PROJECT.

BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF SANTA FE:

Section 1. Short Title. This Ordinance shall be known as the "Marty's Meals Local Economic Development Project Ordinance."

Section 2. Recitals.

A. The Local Economic Development Act ("LEDA"), Sections 5-10-1 et. seq. NMSA 1978 explicitly permits municipalities to assist qualifying entities with economic development projects through the use of public resources; and

B. The City of Santa Fe has complied with the requirements of the Local Economic

Economic Development Fund Ordinance (11-14 SFCC (1987)), incorporating within that ordinance its community economic development plan and its economic development strategy for implementation dated May 21, 2008; and

C. Marty's Meals, Inc. ("Qualifying Entity") is a pet food manufacturer that serves the public by stimulating and catalyzing the growth of the value-added agricultural industry cluster in Santa Fe under the Economic Development Ordinance. The Qualifying Entity creates economic base jobs as a manufacturer of pet food in which sales are conducted through the retail portion of the facility and the Denver retail outlet.D. The project "Project" is a manufacturing headquarters that will generate more taxes, fees, and other revenues for the State of New Mexico and City of Santa Fe. The State of New Mexico has appropriated $175,000 from the New Mexico LEDA Fund and the City of Santa Fe has provided $50,000 from the Economic Development Fund, pursuant to §11-14 SFCC 1987, to the project to contribute to lease payments for the facility. The facility is located at 506 Cordova Road, Santa Fe, New Mexico, 87505. The Qualifying Entity will use any remaining balance of LEDA funds, after lease payments are made, for construction materials associated with the interior renovation of its facilities and to improve or construct HVAC, telecommunications, broad band connectivity, and other infrastructure necessary to improve service to the facility.

E. The new facility will be used to manufacture pet food and therefore is a "manufacturer" pursuant to LEDA.

Section 3. Findings. The governing body hereby finds:

A. The City of Santa Fe has determined that it is in the interest of the welfare of the citizens of Santa Fe to enter into an Economic Development Project Participation Agreement for the purposes of effectuating the City's Economic Development Plan and the Project.

B. In compliance with the City's Economic Development Fund Ordinance, § 11-14 SFCC 1987, this Project Participation Agreement between the Qualifying Entity and the City clearly states the following:

(1) Marty's Meals, Inc. is a qualifying entity;

(2) The contributions of the City and 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 the Project may be terminated and the City's investment recovered;

(7) The time period for which the City shall retain an interest in the Project;

(8) The economic development goals of the project; and

(9) A "sunset" clause after which the City shall relinquish interest in and oversight of the project.

Section 4. Approval and Adoption of the Project Participation Agreement. The governing body hereby approves the 2018 PPA (attached as Exhibit A) whereby the City will be the Fiscal Agent for the State Legislative appropriation of $175,000 and for the $50,000 in City funds. The City will disburse the State Legislative appropriation of $175,000 and the City funds of $50,000 to the Qualifying Entity and the funds will be used for lease payments, construction of tenant improvements, and infrastructure in and to the facility, and thus will expand the tax base and generate more taxes, fees, and other revenues for the State of New Mexico and City of Santa Fe.

Section 5. Severability Clause. If any section, paragraph, clause, or provision of this ordinance, or any section, paragraph, clause, or provision of any regulation promulgated hereunder shall for any reason be held to be invalid, unlawful, or unenforceable, the invalidity, illegality, or unenforceability of such section, paragraph, clause, or provision shall not affect the validity of the remaining portions of this ordinance or the regulation so challenged.

Section 6. Effective Date. This ordinance shall become effective immediately upon adoption.

PASSED, APPROVED, and ADOPTED this __________ day of __________, 2018.

APPROVED AS TO FORM:

____

ERIN K. McSHERRY, CITY ATTORNEY

M/Legislation/Bills 2018/Marty's Meals PPA

CITY OF SANTA FE
ECONOMIC DEVELOPMENT
PROJECT PARTICIPATION AGREEMENT

THIS PROJECT PARTICIPATION AGREEMENT ("Agreement") is made and entered into this _12th_ day of _December__, 2018, by and between the City of Santa Fe, a municipal corporation (hereinafter referred to as the "City") and Marty's Meals, Inc., a corporation registered as a for-profit corporation in the State of New Mexico (hereinafter referred to as the "Qualifying Entity", "Q/E", or Marty's Meals).

WHEREAS, the State of New Mexico has deemed it in the best interest of the citizens of New Mexico to enact the Local Economic Development Act (LEDA) (NMSA 1978 §§ 5-10-1 through 5-10-13);

WHEREAS, LEDA explicitly permits municipalities to assist qualifying entities with economic development projects through the use of public resources;

WHEREAS, the City has complied with LEDA requirements by adopting an economic development plan ordinance incorporating within that ordinance its community economic development plan (SFCC 1987 § 11-11), called the Community Economic Development Plan and Economic Development Strategy for Implementation dated May 21, 2008;

WHEREAS, Marty's Meals, Inc., is a "qualifying entity" under LEDA in that it is an "industry for the manufacturing, processing or assembling of agricultural or manufactured products" and a "commercial enterprise for storing, warehousing, distributing or selling products of agriculture" (NMSA 1978, § 5-10-3(J)(1) and (2)) and also a "qualifying entity" under the Economic Development Plan Ordinance which incorporates by reference the above LEDA definitions, SFCC 1987 § 11-11.4;

WHEREAS, all requirements under the Economic Development Plan Ordinance to enter into this Agreement have been fulfilled;

WHEREAS, the Q/E has submitted an application ("Application") to the City for assistance under the Economic Development Plan Ordinance (SFCC 1987 §11-11) and for the City to act as fiscal agent for the grant monies ("Grant Monies") granted by the City through its Office of Economic Development and through the New Mexico Economic Development Department;

WHEREAS, in the Application, the Q/E proposed an "economic development project" compliant with LEDA, in that it will use the Grant Monies for lease payments on the facility (the "Project") located at, 1107 Pen Road, Santa Fe, New Mexico, 87505;

WHEREAS, the City has determined that it is in the interest of the welfare of the citizens of the City to enter into this Agreement for the purposes of effectuating its economic development plan;

WHEREAS, the City's total maximum contribution of Grant Monies to the Project is Fifty Thousand Dollars ($50,000); the State of New Mexico's maximum contribution to the Project will not exceed One Hundred Seventy-Five Thousand Dollars ($175,000) from the New Mexico LEDA Fund ("NM LEDA Fund") pursuant to an intergovernmental agreement between the City and the State to be executed soon after the execution of this Agreement; and the Q/E shall contribute up to Two Million Thirty-Eight Thousand Six Hundred Dollars ($2,038,600) to the Project; and

WHEREAS, the Q/E will spend up to Three Hundred Fifty-Six Thousand One Hundred Fifty Dollars ($356,150) in tenant improvements by approximately December 12, 2018;

WHEREAS, the Project addresses the following objectives from the Santa Fe Economic Development Implementation Strategy as adopted by City Resolution 2008-42: "Diversify the Santa Fe Economy with an emphasis on high wage jobs and career paths;" "Pursue overall affordability where local wages can support living in Santa Fe (reduce leakage);" and "Bolster Santa Fe's leadership position and/or potential in innovation."

WHEREAS, this Agreement clearly provides the following as required by LEDA and the Economic Development Plan Ordinance: (1) the economic development goals of the Project; (2) the contributions of the City, State and the Q/E; (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 and State's investment; (6) the procedures by which the project may be terminated and the City's investment recovered; (7) the time period for which the City shall retain an interest in the Project; (8) a "sunset" clause after which the City shall relinquish interest in and oversight of the Project; and (9) that the Qualifying Entity is a qualifying entity.

NOW THEREFORE, in consideration of the foregoing, the following and other good and valuable consideration, the receipt of which is hereby acknowledged the undersigned parties hereby agree as follows.

1. CONTRIBUTIONS OF THE CITY, THE STATE AND THE Q/E

A. Contributions of the State and the City. The maximum Grant Monies that may be disbursed under this Agreement shall be Two Hundred Twenty-Five Thousand Dollars ($225,000) as described below:

(1) City Contribution. This Agreement governs the City's contribution to the Project. The City shall reimburse the Q/E in the amount of up to Fifty Thousand Dollars ($50,000) for lease payments for a fixed period of forty (40) months.

(2) State Contribution: This Agreement governs the State's contribution of up to One Hundred Seventy-Five Thousand Dollars ($175,000) from the NM LEDA Fund by way of the New Mexico Economic Development Department. The City will serve as fiscal agent pursuant to the Intergovernmental Agreement between the City and State, which is in substantial form as **Attachment E**, the terms of which are incorporated into this Agreement.

(3) Disbursement of Grant Monies: Dispersal of the NM LEDA Funds by the State and the City's economic development funds are contingent upon the following:

(a) The City and the New Mexico Economic Development Department shall execute an intergovernmental agreement for the State to grant up to One Hundred Seventy-Five Thousand ($175,000) to the City as fiscal agent for the Project; and

(b) The Q/E shall submit to the City for review, a cover letter, invoice, and proof of payment, as necessary for reimbursement as set forth in Table below. Disbursement shall be made on a reimbursement basis of eligible costs under the LEDA, as further limited to Lease Payments:

State of New Mexico LEDA Disbursement Schedule		
Tranche	*Amount of State Contribution Available for Disbursement/Tranche*	*Disbursement Performance Milestone*
1	50% lease abatement State, $3,125 per month 20% lease abatement City, $1,250 per month	Obtain Certificate of Occupancy and submit proof of payment for allowable expenditures.
2	60% lease abatement State $3,750 per month 20% lease abatement City, $1,250 per month	Hire 7 additional employees for a total HC of 10 by November 1, 2023 and submit proof of payment for allowable expenditures up to remaining LEDA award.

It is expressly understood that any costs eligible for reimbursement must be incurred after this Agreement is in effect.

(c) The City shall reimburse to the Q/E up to Fifty Thousand Dollars ($50,000) in City Grant Monies. The City monies will be available for disbursement as identified in **Attachment F.**

B. Contributions of the Q/E.

(1) Financial Investment: The Q/E shall contribute up to Two Million Thirty Eight Thousand Six Hundred Dollars ($2,038,600) or more in matching funds to complete the Project.

(2) Project Management: Unless otherwise specified in this Agreement, the Q/E shall be responsible for managing all parts of the Project.

(3) Direct Economic Output: The Project is anticipated to generate Four Million,

Three Hundred Ninety-One Thousand, and Six Hundred Fifty-Six Dollars ($4,391,656) in direct salaries for existing and expanded operations over ten years (See p. 4 of **Attachment C**). The total estimated direct economic output for the expansion of the facility is One Million, Six Hundred Forty-Four Thousand Seven Hundred and One Dollars ($1,644,701) over ten years, as is further described in the Economic Impact Report. (See p. 9 of **Attachment C**).

(4) Expanded Tax Base: As a result of the completion of the Project, the Q/E is expected to generate contributions to the City's tax base, as projected in the Economic Impact Report. Net benefits for the City generated by this Project (including property taxes, gross receipts taxes, utility fees, utility franchise fees, lodger's taxes, and other use taxes) are estimated to be Four Hundred Fifty-Two Thousand, Seven Hundred and Three Dollars ($452,703) over ten years. (See p. 8 of **Attachment C.**)

(5) Proportional Investment: The Q/E at its discretion may decide to not accept the entire Two Hundred Twenty Five Thousand Dollars ($225,000) in Grant Monies for the Project. If the Q/E does not accept the entire Grant Monies, then the capital investment and job creation requirements would then decrease proportionally to the level of Grant Monies accepted. The Q/E shall notify the City 30 days prior to its decision.

2. PERFORMANCE REVIEW AND CRITERIA – ECONOMIC DEVELOPMENT GOALS

A. Economic Development Goals. The following Economic Development Goals shall be fulfilled by the Q/E:

(1) The Q/E shall hire new employees in accordance with the schedule set forth in the Job Creation Commitment and Schedule. See **Attachment A**. The Q/E presently employs three full-time workers and by September 30, 2019, the Q/E shall employ at least three (3) new employees in the City of Santa Fe, while retaining the three (3) current employees for a total of six (6) employees. All new employees shall be paid at least an average hourly wage of $13.00.

(2) By September 30, 2028, the Q/E shall employ no fewer than eleven (11) new employees, while retaining the prior employment figures, for a total of 14 jobs in the City of Santa Fe. All new employees shall be paid in accordance with the minimum average wage data points in **Attachment A.**

(3) The Q/E's contribution as set forth in Paragraph 1.B herein is incorporated into the Economic and Development Goals.

B. Reports; Certifications; Review.

(1) Quarterly Reports. During the term of this Agreement, the Q/E shall provide to the Office of Economic Development quarterly reports due on January 31st, April 30th, July 31st, and October 31th of each year for the preceding quarter's job report filed to the New Mexico Department of Workforce Solutions. The Q/E's quarterly reports shall clearly indicate how the Q/E has met the job creation prerequisites in **Attachment A** (see **Attachment D** for recommended

form). Quarterly reports shall be in the form of an affidavit signed by an officer of the Q/E. Quarterly reports shall include a copy of FORM ES-903a, or an equivalent document as required by the New Mexico Department of workforce Solutions, provided by the Q/E to the City to demonstrate compliance with this Agreement at each review cycle. In the quarterly report, the Q/E shall include number of new jobs created and filed that quarter, the average minimum annual salary of the new jobs, the total number of jobs, total payroll, and the amount of the Q/E's total capital investment, with line items of building improvements and lease payments, to date. The first quarterly report shall certify the number of baseline jobs as of October 1, 2018.

Additionally, Project Party will provide to the State of New Mexico Economic Development Department their most recent quarterly Department of Workforce Solutions 903A Report or its equivalent on a quarterly basis beginning with January 31, 2019 and continuing on April 30, July 31, and October 31 of each year until the completion of this agreement.

(2) Annual Reports. The City may require the Q/E to provide annual reports or a presentation to the City's governing body and the Economic Development Advisory Committee (EDAC). The City will give the Q/E a minimum of 30 days' notice if a report or presentation to the governing body or EDAC is required. City staff shall review these reports to ensure the Q/E's compliance with this Agreement in accordance with the Job Creation Commitment and Schedule.

(3) Expanded Tax Base Report: Within a reasonable time after completion of the construction of the facilities, but in any event by the next quarterly report, the Q/E shall provide to the City a written report on the construction jobs and wages created by the construction portion of the project..

(4) Certification of Non-Interest. The Q/E shall certify to the City that to the Q/E's best information, knowledge and belief and after reasonable inquiry, no member, officer, or employee of the City or its designees or agents, no member of the governing body of the locality of which the program is situated, and no other public official that exercises any functions or responsibilities with respect to the Project during his/her tenure, or for one year thereafter, has any interest, direct or indirect, in the Q/E or any contract or subcontract, or the process thereof, for work to be performed in connection with the Project that is the subject of this Agreement. The Q/E shall certify that such a provision shall be included in all contracts and subcontracts in connection with the Project.

D. Documentation of Completion of Construction Phases: Within a reasonable time after completion of each phase listed in the Construction Schedule of **Attachment B**, the Q/E shall provide documentation of its completion to the City's Office of Economic Development. The Q/E shall provide documentation to the City that construction of the facilities was completed by November 1, 2018. See Construction Schedule, attached as **Attachment B**.

3. RECAPTURE PROVISIONS FOR PUBLIC MONIES

A. If any Economic Development Goal set forth in Paragraph 2.A is not met and documented in a manner deemed satisfactory by the City, the Q/E shall be deemed in default ("Default") and within 60 days of the City receiving the quarterly report with the information of such Default, the City shall send a written Notice of Default to the Q/E informing the Q/E how many days it has to cure the Default or repay the Grant Monies disbursed in proportion to the Economic Development Goals not yet achieved.

B. If the Q/E remains noncompliant after any applicable cure period, then the City may elect to pursue any and all remedies available in law or equity, including but not limited to initiating foreclosure of the security interest and/or demanding timely repayment by the Q/E of the Grant Monies in proportion to the unmet goals, as the City in its sole discretion may determine subject to reasonable calculations.

C. In the event the Q/E ceases operations and closes its facility before the end of year three of this Agreement, the Q/E shall be deemed in Default and the Q/E shall reimburse 100% of all Grant Monies disbursed to the Q/E to the City of Santa Fe Economic Development Fund as identified in SFCC 1987 11-14.

4. Q/E BUYOUT

A. The Q/E may, at its election, buyout and thereby terminate this Agreement by repaying in full to the City all Grant Monies. Such repayment by the Q/E shall be without penalty until and unless the City initiates claw back of the Grant Monies, at which point costs, expenses (including City staff time) and attorney's fees will accrue to the repayment amount. The City shall not initiate such a claw back during the period from the time the Q/E sends the notice described in Section 4(c) until the time that the repayment contemplated by the notice is not made in accordance with the notice.

B. The Q/E must send prior written notice to the City of the Q/E's intent to repay in full the Grant Monies at least 45 days prior to the Q/E's repayment. The City's receipt of the Q/E's repayment of all disbursed Grant Monies (including any costs, fees and expenses resulting from claw back proceedings) constitutes satisfaction of the Q/E under this Agreement, upon which the Q/E may request release of the security interest, and the City will release the security interest within a reasonable time after receiving the Q/E's written request.

C. Within 30 days of receiving such notice from the Q/E, the City will notify the New Mexico Economic Development Department of the Q/E's intent to exercise the buyout clause. The City will reimburse the New Mexico Economic Development Department its portion of the repaid Grant Monies within 60 days after the City receives the repaid monies from the buyout.

5. SECURITY FOR CITY'S INVESTMENT; CLAWBACK

A. This is a grant project only, with the City acting as fiscal agent. The Q/E has no loan obligations for repayment to the City or State, but is obligated to fulfill the Economic

Development Goals of this Agreement; however, if the Q/E is found by the City to be in Default, then the City may elect to demand financial reimbursement by the Q/E.

B. The Grant Monies must be secured in a manner that it may be clawed back if the Q/E fails to meet its performance goals under this PPA. As security for fulfilling the Economic Development Goals, before the City may disburse any appropriations to the Q/E, the amount of Public Monies to be reimbursed shall be securitized in a manner satisfactory to the City.

C. A condition precedent to this PPA is securitization of the Grant Monies which may be if the Q/E fails to meet its performance goals under this PPA. Before the City may distribute any appropriations to the Q/E the amount of Public Monies to be reimbursed shall be securitized in a manner satisfactory to the City. The securitization method is an irrevocable stand-by letter of credit from an issuing financial institution, with the City as beneficiary, from which the City shall have the right to draw down funds upon the City's presentation of a demand for payment and evidence of Q/E's Default ("Irrevocable Letter of Credit"). The Irrevocable Letter of Credit shall have a term that extends to the term of this Agreement (either via the full duration in the base term or via automatic one-year extensions terminable at the sole option and discretion of the City). At any given time, the Irrevocable Letter of Credit must secure an amount, and the City shall be able to draw down an amount, at least equal to the amount of appropriations made to the Q/E for the Project, the maximum being $225,000. Funds from the Irrevocable Letter of Credit may be drawn in one drawing or from time-to-time in ~~or~~ one or more partial drawings on or before the expiration date. Attached hereto and incorporated herein is **Attachment A**, which sets forth the claw back terms.

D. During the term of this Agreement, the Q/E may request a full or partial release of the security interest with the substitution of collateral, repayment of the disbursed appropriation, or proof that the Q/E has met the Economic Development Goals, in part or in whole, under this Agreement. Any full or partial release of the security interest will be proportional to the value of the substitute collateral, repayment, or the portion of Economic Development Goals met which are no longer subject to claw back and according to Attachment A.

E. Acceptance of a method of securitization and of substitute collateral or proof of performance goals shall be within the City's sole and absolute discretion.

6. TERM; SUNSET

This Agreement shall remain in force for 10 years from the execution date of the Agreement, or until conditions of the Agreement are performed in full or to the reasonable satisfaction of the City, whichever is earlier. In the event the Q/E performs or exceeds the required performance levels contained in this Agreement, as may be reasonably determined by the City, this Agreement may be terminated at that time in writing by the City pursuant to Paragraph 7, below.

This Agreement will not be deemed terminated and this Agreement will remain in effect unless and until the City reasonably determines that the objectives under this Agreement have been fulfilled, in which case the City will provide a closure letter to the Q/E.

7. TERMINATION

This Agreement may be terminated by the City upon written notice delivered to the Q/E at least 45 days prior to the intended date of termination in the event that the Q/E ceases to operate the Project in accordance with the terms of this Agreement. If the Q/E is found to not be in substantial compliance with the Agreement, the City reserves the right to terminate the Agreement and recall in full the Grant Monies.

The Q/E may terminate the Agreement by pre-paying in full to the City and without penalty any Grant Monies disbursed to the Q/E. The Q/E must send a written letter to the City giving notice of its intent to pre-pay the Grant Monies in full within 45 days prior to the Q/E's intent to repay in full the Grant Monies.

8. STATUS OF THE Q/E

The Q/E, and its agents and employees are not employees of the City. The Q/E, and its agents and employees, shall not accrue leave, retirement, insurance, bonding, use of City vehicles or any other benefits afforded to employees of the City as a result of this Agreement. The Q/E shall be solely responsible for payment of wages, salaries, and benefits to any and all employees or subcontractors retained by Contractor in the performance of the services under this Agreement.

9. ASSIGNMENT AND SUCCESSORS; BINDING EFFECT

A. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors in interest by way of merger, acquisition, or otherwise and their permitted assigns.

B. The Q/E shall not assign or transfer any of its rights, privileges, obligations or other interest under this Agreement, voluntarily or involuntarily, whether by merger, consolidation, dissolution, operation of law or any other matter, including any claims for money due or to become due under this Agreement, without prior written approval of the City.

C. Any purported assignment of rights in violation of subsection (B) is void.

10. INDEMNIFICATION; LIABILITY

It is expressly understood and agreed by and between the Q/E and the City that the Q/E shall defend, indemnify, and hold harmless the City for all losses, damages, claims or judgments on account of any suit, judgment, execution, claims, actions, or demands whatsoever resulting from the Q/E's actions or inactions as a result of this Agreement, as well as the actions or inactions of Q/E's employees, agents, representatives and subcontractors as a result of this agreement. The Q/E shall maintain adequate insurance in at least the aggregate maximum amounts which the City could be liable consistent with the provisions of the New Mexico Tort Claims Act. It is the sole responsibility of the Q/E to be in compliance with the law.

11. INSURANCE

A. The Q/E, at its own cost and expense, shall carry and maintain in full force and effect during the term of this Agreement, comprehensive general liability insurance covering bodily injury and property damage liability with respect to the Project, in a form and with an insurance company ~~reasonably~~ acceptable to the City, with limits of coverage in the maximum amount which the City could be held liable under the New Mexico Tort Claims Act for each person injured and for each accident resulting in damage to property. Such insurance shall provide that the City is named as an additional insured and that the City shall be notified no less than 30 days in advance of cancellation for any reason. The Q/E shall furnish the City with a copy of a "Certificate of Insurance" with respect to such coverage as a condition prior to performing under this Agreement.

B. The Q/E shall also obtain and maintain Workers' Compensation insurance, required by law, to provide coverage for Q/E's employees throughout the term of this Agreement. The Q/E shall provide the City with evidence of its compliance with such requirement.

12. NEW MEXICO TORT CLAIMS ACT

Any liability incurred by the City of Santa Fe in connection with this Agreement is subject to the immunities and limitations of the New Mexico Tort Claims Act, Section 41-4-1, *et seq.* NMSA 1978, as amended. The City and its "public employees" as defined in the New Mexico Tort Claims Act, do not waive sovereign immunity, do not waive any defense and do not waive any limitation of liability pursuant to law. No provision in this Agreement modifies or waives any provision of the New Mexico Tort Claims Act.

13. THIRD PARTY BENEFICIARIES

By entering into this Agreement, the parties do not intend to create any right, title, or interest in or for the benefit of any person other than the City and the Q/E. No person shall claim any right, title or interest under this Agreement or seek to enforce this Agreement as a third party beneficiary of this Agreement.

14. RECORDS AND AUDITS

The Q/E shall maintain and keep in its possession throughout the term of this Agreement and for a period of six years thereafter, all related records, including but not limited to, all financial records, requests for proposals (RFPs), invitations to bid, selection and award criteria, contracts and subcontracts, advertisements, minutes of pertinent meetings, as well as records sufficient to fully account for the amount and disposition of the total funds from all sources budgeted hereunder, the purpose for which such funds were used, and other such records as the City or the State shall proscribe. The Q/E shall be strictly liable for receipts and disbursements related to the Project Grant Monies. These records shall be subject to inspection by the City, the New Mexico Economic Development Department, and the State Auditor upon notice within five business days. The City shall have the right to audit billings both before and after payment; payments under this Agreement shall not foreclose the right of the City to recover excessive illegal payments.

15. APPROPRIATIONS

The terms of this Agreement are contingent upon sufficient appropriations and authorization being made by the City Governing Body and the New Mexico Economic Development Department on behalf of the Q/E to the City for the performance of this Agreement. If sufficient appropriations and authorization are not made by the City Governing Body and the New Mexico Economic Development Department on behalf of the Q/E to the City, this Agreement shall terminate upon written notice being given by the City to the Q/E.

16. RELEASE

The Q/E, upon final fulfillment by the City of its obligations under this Agreement, releases the City, its officers and employees, from all liabilities, claims, and obligations whatsoever arising from or under this Agreement. The Q/E agrees not to purport to bind the City to any obligation not assumed herein by the City unless the Q/E has express written authority to do so, and then only within the strict limits of that authority.

17. CONFIDENTIALITY

Any confidential information provided to or developed by the Q/E in the performance of this Agreement shall be kept confidential and shall not be made available to any individual or organization by the Q/E without the prior written approval of the City.

18. CONFLICT OF INTEREST

The Q/E warrants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance or services required under this Agreement. The Q/E further agrees that in the performance of this Agreement no persons having any such interests shall be employed.

19. APPLICABLE LAW; CHOICE OF LAW; VENUE

The Q/E shall abide by all applicable federal and state laws and regulations, and all ordinances, rules and regulations of the City of Santa Fe. In any action, suit or legal dispute arising from this Agreement, the Q/E agrees that the laws of the State of New Mexico shall govern. The parties agree that any action or suit arising from this Agreement shall be commenced in a federal or state court of competent jurisdiction in New Mexico. Any action or suit commenced in the courts of the State of New Mexico shall be brought in the First Judicial District Court.

20. **AMENDMENT**

This Agreement shall not be altered, changed or amended except by instrument in writing executed by the parties hereto.

21. **SCOPE OF AGREEMENT**

This Agreement incorporates all the agreements, covenants, and understanding between the parties hereto concerning the subject matter hereof, and all such covenants, agreements, and understandings have been merged into this written Agreement. This Agreement expresses the entire Agreement and understanding between the parties with respect to said performance. No prior agreement or understanding, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in the Agreement.

22. **REPRESENTATIONS AND WARRANTIES**

A. The Q/E hereby warrants the Q/E is and will remain in compliance with the Americans with Disabilities Act of 1990 (the "ADA") and the regulations promulgated thereunder, 29 CFR 1630. The Q/E hereby agrees to defend, indemnify and hold harmless the City from and against all claims, suits, damages, costs, losses and expenses in any manner arising out of or connected with the failure of the Q/E, its contractors and subcontractors, agents, successors, assigns, officers or employees to comply with provisions of the ADA or the rules and regulations promulgated thereunder.

B. The Q/E agrees to comply with the applicable provisions of local, state and federal equal employment opportunity statutes and regulations.

C. The Q/E shall comply with City of Santa Fe Minimum Wage, Article 28-1-SFCC 1987, as well as any subsequent changes to such article throughout the term of this Agreement.

23. **APPLICABLE LAW**

This Agreement shall be governed by the ordinances of the City of Santa Fe and the laws of the State of New Mexico.

24. **NON-DISCRIMINATION**

During the term of this Agreement, the Q/E shall not discriminate against any employee or applicant for an employment position to be used in the performance by the Q/E hereunder, on the basis of ethnicity, race, age, religion, creed, color, national origin, ancestry, sex, gender, sexual orientation, physical or mental disability, medical condition, or citizenship status.

25. **SEVERABILITY**

In case any one or more of the provisions contained in this Agreement or any application thereof shall be invalid, illegal or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions contained herein and any other application thereof shall not in any way be affected or impaired thereby.

26. **NOTICES**

Any notices required to be given under this Agreement shall be in writing and served by personal delivery or by mail, postage prepaid, to the parties at the following addresses:

If to the CITY OF SANTA FE:
City of Santa Fe
Attn: Director of Office of Economic Development
P.O. Box 909
Santa Fe, NM 87504

If to QUALIFYING ENTITY:
Attn: Chief Executive Officer
Marty's Meals, Inc.
1107 Pen Road
Santa Fe, NM 87505

26. **HEADINGS**

The section headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

27. **ATTACHMENTS**

All attachments are fully incorporated herein and made a part of this Agreement.

28. **COUNTERPARTS**

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement.

29. **REPRESENTATION ON AUTHORITY OF SIGNATORIES**

The signatory for the Q/E represents and warrants that he or she is duly authorized and has legal capacity to execute and deliver this Agreement. The Q/E represents and warrants that the execution and delivery of the Agreement and the performance of the Q/E's obligations hereunder have been duly authorized and that the Agreement is a valid and legal agreement binding on such party and enforceable in accordance with its terms.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

CITY OF SANTA FE:

Alan M. Webber, Mayor

ATTEST:

Yolanda Y. Vigil, City Clerk

APPROVED AS TO FORM:

Erin K. McSherry, City Attorney

APPROVED:

____
Mary McCoy, Finance Director AM

22116.510400
Business Unit Line Item

QUALIFYING ENTITY:
Marty's Meals, Inc.

By: ____________________________
Sandra Bosben
CEO and Founder

Employer ID Number: ____________________
City of Santa Fe Business ID Number: __________

[ACKNOWLEDGEMENT FOLLOWS]

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

Notarized Affidavit

This instrument was acknowledged before me on this ____ day of _____________, 2018, by SANDRA BOSBEN, as the Chief Executive Officer and President of Marty's Meals, Inc., a domestic profit corporation.

____
Notary Public

My commission expires:

Attachment A

Job Creation Commitment and Schedule (Net New Jobs)* ❖						
Year	Net New Jobs Hiring Target	Jobs Retained From Prior Years	Average Hourly Wage for New Jobs	Job Determination Period		Clawback % on Job Creation Shortfall^^^
1	3 + 3 = 6	3 (starting head count)	$13.00	01 Oct 2018	30 Sep 2019	100%
2	6 + 1 = 7	6	$13.00	01 Oct 2019	30 Sep 2020	100%
3	7 + 1 = 8	7	$13.00	01 Oct 2020	30 Sep 2021	100%
4	8 + 1 = 9	8	$15.00	01 Oct 2021	30 Sep 2022	100%
5	9 + 1 = 10	9	$15.00	01 Oct 2022	30 Sep 2023	100%
6	0 (Maintain 10)	10	$15.00	01 Oct 2023	30 Sep 2024	90%
7	10 + 1 = 11	10	$15.00	01 Oct 2024	30 Sep 2025	80%
8	11 + 1 = 12	11	$15.00	01 Oct 2025	30 Sep 2026	70%
9	12 + 1 = 13	12	$15.00	01 Oct 2026	30 Sep 2027	60%
10	13 + 1 = 14	13	$15.00	01 Oct 2027	30 Sep 2028	50%
Total	*14*		*$13.00*			
		Addt'l Notes: Only New Mexico based employees count towards job creation target. ES903A or its equivalent will be provided for 3rd quarter of 2018 to verify starting headcount. .				

Starting Headcount (JTIP Eligible):*	*3*	*As of:*	01 Oct 2018

^^^ Clawback percentage is calculated on job creation shortfall at expiration or termination of the PPA, whichever is earlier. Clawback formula = (Job Creation % Shortfall) x (Cumulative Grant Monies Distributed), where Job Creation % Shortfall is (1 - (actual jobs / cumulative hiring target))*100%.

❖ Cumulatively, the baseline, retained and new jobs must maintain a minimum average hourly wage of $13.00, not including additional benefits ("Average ~~Salary~~ Wage"). Wages of jobs retained from prior years must equal or exceed the wage requirements for those jobs as described herein. Only New Mexico-based employees count towards job creation.

***Job eligibility**: All jobs must meet Job Incentive Training Program ("JTIP") eligibility criteria, must be newly created jobs, full-time (minimum of 32 hours/week), and year-round. Eligible positions include those directly related to the creation of the product or service provided by the company to its customers. In addition, other newly created jobs not directly related to production may be eligible. The number of these jobs is limited to twenty percent of the total number of jobs applied for in the JTIP proposal, and may include non-executive, professional support positions (See 5.5.50.6(B) NMAC)

Attachment B

Marty's Meals, Inc

Construction Schedule

Estimated Completion Date	Description
February 1 – April 30, 2018	Phase I: Tenant Improvement Design and Development – Start of Construction
May 1, 2018 – November 1, 2018	Phase II: Tenant Improvements – Receipt of Certificate of Occupancy after completing HVAC, electrical, structural, plumbing, fire suppression, sewer, steel footings and any infrastructure necessary for operations.

ATTACHMENT C

EXECUTIVE SUMMARY

A REPORT OF THE ECONOMIC IMPACT OF MARTY'S MEALS IN SANTA FE, NM

September 24, 2018

Prepared by:
Ryan Eustice
New Mexico Economic Development Department
Joseph Montoya Building
1100 S. St. Francis Drive
Santa Fe, New Mexico 87505

Prepared using Total Impact

IMPACT DataSource

PURPOSE & LIMITATIONS

This report presents the results of an analysis undertaken by the New Mexico Economic Development Department using Total Impact, an economic and fiscal impact analysis tool developed and supported by the Austin, TX based economic consulting firm, Impact DataSource.

The Total Impact model is a customized software program licensed to the New Mexico Economic Development Department. The model includes estimates, assumptions, and other information developed by Impact DataSource from its independent research effort detailed in New Mexico Economic Development Department's Total Impact User Guide.

The analysis relies on prospective estimates of business activity that may not be realized. New Mexico Economic Development Department made reasonable efforts to ensure that the project-specific data entered into the Total Impact model reflects realistic estimates of future activity.

No warranty or representation is made by New Mexico Economic Development Department or Impact DataSource that any of the estimates or results contained in this study will actually be achieved.

CONTENTS

Introduction

This report presents the results of an economic impact analysis performed using Total Impact, a model developed by Impact DataSource. The report estimates the impact that a potential project in the Santa Fe may have on the state and local economy and estimates the costs and benefits for the state and local taxing districts over a 10-year period.

Description of the Project

Marty's Meals sources the meats for many of our recipes from ranchers around the state, use local organic goat products, organic vegetables, organic turkey feet, and bones and offal from other local ranchers. We also employ consultants including local veterinarians, nutritionists, and alternative wellness healers. We have a referral network of trusted local pet related service providers who also refer business to Marty's Meals. Marty's Meals donated over $15,000 in food and cash to local non-profit animal assistance organizations.

The Marty's Meals triple bottom line philosophy extends to the workplace and our employees. Our employees all make well over minimum wage. Marty's Meals currently has 3 full time manufacturing positions and 2 full time retail positions in New Mexico. Marty's Meals employees are satisfied with their work environment. Our current staff has been with us for anywhere from 1 ½ years to 5 ½ years.

Marty's Meals is a New Mexico based company. The model for expansion includes only retail outlets out of state and online sales while manufacturing and ingredient sourcing, to the extent possible, will remain in New Mexico and serve all other markets. Marty's Meals is committed to continuing and increasing its contribution to the economic welfare and the people of New Mexico.

Existing & Expanded Operations

The Project under analysis represents the expansion of an existing company in the Santa Fe. The existing operations currently support 5.0 direct jobs in the community and 4.1 indirect and induced jobs. The direct workers earn $32,000 per year and the company supports $2.0 million per year in taxable sales and spending in the community. Additionally, the company supports taxable property valued at $0.1 million annually. The table below illustrates the company's economic impact over the next 10 years - including both the existing and expanded operations.

Table 1. Economic Impact of Existing and Expanded Operations Over the Next 10 Years

	Existing Operations	Expansion	Existing & Expanded Ops
Economic Output:			
Direct	$15,498,109	$21,883,595	$37,381,704
Indirect & Induced	$6,343,376	$8,956,955	$15,300,332
Total	$21,841,485	$30,840,551	$52,682,036
Jobs			
Direct	5.0	11.0	16.0
Indirect & Induced	4.1	8.8	12.9
Total	9.1	19.8	28.9
Salaries			
Direct	$1,751,956	$2,639,700	$4,391,656
Indirect & Induced	$1,387,724	$2,090,907	$3,478,631
Total	$3,139,680	$4,730,607	$7,870,287
Taxable Sales			
Direct	$20,113,293	$10,784,175	$30,897,467
Indirect & Induced	$319,846	$481,917	$801,762
Total	$20,433,138	$11,266,091	$31,699,229

The table below illustrates the company's fiscal impact - the net benefits for local taxing districts - over the next 10 years - including both the existing and expanded operations.

Table 2. Fiscal Impact of Existing and Expanded Operations Over the Next 10 Years

	Net Benefits		
	Existing Operations	Expansion	Existing & Expanded Ops
State of New Mexico	$1,035,739	$1,644,701	$2,680,440
Santa Fe	$917,774	$452,703	$1,370,477
Santa Fe County	$405,021	$221,675	$626,697
Santa Fe Public Schools	$1,491	$4,614	$6,106
Special Taxing Districts	$608	$7,528	$8,137
Total	$2,360,634	$2,331,222	$4,691,856

The remainder of this report will focus on only the economic and fiscal impact associated with the expanded operations.

Economic Impact Overview

The Project's operations will support employment and other economic impacts in the state. The 11.0 workers directly employed by the Project will earn approximately $38,000 per year initially. This direct activity will support 8.8 indirect and induced workers in the state earning $36,000 on average. The total additional payroll or workers' earnings associated with the Project is estimated to be approximately $4.7 million over the next 10 years.

Accounting for various taxable sales and purchases, including activity associated with the Project, worker spending, and visitors' spending in the state, the Project is estimated to support approximately $11.3 million in taxable sales over the next 10 years.

Table 3. Economic Impact Over the Next 10 Years Statewide

	Direct	Indirect & Induced	Total
Economic output generated by direct, indirect, and induced activity	$21,883,595	$8,956,955	$30,840,551
Number of permanent direct, indirect, and induced jobs to be created	11.0	8.8	19.8
Salaries to be paid to direct, indirect, and induced workers	$2,639,700	$2,090,907	$4,730,607
Taxable sales and purchases	$10,784,175	$481,917	$11,266,091

The project is not expected to result in a consequential increase in the state's population. A majority of newly hired employees would likely be current New Mexico residents. However, it is estimated that approximately .0% of the new direct workers may be new residents to Santa Fe County. The local population impacts may result in new residential properties constructed in the county and increase the enrollment of local public schools.

Table 4. Population Impacts Over the Next 10 Years for the County

	Direct	Indirect & Induced	Total
Number of direct, indirect, and induced workers who will move to the County	0.0	0.0	0.0
Number of new residents in the County	0.0	0.0	0.0
Number of new residential properties to be built in the County	0.0	0.0	0.0
Number of new students expected to attend local school district	0.0	0.0	0.0

The Project is estimated to support an average of approximately $0.2 million in new non-residential taxable property each year over the next 10 years. The taxable value of property supported by the Project over the 10-year period is shown in the following table.

Table 5. Value of Taxable Property Supported by the Project Over the Next 10 Years

		The Project's Property				Total
Year	New Residential Property	Land	Buildings & Other Real Prop. Improvements	Furniture, Fixtures, & Equipment	Subtotal Nonresidential Property	Residential & Nonresidential Property
1	$0	$0	$18,000	$63,333	$81,333	$81,333
2	$0	$0	$18,360	$123,667	$142,027	$142,027
3	$0	$0	$18,727	$117,333	$136,061	$136,061
4	$0	$0	$19,102	$203,667	$222,768	$222,768
5	$0	$0	$19,484	$183,333	$202,817	$202,817
6	$0	$0	$19,873	$172,667	$192,540	$192,540
7	$0	$0	$20,271	$247,333	$267,604	$267,604
8	$0	$0	$20,676	$218,667	$239,343	$239,343
9	$0	$0	$21,090	$189,333	$210,423	$210,423
10	$0	$0	$21,512	$165,667	$187,178	$187,178

The taxable value of residential property represents the value of properties that may be constructed as a result of new workers moving to the community.

This analysis assumes the residential real property appreciation rate to be 2.0% per year. The Project's real property is assumed to appreciate at a rate of 2.0% per year. The analysis assumes the Project's furniture, fixtures, and equipment will depreciate over time according to the depreciation schedule shown in Appendix A.

Temporary Construction Impact

The Project will include an initial period of construction lasting 1 year(s) where $0.3 million will be spent to construct new buildings and other real property improvements. It is assumed that 50.0% of the construction expenditure will be spent on materials and 50.0% on labor. The temporary construction activity will support temporary economic impacts in the community in the form of temporary construction employment and sales for local construction firms.

Table 5. Spending and Estimated Direct Employment Impact of Project-Related Construction Activity

			Amount
Total construction expenditure			$270,000
	Materials	*$135,000*	
	Labor	*$135,000*	
Temporary Construction Workers Supported (Average Earnings = $44,250)			3.1

The following table presents the temporary economic impacts resulting from the construction.

Table 6. Temporary Economic Impact of Project-Related Construction Activity

	Direct	Indirect & Induced	Total
Number of temporary direct, indirect, and induced job years to be supported*	3.1	2.0	5.1
Salaries to be paid to direct, indirect, and induced workers	$135,000	$61,871	$196,871
Revenues or sales for businesses related to construction	$270,000	$201,015	$471,015

** A job year is defined as full employment for one person for 2080 hours in a 12-month span.*

Gross receipt tax calculations related to construction activity are presented in the following table. The gross receipts tax revenue generated from construction-period taxable spending is included in the fiscal impact for affected districts.

Table 7. Construction-Related Taxable Spending

		Estimate
Expenditure for Materials		$135,000
Percent of Materials subject to local gross receipts tax		0.0%
	Subtotal Taxable Materials	$0
Expenditure for Labor / Paid to construction workers		$135,000
Percent of gross earnings spent on taxable goods and services		25.0%
Percent of taxable spending done locally		25.0%
	Subtotal Taxable Construction Worker Spending	$8,438
Expenditure for Furniture, Fixtures, & Equipment (FF&E)		$190,000
Percent of FF&E subject to local gross receipts tax		25.0%
	Subtotal Taxable FF&E Purchases	$47,500
Total Construction-Related Taxable Spending		$55,938

The above construction analysis focuses on the impact resulting from the Project's initial construction investments over the first 1 year(s).

Fiscal Impact Overview

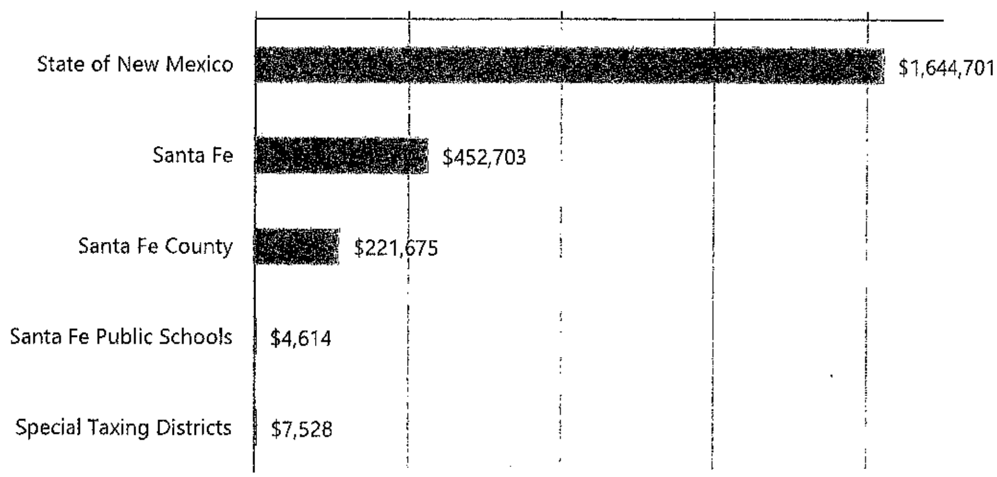
The Project will generate additional benefits and costs for local taxing districts, a summary of which is provided below. The source of specific benefits and costs are provided in greater detail for each taxing district on subsequent pages. Overall, the City will receive approximately $452,700 in net benefits over the 10-year period and the Project will generate $2,331,200 in total for all local taxing districts.

Table 8. Fiscal Net Benefits Over the Next 10 Years for the State and Local Taxing Districts

	Benefits	Costs	Net Benefits	Present Value of Net Benefits*
State of New Mexico	$1,862,700	($217,999)	$1,644,701	$1,201,482
Santa Fe	$510,213	($57,510)	$452,703	$332,922
Santa Fe County	$230,352	($8,676)	$221,675	$163,234
Santa Fe Public Schools	$4,614	$0	$4,614	$3,463
Special Taxing Districts	$7,528	$0	$7,528	$5,650
Total	$2,615,407	($284,185)	$2,331,222	$1,706,751

** 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.*

Figure 1. Net Benefits Over the Next 10 Years for the State and Local Taxing Districts



State of New Mexico

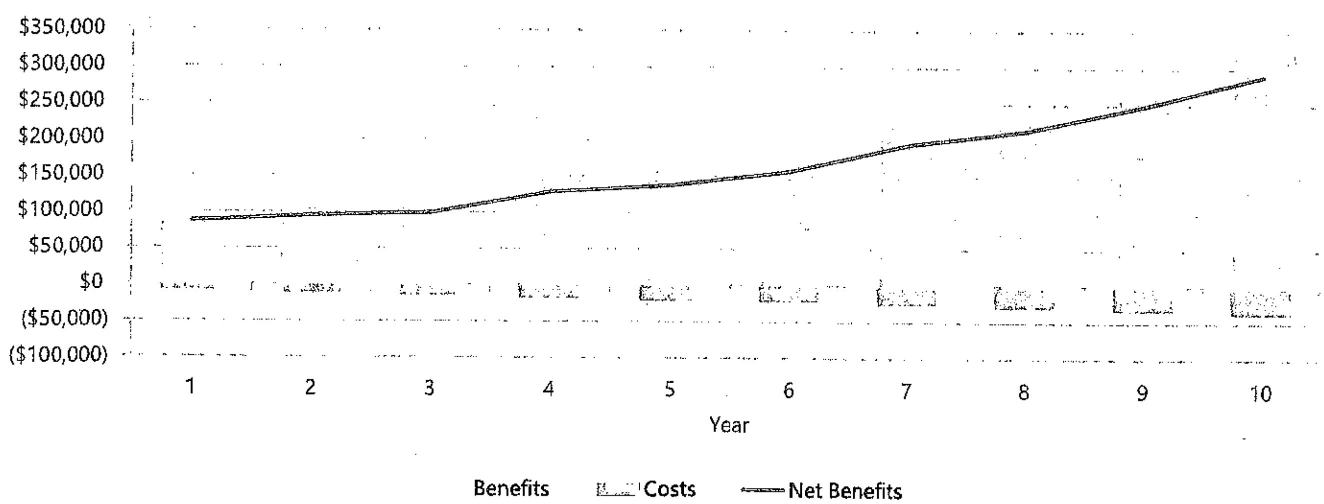
The table below displays the estimated additional benefits to be received by the State of New Mexico over the first 10 years. The project is expected to have a small effect on the statewide population and therefore some additional statewide costs to provide additional services were estimated for the state. Appendix C contains the year-by-year calculations.

Table 9. State of New Mexico: Benefits, Costs, and Net Benefits Over the Next 10 Years

	Amount
Gross Receipts Taxes	$439,378
Real Property Taxes - Project	$268
FF&E Property Taxes - Project	$2,292
Property Taxes - New Residential	$0
Personal Income Taxes	$188,751
Corporate Income Taxes	$933,463
Miscellaneous Taxes & User Fees	$298,549
Subtotal Benefits	$1,862,700
Cost of Providing State Services	($217,999)
Subtotal Costs	($217,999)
Net Benefits	$1,644,701
Present Value (5% discount rate)	*$1,201,482*

Gross receipts taxes are estimated on new taxable gross receipts resulting from the project. Property taxes are estimated on the firm's property and new residential property constructed. Personal income taxes are estimated based on an effective income tax rate and the earnings of new direct and indirect workers. Corporate income taxes on the direct activity is based on the net taxable income projected by the company. Corporate income taxes on the indirect activity is estimated on a per indirect worker basis and the observed statewide corporate income tax collections per worker. To the extent that the project will result in an increase in new households in the state, additional miscellaneous taxes and user fees have been estimated for the state. Additionally, the costs to provide state services to these new households were also estimated based on recent state expenditure data as detailed in the Appendix.

Figure 2. Annual Fiscal Net Benefits for the State of New Mexico



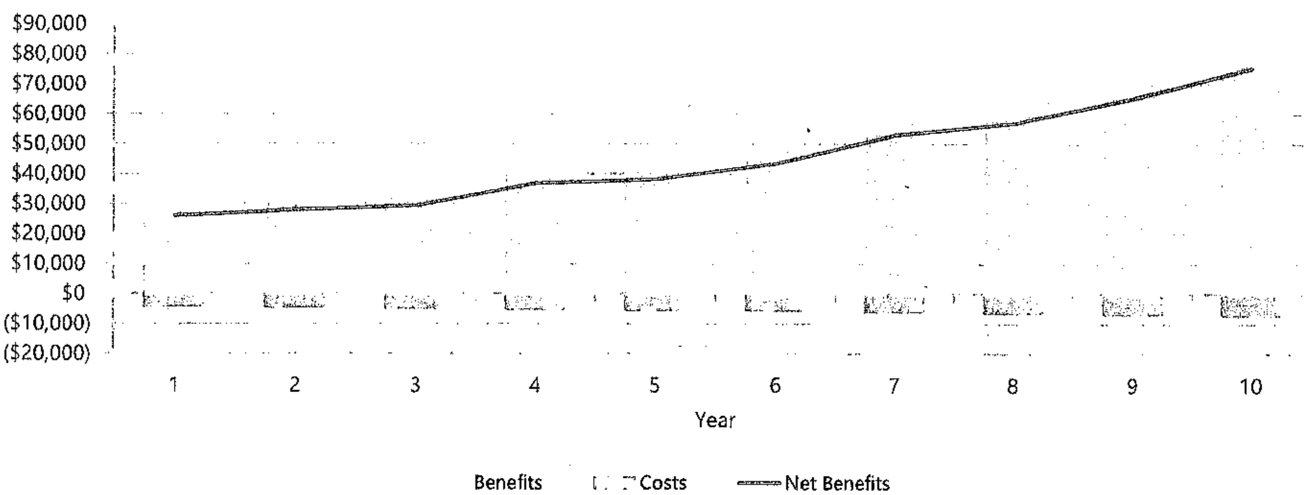
Santa Fe

The table below displays the estimated additional benefits, costs, and net benefits to be received by the City over the next 10 years of the Project. Appendix C contains the year-by-year calculations.

Table 10. Santa Fe: Benefits, Costs, and Net Benefits Over the Next 10 Years

	Amount
Gross Receipts Taxes	$446,099
Real Property Taxes - Project	$784
FF&E Property Taxes - Project	$6,701
Property Taxes - New Residential	$0
Utility Revenue	$39,671
Utility Franchise Fees	$3,687
Building Permits and Fees	$1,000
Lodgers Taxes	$0
Miscellaneous Taxes & User Fees	$12,272
Subtotal Benefits	$510,213
Cost of Providing Municipal Services	($16,649)
Cost of Providing Utility Services	($40,861)
Subtotal Costs	($57,510)
Net Benefits	$452,703
Present Value (5% discount rate)	*$332,922*

Figure 3. Annual Fiscal Net Benefits for the Santa Fe



Santa Fe County

The table below displays the estimated additional benefits, costs, and net benefits to be received by the County over the next 10 years of the Project. Appendix C contains the year-by-year calculations.

Table 11. Santa Fe County: Benefits, Costs, and Net Benefits Over the Next 10 Years

	Amount
Gross Receipts Taxes	$196,627
Real Property Taxes - Project	$2,754
FF&E Property Taxes - Project	$23,545
Property Taxes - New Residential	$0
Building Permits and Fees	$0
Miscellaneous Taxes & User Fees	$7,426
Subtotal Benefits	$230,352
Cost of Providing County Services	($8,676)
Subtotal Costs	($8,676)
Net Benefits	$221,675
Present Value (5% discount rate)	*$163,234*

Santa Fe Public Schools

The table below displays the estimated additional benefits, costs, and net benefits to be received by the school district over the next 10 years of the Project. Appendix C contains the year-by-year calculations.

Table 12. Santa Fe Public Schools: Benefits, Costs, and Net Benefits Over the Next 10 Years

	Amount
Real Property Taxes - Project	$1,933
FF&E Property Taxes - Project	$16,525
Property Taxes - New Residential	$0
State Equalization Guarantee	($13,843)
Subtotal Benefits	$4,614
Cost of Educating New Students	$0
Subtotal Costs	$0
Net Benefits	$4,614
Present Value (5% discount rate)	*$3,463*

Benefits for Other Taxing Districts

The table below displays the estimated additional property taxes to be received by other property taxing districts over the next 10 years of the Project. Appendix C contains the year-by-year calculations.

Table 13. Other Taxing Districts: Benefits Over the Next 10 Years

	Amount
Real Property Taxes - Project	$788
FF&E Property Taxes - Project	$6,740
Property Taxes - New Residential	$0
Benefits	$7,528
Present Value (5% discount rate)	*$5,650*

City Non-Tax Incentives

The City is considering the following non-tax incentives for the Project.

Table 17. City Incentives Under Consideration

Year	City LEDA
1	$50,000
2	$0
3	$0
4	$0
5	$0
6	$0
7	$0
8	$0
9	$0
10	$0
Total	$50,000

These financial incentives may be considered an investment in the Project made by the city. Four calculations analyzing possible investments were made:

1. Net Benefits - detailed above
2. Present Value of Net Benefits - detailed above
3. Rate of Return on Investment - discussed and detailed below
4. Payback Period - discussed and detailed below

The rate of return on investment calculates the average annual rate of return to the city, treating the incentives as the initial investment and the net benefits to the city as the return on investment. The payback period is the number of years that it will take the city to recover the cost of incentives from the additional revenues that it will receive as a result of the Project.

The table below shows an analysis of these incentives, including a calculation of incentives per job, rate of return, and payback period.

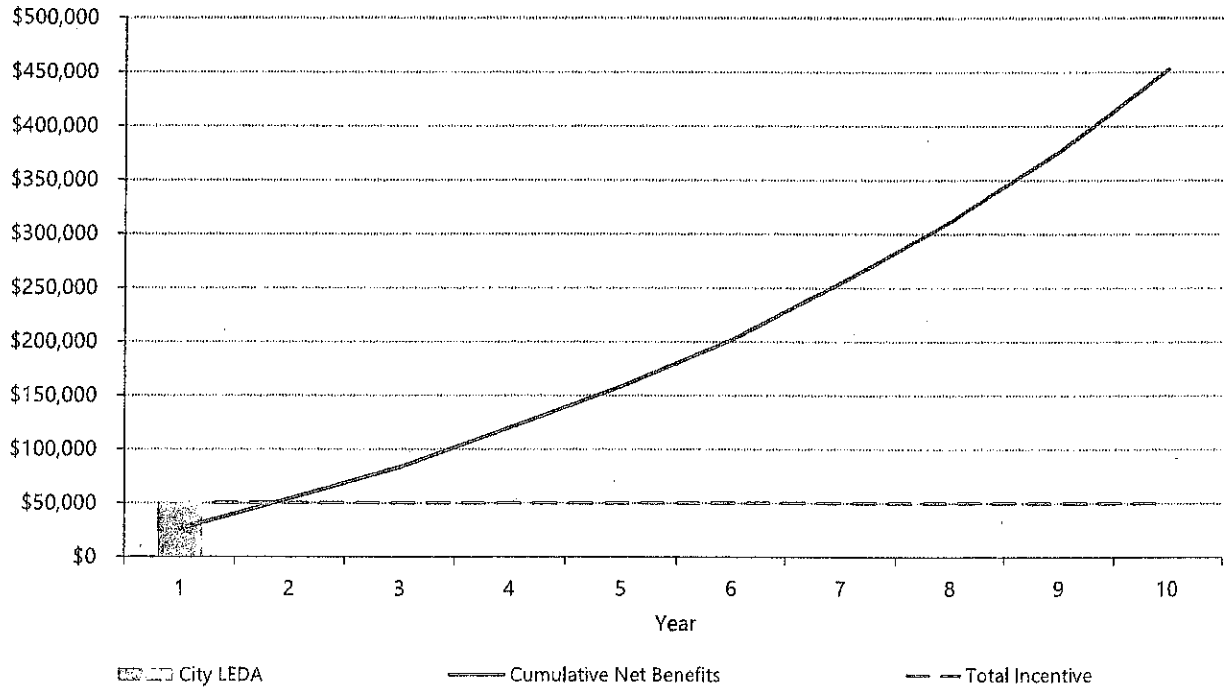
Table 18. Analysis of City Incentives

Total Non-Tax Incentive	$50,000
Incentive Per Job	$4,545
Rate of Return	90.5%
Payback period (years)	1.9

Note: The Rate of Return and Payback Period are calculated based on the sum of annual incentives, not the present value of the incentives.

The graph below depicts the total incentives currently under consideration versus the cumulative net benefits to the City. The intersection indicates the length of time until the incentives are paid back.

Figure 4. City Incentives Under Consideration



State Non-Tax Incentives

The state is considering the following non-tax incentives for the Project.

Table 21. State Incentives Under Consideration

Year	Enter Incentive Description
1	$175,000
2	$0
3	$0
4	$0
5	$0
6	$0
7	$0
8	$0
9	$0
10	$0
Total	$175,000

These financial incentives may be considered an investment in the Project made by the state. Four calculations analyzing possible investments were made:

1. Net Benefits - detailed above
2. Present Value of Net Benefits - detailed above
3. Rate of Return on Investment - discussed and detailed below
4. Payback Period - discussed and detailed below

The rate of return on investment calculates the average annual rate of return to the state, treating the incentives as the initial investment and the net benefits to the state as the return on investment. The payback period is the number of years that it will take the state to recover the cost of incentives from the additional revenues that it will receive as a result of the Project.

The table below shows an analysis of these incentives, including a calculation of incentives per job, rate of return, and payback period.

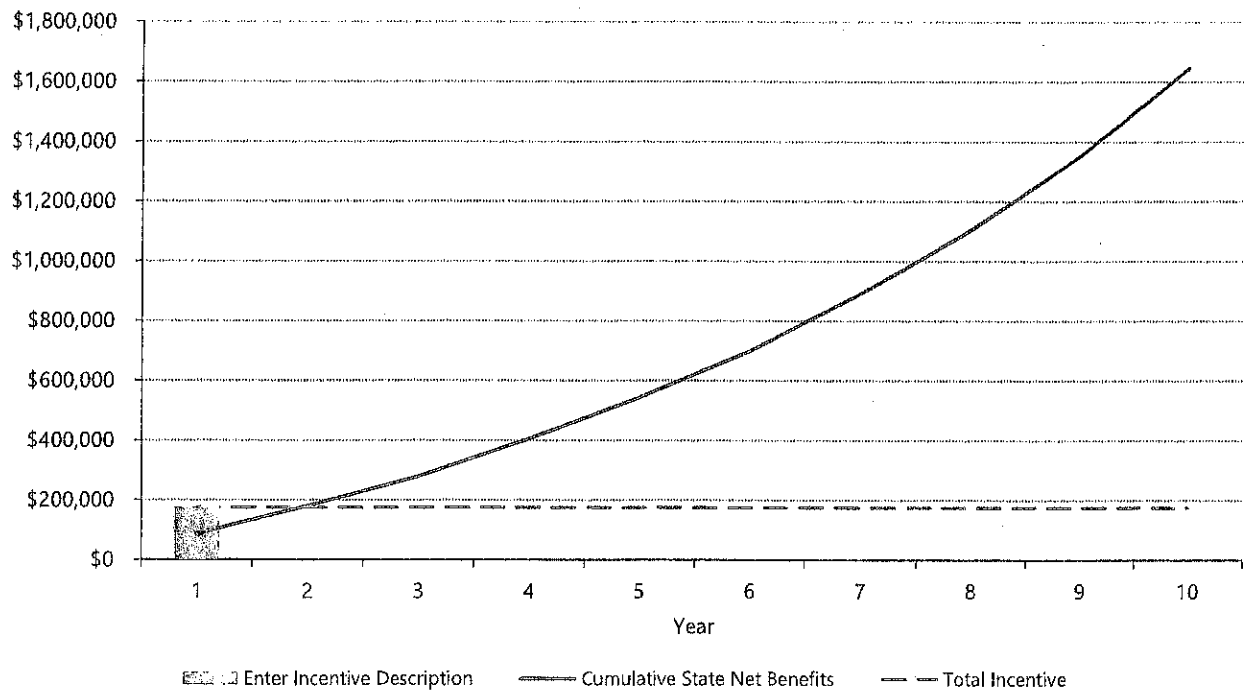
Table 22. Analysis of State Incentives

Total Non-Tax Incentive	$175,000
Incentive Per Job	$15,909
Rate of Return	94.0%
Payback period (years)	1.9

Note: The Rate of Return and Payback Period are calculated based on the sum of annual incentives, not the present value of the incentives.

The graph below depicts the total incentives currently under consideration versus the cumulative net benefits to the State. The intersection indicates the length of time until the incentives are paid back.

Figure 6. State Incentives Under Consideration



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Overview of Methodology

This report presents the results of an analysis undertaken by the New Mexico Economic Development Department using Total Impact, an economic and fiscal impact analysis tool developed and supported by the Austin, TX based economic consulting firm, Impact DataSource.

The Total Impact model combines project-specific attributes with community data, tax rates, and assumptions to estimate the economic impact of the Project and the fiscal impact for local taxing districts over a 10-year period.

The economic impact as calculated in this report can be categorized into two main types of impacts. First, the direct economic impacts are the jobs and payroll directly created by the Project. Second, this economic impact analysis calculates the indirect and induced impacts that result from the Project. Indirect jobs and salaries are created in new or existing area firms, such as maintenance companies and service firms, that may supply goods and services for the Project. In addition, induced jobs and salaries are created in new or existing local businesses, such as retail stores, gas stations, banks, restaurants, and service companies that may supply goods and services to new workers and their families.

The economic impact estimates in this report are based on the Regional Input-Output Modeling System (RIMS II), a widely used regional input-output model developed by the U. S. Department of Commerce, Bureau of Economic Analysis. The RIMS II model is a standard tool used to estimate regional economic impacts. The economic impacts estimated using the RIMS II model are generally recognized as reasonable and plausible assuming the data input into the model is accurate or based on reasonable assumptions. Impact DataSource utilizes county-level multipliers to estimate the impact occurring at the sub-county level.

Two types of regional economic multipliers were used in this analysis: an employment multiplier and an earnings multiplier. An employment multiplier was used to estimate the number of indirect and induced jobs created or supported in the area. An earnings multiplier was used to estimate the amount of salaries to be paid to workers in these new indirect and induced jobs. The employment multiplier shows the estimated number of total jobs created for each direct job. The earnings multiplier shows the estimated amount of total salaries paid to these workers for every dollar paid to a direct worker. The multipliers used in this analysis are listed below:

Multiplier		City	County	State
Employment Multiplier	(Type II Direct Effect)	1.3262	1.4349	1.8119
Earnings Multiplier	(Type II Direct Effect)	1.3182	1.4243	1.7921

Calculation of Fiscal Impact

Calculation of Revenues for the State
The state's revenues from gross receipts taxes, property taxes, personal and corporate income taxes were estimated directly using data entered about the project and state tax rates and assumptions about workers moving to the area and possibly building new property.

Impact DataSource estimated the miscellaneous taxes and user fees as a function of statewide personal income. The data used to estimate these factors were obtained from the US Census of Governments and the Bureau of Economic Analysis. Next, these percentages were applied to the total increase in workers' earnings from the economic impact calculations to determine the annual miscellaneous taxes and user fees to be collected by the state related to the permanent increase in economic activity supported by the project.

The fiscal costs associated with the project result from the portion of new worker households that relocate to New Mexico to take a job and the resulting costs to provide state services to these new residents. Impact DataSource estimated the cost of providing state services to new worker households moving to the state by applying the average per household cost of state expenditures to the estimated number of new workers new to the state.

Impact DataSource determined the marginal cost to provide state government services on per household in the state by using approximately 40% of the average cost. The data used to estimate these costs were obtained from the US Census of Governments and US Census. On average, the state incurs $5,000 in costs to provide these services to households.

Calculation of Revenues for the City

The city's revenues from gross receipts taxes, property taxes, city-owned utilities, utility franchise fees, lodging taxes, and building permits and fees were estimated directly using data entered about the project and local tax rates and assumptions about workers moving to the area and possibly building new property.

The new firm was not asked for nor could reasonably provide some data for calculating some other revenues for the city. For example, while the city will likely receive revenues from fines paid on speeding tickets given to new workers at the firm, the firm may not reasonably know the propensity of its workers to speed. Therefore, some other city revenues were calculated using an average revenue approach. This approach uses two assumptions:

1 - The city has two general revenue sources -- revenues from residents and revenues from businesses.

2 - The city will collect (a) about the same amount of other revenues from each household of new workers that may move to the city as it currently collects from an average household of existing residents, and (b) about the same amount of other revenues from the new firm (on a per worker basis) will be collected as the city collects from other businesses in the city.

Using this average revenue approach, revenues likely to be received by the city were calculated from the households of new workers who may move to the city and from the new firm using average city revenues per household and per worker calculations. These revenues are labeled as miscellaneous taxes and user fees.

The total annual city revenues used to make average revenue calculations in this analysis were obtained from the city's latest annual budget and the per household and per worker and calculations are detailed in Appendix A.

Calculation of Costs for the City

This analysis sought to answer the question, what additional monies will the city have to spend to provide services to households of new workers who may move to the city and to the firm. A marginal cost approach was used to calculate additional city costs from the new firm and its workers.

This approach uses two assumptions:

1 - The city spends money on services for two general groups -- residents and businesses.

2 - The city will spend (a) about the same amount for variable or marginal cost for each household of new workers that may move to the city as it currently spends for an average household of existing residents, and (b) about the same amount for variable or marginal costs for the new firm (on a per worker basis) as it spends for other businesses in the city.

Calculation of Net Benefits for the City

Net benefits calculated in this analysis are the difference between additional city revenues over a ten-year period and additional city costs to provide services to the new firm and its workers and indirect workers who may move to the city.

Calculation of Revenues, Costs and Net Benefits for the County

The model estimates additional revenues, costs and net benefits for the county using the same methodology described for the city relying on county budget data.

Calculation of Revenues for Public Schools

The school district's revenues from property taxes were calculated on the new residential property for some new direct and indirect workers who may move to the county and on the firm's property that will be added to local tax rolls.

However, school district revenues from state and federal funds and other local funding were calculated using an average revenue approach. This approach used the assumption that the school district will collect about the same amount of these revenues for each new student in the household of a new worker who may move to the county as it currently collects for each existing student.

Calculation of Costs for Public Schools

A marginal cost approach was used to calculate additional school district costs from the new firm and its workers. This approach uses the assumption that the school district will spend about the same amount for variable or marginal cost for each new student as it spends for each existing student.

Calculation of Net Benefits for Public Schools

Net benefits calculated in this analysis are the difference between additional school district revenues over a ten-year period and marginal costs for the school district to provide services to students in the households of new workers who may move to the county.

The school district's total annual revenues and expenses to make average revenue and marginal costs calculations in this analysis were obtained from the school district's latest annual budget.

Calculation of Property Taxes to be Collected by Countywide Special Taxing Districts

Revenues for countywide special taxing districts from property taxes were calculated on the new residential property for some new direct and indirect workers who may move to the county and on the firm's property that will be added to local tax rolls.

While each of these special taxing districts may incur additional costs from new residents and from the new firm, these additional costs were not calculated in this analysis.

About Impact DataSource

Impact DataSource is an Austin economic consulting, research, and analysis firm founded in 1993. The firm has conducted over 2,500 economic impact analyses of firms, projects, and activities in most industry groups in New Mexico and more than 30 other states.

In addition, Impact DataSource has prepared and customized more than 50 economic impact models for its clients to perform their own analyses of economic development projects. These clients include the Frisco EDC in Texas and the Metro Orlando (Florida) Economic Development Commission.

Attachment D

Marty's Meals, Inc.

Sample Affidavit Quarterly Report

Affidavit

Whereas agreed to in the Project Participation Agreement (PPA) dated XXX between the City of Santa Fe (City) and Marty's Meals, Inc. (QE), the QE will provide quarterly reports in the form of a signed affidavit indicating how the QE has met the Job Creation Schedule in PPA's Attachment A, I, Sandra Bosben, CEO, of Marty's Meals located in Santa Fe, New Mexico make an oath and say that:

1. As of XXX (date) the QE was still in the construction phase of the project and has not begun hiring additional employees.
2. The number of workers in construction jobs on this project was XXX FTE. (Contractor states full time as 32 hours per week) and XXX workers part time.
3. The average rate of pay for all construction workers on this project was XXX per hour/per year.
4. Certification of Non-Interest: I, Sandra Bosben, certify to the City that no member, officer or employee of the City or its designees or agents, no member of the governing body of the locality of which the program is situated, and no other public official that exercises any functions or responsibilities with respect to the Project during his/her tenure, or for one year thereafter, shall have any interest, direct or indirect, in the QE or any contract or subcontract, or the process thereof, for work to be performed in conjunction with the Project that is the subject of this agreement.

I SWEAR OR AFFIRM THAT THE ABOVE AND FOREGOING REPRESENTATIONS ARE TRUE AND CORRECT TO THE BEST OF MY INFORMATION, KNOWLEDGE AND BELIEF.

____
Date

____
Sandra Bosben, CEO and Founder of Marty's Meals, Inc.

SUBSCRIBED AND SWORN TO ME

On the ______ day of __________________

____
Notary Public

My commission expires: ________________

Attachment E

INTERGOVERNMENTAL AGREEMENT NEW MEXICO ECONOMIC DEVELOPMENT DEPARTMENT AND THE CITY OF SANTA FE, NEW MEXICO

This Intergovernmental Agreement ("Agreement") is entered into as of the date of the last signature affixed below by and between the New Mexico Economic Development Department ("EDD") and the City of Santa Fe, a municipal corporation of the State of New Mexico ("City"), collectively referred to as the "Parties," with reference to the following facts.

SECTION 1. RECITALS:

WHEREAS, the New Mexico State Legislature enacted Laws 2014, Chapter 63, Section 5, Subsection 33 which appropriated ten million dollars ($10,000,000) to EDD "[f]or economic development projects pursuant to the Local Economic Development Act" (the "Appropriation"); and

WHEREAS, the purpose of the Local Economic Development Act, NMSA 1978 §§ 5-10-1 through 5-10-13 (2007) ("LEDA"), is to provide "public support for economic development to foster, promote, and enhance local economic development efforts..."; and

WHEREAS, the City has adopted LEDA by Ordinance 2004-42 which established the City's Economic Development Plan that promotes economic development within the City and Ordinances Nos. 2008-42 and 2018-4 amending the Economic Development Plan Ordinance; and

WHEREAS, the City has adopted Ordinance No.______ ("Ordinance") to approve the economic development project ("Project") to secure the expansion of Marty's Meals, Inc., a New Mexico corporation ("Marty's Meals") within the City; and

WHEREAS, the City has entered into a Local Economic Development Project Participation Agreement ("PPA") with Marty Meals, Inc. and, pursuant to the terms of that PPA, Marty's Meals, Inc. will provide a substantive contribution in exchange for the public contribution. A copy of the PPA and any amendments are attached hereto as **Exhibit A**; and

WHEREAS, the EDD and the City desire to enter into this Agreement to facilitate disbursement of funds for the Project;

NOW THEREFORE, the Parties do hereby agree to the following terms and conditions to accomplish the Project.

SECTION 2. PURPOSE OF AGREEMENT:

The purpose of this Agreement is to place the primary responsibility on the City to oversee and administer the appropriation for the Project. It is the intent of the Parties that the EDD will transfer an amount not to exceed One Hundred Seventy-Five Thousand Dollars ($175,000) (the "Funds") from the Appropriation to the City for expenditures made to implement the Project. The Parties agree that any and all State Funds received by the City will be accounted for by the City as the fiscal agent for the EDD in accordance with the procedures the City will use to account for its own funds and property used to implement the Project, or any properties acquired or developed by the City as a result of implementation of the Project will be used by the City for economic development purposes only.

SECTION 3. SCOPE OF WORK:

The City will act as fiscal agent for the appropriation supporting the Project. EDD will transfer an amount not to exceed One Hundred Seventy Five-Thousand Dollars

($175,000) from the Appropriation to the City for expenditures made to implement the Project, pursuant to the LEDA statutes. In exchange for the appropriation, Marty's Meals, Inc. will create eleven (11) new jobs and contribute up to Two Million Thirty Eight Thousand Six Hundred Dollars ($2,038,600) in capital investment within ten years after the execution of this Agreement. On October 1, 2018, Marty's Meals starting headcount was 3 full-time jobs, so the starting headcount for this Project is the net jobs above 3 jobs. The EDD expressly agrees that "new" jobs are those jobs created by Marty's Meals on or after October 1, 2018. The City will quarterly review the Project timeline and progress until the ten-year anniversary of this Agreement or until the City certifies to the EDD that the requisite Economic Development Goals have been completed to the City's satisfaction or that the EDD contribution of no greater than $175,000 in Funds has been reimbursed to EDD. In the event that Marty's Meals, Inc. falls below the hiring target in any given period, reimbursements will be suspended until hiring target is achieved and sustained for at least ninety (90) days.

The EDD and the City agree that failure of Marty's Meals to make its required contribution, as defined in the PPA, will result in a violation of the terms and conditions of the PPA. Such violation, after any cure period granted, will require that the City foreclose on the security interest. All the terms, conditions, and requirements set forth under the PPA are incorporated into this Agreement by reference. All State funds recaptured from Marty's Meals by the City shall be returned to EDD within 60 days.

SECTION 4. CITY OF SANTA FE RESPONSIBILITIES:

The City shall:

1. Submit all documentation supporting expenditures made to implement the Project in a format acceptable to the City. The City shall notify the EDD in writing of any default by Marty's Meals, Inc. within 60 days of the event of default, as defined in the PPA ("Default");

2. Serve as fiscal agent for the Funds transferred to it under this Agreement;

3. Complete all of the following goals identified in this Agreement within the time limits agreed upon by the Parties:

    a. Account for receipts and disbursements of reimbursed Funds;

    b. Provide the EDD with the required financial documentation pertaining to this disbursement; and

    c. Submit all required and reasonably requested documentation to the EDD, including the endorsed LEDA Ordinance approved by the City Council accepting the Project for Marty's Meals as a qualifying entity pursuant to LEDA. Such documentation shall include a fully executed copy of the Marty's Meals security interest, and copies of invoices and other documentation as required by the EDD within the time required; and

4. Not impose any obligations on EDD with respect to the administration of this Project, other than the reimbursement of Funds described in this Agreement; and

5. Monitor job creation by Marty's Meals, Inc. and report the number of jobs created each quarter to EDD for a period of ten years after this Agreement has been fully executed . Quarterly reports shall include a copy of FORM

ES-903 (or any form substituted therefore by the State) provided by Marty's Meals, Inc. to the City, on file with the New Mexico Department of Workforce Solutions.

The Parties have created a schedule as listed in Attachment A of the PPA, which is hereby incorporated into this Agreement and made a part hereof by this reference as though set forth in full.

SECTION 5. CITY CERTIFICATIONS:

As fiscal agent, the City hereby assures and certifies that:

1. It will comply with all applicable State laws, regulations, policies, guidelines, and requirements with respect to the acceptance and use of State funds;
2. It has the legal authority to receive and expend the funds;
3. It will enforce the provisions of Ordinance No. _____ approving the Project;
4. It has exercised due diligence in certifying that the Project is a viable economic development initiative with potential long-term economic development benefits;
5. It will provide the EDD documentation and references to expertise it has relied upon in approving this Project upon receipt thereof or reliance thereupon and copies of reports and documentation it receives from Marty's Meals;
6. It has entered into a PPA and has obtained all financial documentation necessary to protect the City's and the State's investments in this project;

7. It shall not at any time during the life of this Agreement convert any property acquired or developed pursuant to this Agreement to uses other than those within the Project description as defined in Section 2 - Purpose of Agreement and Section 3 - Scope of Work, stated above;

8. It will notify the EDD of any Default within 60 days of an event of Default. Further, the City shall provide the opportunity for any Default to be cured by Marty's Meals, Inc., in accordance with the PPA prior to termination thereof;

9. No member, officer, or employee of the City or its designees or agents, no member of the governing body of the locality of which the program is situated, and no other public official that exercises any functions or responsibilities with respect to the Project during his/her tenure, or for one (1) year thereafter, shall have any interest, direct or indirect, in any contract or subcontract, or the process thereof, for work to be performed in connection with the Project that is the subject of this Agreement. The City shall require Marty's Meals, Inc. to incorporate in all contracts or subcontracts a provision prohibiting such interest pursuant to this certification; and

10. It has complied with Article IX, Section 14 of the New Mexico Constitution, known as the "anti-donation clause."

SECTION 6. EDD RESPONSIBILITIES:

EDD shall:

1. Transfer an amount not to exceed One Hundred Seventy-Five Thousand Dollars ($175,000) from the Appropriation to the City for expenditures made to implement the Project; and

2. At the EDD's discretion, review and audit the Project if it is deemed to be necessary or desirable.

SECTION 7. TERM OF AGREEMENT:

This Agreement shall become effective on the date it is fully executed and shall terminate when Marty's Meals, Inc. documents to the City's satisfaction that the required Economic and Development Goals, as defined in the PPA, have been satisfied, or until the PPA is otherwise terminated or expires, whichever occurs earlier.

SECTION 8. LIABILITY:

No Party shall be responsible for liability incurred as a result of the other Party's acts or omissions. Any liability incurred in connection with this Agreement is subject to the immunities and limitations of the New Mexico Tort Claims Act, NMSA 1978, §§ 41-4-1, *et seq.* The Parties may agree to reimburse one another under these liability provisions, subject to sufficient appropriation by the New Mexico Legislature or sufficient funds being available to the Party, as determined by the Party responsible for payment.

SECTION 9. DISPOSITION OF PROPERTY; RECORDS; RETURN OF SURPLUS FUNDS:

1. Property purchased under this Agreement for the Project shall remain with the purchasing party unless otherwise agreed upon.

2. The City Finance Department shall keep such records as will fully disclose the amount and disposition of the total funds from all sources budgeted for

the Project, the purposes for which such funds were used, and such other records as the EDD may require.

3. If, upon the expiration of the Project or the termination date of this Agreement, any surplus Funds are possessed by the City, the City shall return said Funds to the EDD for disposition in accordance with law.

SECTION 10. STRICT ACCOUNTABILITY:

The City Finance Department shall be strictly accountable for receipts and disbursements relating hereto and shall make all relevant financial records available to EDD and the New Mexico State Auditor quarterly or upon request, and shall maintain all such records for a period of six (6) years following completion of all the records and any audits.

SECTION 11. REPORTS:

The City shall submit to the EDD the quarterly employment report in the form of an affidavit signed by an officer of Marty's Meals, Inc., which Marty's Meals Inc. is required to submit quarterly to the City. The City Office of Economic Development shall submit to the EDD the quarterly reports that Marty's Meals, Inc. is required to submit to the City, including copies of Form ES-903 (or any form substituted therefor by the State), filed by Marty's Meals, Inc. with the New Mexico Department of Workforce Solutions. The City Office of Economic Development shall submit to the EDD a final report respecting direct and indirect job creation and retention attributable to the State appropriation on or before the termination of this Agreement. The Final Report shall contain a description of work accomplished, the methods and procedures used, a detailed budget breakdown of expenditures, a description of any problems or delays encountered and the reasons therefore, and such other information as may be requested by the EDD.

SECTION 12. NOTICES; REPRESENTATIVES OF THE PARTIES:

Any notice required to be given to a Party by this Agreement shall be in writing and shall be delivered in person, by courier service, or by U.S. Mail, either first class or certified, return receipt requested, postage prepaid, as follows. The Parties hereby designate the individuals named below as their representative responsible for overall administration of this Agreement.

If to the EDD:

Attn: Juan Torres
NM Economic Development Department
Financial Development Team Leader
Joseph Montoya Building
1100 St. Francis Drive
Santa Fe, New Mexico 87505
Juan.torres@state.nm.us

If to the City:

Attn: Matthew Brown
Director, Office of Economic Development
500 Market Station, Suite 200
Santa Fe, New Mexico 87504
mpbrown@ci.santa-fe.nm.us

SECTION 13. AMENDMENTS:

This Agreement shall not be altered, changed, or amended, except by instrument in writing executed by all of the Parties hereto.

SECTION 14. GOVERNING LAW:

This Agreement shall be governed by the laws of the State of New Mexico.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date of the last signature affixed below.

CITY OF SANTA FE:

____
Alan M. Webber, Mayor

ATTEST:

____
Yolanda Y. Vigil, City Clerk

APPROVED AS TO FORM:

Erin K. McSherry, City Attorney

Approved:

____________________________________ MM
Mary McCoy, Finance Director

NEW MEXICO ECONOMIC DEVELOPMENT DEPARTMENT

By: ____________________________________

Matthew Geisel, Cabinet Secretary

Date: ____________________________________

By: ____________________________________

David Mathews

Its: General Counsel, certifying legal sufficiency

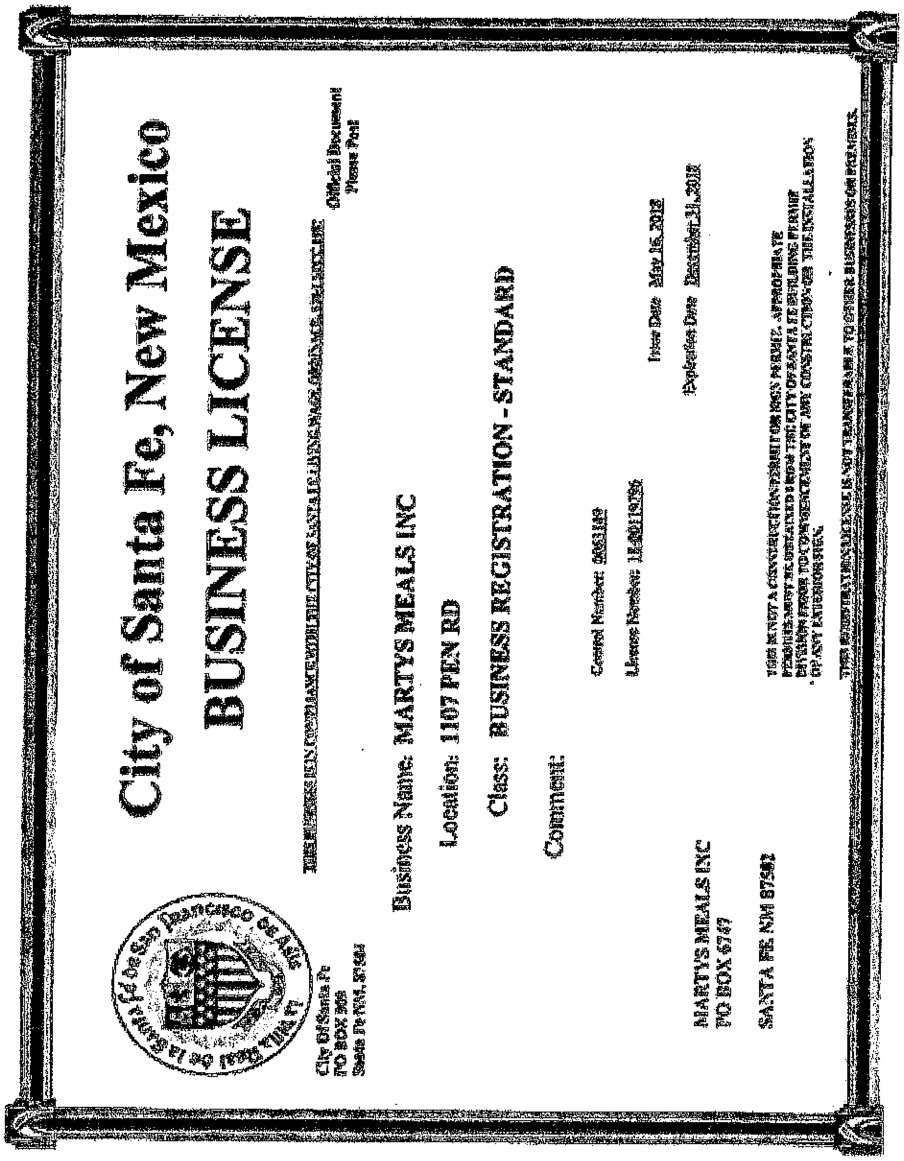
Attachment F

Marty's Meals, Inc.

LEDA Disbursement Schedule

Date	Disbursement Amount	Disbursement Performance Milestone
March 31, 2019	$33,750 (State- $18,750; City - $15,000). Lease Abatement: State $3,125 per month; City - $1,250 per month)	**Obtain Certificate of Occupancy and submit proof of payment for allowable expenditures**
September 30, 2019	$37,500 (State- $22,500; City - $15,000). Lease Abatement: State $3,750 per month; City - $1,250 per month)	Hire 3 new employees with an average wage of $13.00 per hour
March 31, 2020	$37,500 (State- $22,500; City - $15,000). Lease Abatement: State $3,750 per month; City - $1,250 per month).	Retain 6 employees with an average wage of $13.00 per hour
September 30, 2020	$27,500 (State- $22,500; City - $5,000). Lease Abatement: State $3,750 per month; City - $1,250 per month).	Hire 1 new employee with an average wage of $13.00 per hour
March 31, 2021	$22,500 (State). Lease Abatement: State $3,750 per month.	Retain 7 employees with an average wage of $13.00 per hour
September 30, 2021	$22,500 (State). Lease Abatement: State $3,750 per month.	Hire 1 new employee with an average wage of $13.00 per hour
March 31, 2022	$22,500 (State). Lease Abatement: State $3,750 per month.	Retain 8 employees with an average wage of $15.00 per hour
November 30, 2023	$21,250 (State). Lease Abatement: State $3,750 per month.	Hire 7 new employees with a total headcount of 10 employees with an average wage of $13.00 per hour.

Attachment G



Sandra Bosben
Marty's Meals, Inc.
1107 Pen Road, Santa Fe, NM
2750 Glenwood Drive #3, Boulder, CO
(c) 505.670.3754
sandyb@MartysMeals.com
www.MartysMeals.com

Attachment H

Irrevocable Standby Letter of Credit

Reference No.: **Issue Date:**

Beneficiary:
City of Santa Fe
ATTN: City Finance Director
200 Lincoln Ave.
Santa Fe, NM 87501

Borrower:

Creditor:

Issue Amount: **Expiry Date:**

We hereby open our Irrevocable Standby Letter of Credit in favor of the Beneficiary listed above for the account of the above referenced Borrower in the aggregate amount of the Issue Amount noted above, which is available by payment, in whole or partial draws, upon presentation of the following documents:

1. A draft drawn on the Creditor at sight marked "Drawn Under [BANK NAME] Irrevocable Standby Letter of Credit No. _________" and the amount of each draft shall be marked on the draft.
2. A copy of the original Irrevocable Standby Letter of Credit and any amendments thereto.
3. A dated statement issued on the letterhead of the Beneficiary and purportedly signed by an authorized representative stating: "The Borrower has failed to make the contribution required by the Project Participation Agreement between the Borrower and the Beneficiary dated __________, 20__ (the "PPA") and was required but has failed to pay clawback to the Beneficiary as outlined in the PPA. The undersigned further certifies that the Beneficiary has the right to draw on the [BANK NAME]__________ Irrevocable Standby Letter of Credit No. _________ in the amount of the draft which accompanies this statement, which amount represents the clawback the Borrower owes to and has failed to pay to the Beneficiary. We therefore demand payment in the form of _________ Dollars ($_________) as same as due and owing.

This Irrevocable Standby Letter of Credit sets forth in full the terms of our undertaking. This undertaking is independent of and shall not in any way be modified, amended, or amplified by any document, contract, or agreement referenced herein.

We hereby agree that draft(s) drawn under and in compliance with the terms and conditions of this credit shall be duly honored if presented together with document(s) as specified above at our office noted below on or before the above stated expiry date, or any extended expiry date if applicable. Any correspondence regarding this Irrevocable Standby Letter of Credit, shall quote the reference number to:

[]

Sincerely,
[Bank Name]
By: __________________________ _________
Authorized signature Date

Acknowledged and agreed to by Borrower,
[Borrower name, by its Title and signator name]
By: __________________________ _________
Authorized signature Date