

**ALBUQUERQUE DEVELOPMENT COMMISSION  
Industrial Revenue Bond Hearing**

**December 10, 2024**

**Case #2024-17 BFP Stadium IRB**

IRB-25-3: BFP Stadium Project

**REQUEST:** Approval of \$30,000,000 in City Industrial Revenue Bonds is requested.

**PROJECT SUMMARY:** United Athletic Club, LLC (“New Mexico United” or “United”) is an American professional soccer team based in Albuquerque, New Mexico. Founded June 6, 2018, the team currently plays in the USL Championship, the second division of American soccer. In November 2023, Albuquerque City Council approved a Lease Agreement (“Lease”) between the City of Albuquerque and United (EC-375) for a site consisting of approximately seven acres within Balloon Fiesta Park and access to parking areas. The Lease requires that the team secure Industrial Revenue Bonds in support of the project. The Lease as shown in Exhibit 3 provides additional details.

Currently, the United play their home games at Rio Grande Credit Union Field at Isotopes Park. The proposed project is the construction of a new, best-in-class entertainment venue that will not only support the team’s operations and growth, but also serve as a hub for sports tourism and other high-quality entertainment and cultural programming. The company is requesting \$30 million in City-issued industrial revenue bonds (IRB). City IRBs are issued to support eligible economic development projects that meet established policies and plans. The Company is responsible for funding the purchase of the bonds; no City funds are utilized to purchase or pay off the bonds, and no City credit is used to enhance the bonds.

The stadium will have 7,592 fixed seats, and a total capacity including general admission of 10,042. The new facility will be activated for up to 100 soccer, other sports, and non-sporting events per year, providing new opportunities for the Albuquerque community and visitors to convene and connect. The proposed project is located at 4900 Balloon Fiesta Parkway NE, Albuquerque NM 87113 at Balloon Fiesta Park. The project site is zoned NON-RESIDENTIAL – PARK AND OPEN SPACE ZONE DISTRICT (NR-PO-A), which lists sports stadiums as an allowable use. The proposed use of the facility by the Company would not require a change in zoning.

The project will expand and modernize parking and infrastructure at Balloon Fiesta Park. The new facilities will fill a gap in the existing local entertainment landscape that enables the City to attract and experience a broader array of professional sporting events and other community events. The project represents a \$40 million investment by the United. The New Mexico United organization is expected to employ 120 full-time employees, as well as an estimated 136 event-based and seasonal staff. The Project is expected to generate up to 310 construction jobs.

The salaries for the new positions range from \$25,000 to \$150,000, are considered full time positions, and come with full employee benefits with the company paying 50% of monthly healthcare premiums. Event-based staff roles include event day security, ushers, retail associates, cleaning crew, technology operations, and other hospitality staff.

The State of New Mexico and its local governments are empowered to offer discretionary incentives to companies that support economic development projects that foster, promote, and enhance local economic development efforts. More specifically, New Mexico municipal IRB legislation specifically identifies “projects” as land, buildings, equipment and improvements which are suitable for use by the following:

1. any business in which all or part of the activities of the business involve the supplying of services to the general public or to governmental agencies or to a specific industry or customer but does not include establishments primarily engaged in the sale of goods or commodities at retail;

The IRB application, as shown in Exhibit 1 provides details of the Project and the number and types of jobs to be created.

This project includes a fiscal impact analysis prepared by the University of New Mexico’s Bureau of Business and Economic Research (BBER). The fiscal impact presented shows that operations related to the \$30 million bond will generate an estimated total of slightly over \$9 million in taxes by 2043, with a continued upward trend anticipated thereafter. Project BFP Stadium is expected to remain tax positive throughout the span of the contract. As New Mexico United gradually scales up its operations to reach full capacity, which includes hiring 53 new full-time employees by 2028, the job creation will generate a tax impact throughout the lifespan of the IRB and beyond. In addition to full-time staff, the organization will also be bringing on part-time and dedicated event staff, further contributing to the economic landscape of Albuquerque.

The project plan as shown in Exhibit 2 provides details of the project.

**FINDINGS:**

1. IRB 25-3 is a qualified project as defined by the State’s Industrial Revenue Bond Act and the City enabling legislation (Resolution R-196, Sixth Council (126-1985) as amended by Resolution 350 Sixth Council; and
2. IRB 25-3 would make positive substantive contributions to the local economy and community by creating 53 jobs; and
3. IRB 25-3 will make positive impacts on Albuquerque’s tourism and entertainment industries through the development of new venue and infrastructure at Balloon Fiesta Park; and
4. IRB 25-3 would comply with the adopted City plans and policies, and meet community economic development priorities and objectives; and
5. IRB 25-3 would adequately meet the evaluation criteria established by the City for Industrial Revenue Bond Act projects, including the requirement that the City recoup the value of its investment over the term of the bonds.

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

**I. INITIAL QUALIFYING TEST; PASS/FAIL CRITERIA**

1.Economic Base Company * that meets statutory requirements	Pass
2. Satisfactory initial demonstration of ability to service debt or self-fund purchase of the bonds, or evidence of an acceptable financing commitment.	Pass
3. Conforms to City planning and zoning policies.	Pass
4. Firm has no outstanding substantive federal, state or local tax issues.	Pass
5. Proposed project complies with all federal, state, and local environmental laws, regulations, and rules.	Pass
6. Jobs created by the project meet or exceed the median wage for similar jobs in the community	Pass
7. Per state requirements, the firm covers 50% of health insurance premiums for employees.	Pass
8. Other additional factors.	
<b>RESULT</b>	<b>PASS</b>

1. NM United qualifies under the IRB Act and the City’s Ordinance as:

- a. “any business in which all or part of the activities of the business involve the supplying of services to the general public or to government agencies or to a specific industry or customer base but does not include establishments primarily engaged in the sale of goods or services at retail.”

- 2. The bonds will be considered a “self-purchase”- purchased by a subsidiary or affiliate of the Company.
- 3. The project site is zoned NON-RESIDENTIAL – PARK AND OPEN SPACE ZONE DISTRICT (NR-PO-A), which lists sports stadiums as an allowable use. No Zone changes are required for this project.
- 4. NM United has certified that it has no outstanding substantive federal, state, or local tax issues.
- 5. The Project, in its design, complies with environmental regulations. Permits are required for the renovations and new developments. Additional information regarding environmental implications is contained in the following section and in the Project Plan.
- 6. Jobs for the positions meet or exceed the median wages for similar jobs in the community. The salaries and positions are more fully described in Section II-7 and in the Application.
- 7. NM United pays at least 50% percent of the health insurance premiums for its employees.

**II. LAND USE, PLAN AND DESIGN ELEMENTS**

- 1. PLAN & ZONING:

### Legal Description

The proposed project is located at 4900 Balloon Fiesta Parkway NE, Albuquerque NM 87113. The site is legally described as Tract A-1 Plat of Tracts A-1, B-1, C-1, D-1, E-1, F-1, G-1-A, H-1, I-1-A & I-2-A at Balloon Fiesta Park.

### Prevailing Site Conditions

The stadium is located within the northeast section of Balloon Fiesta Park, the City's largest regional park. With over 360 acres of space, the park is home to the annual Albuquerque International Balloon Fiesta and provides for a wide variety of year-round cultural, recreational, and community programs for all New Mexicans. Prior to the creation of the park in 1996, the site had been used as a gravel quarry.



The stadium development area consists of 7 acres of land within an existing degraded parking lot running along the eastern property line of the park. A small portion of the development site, along the east and south sides, includes land situated on a steep escarpment. At the top the escarpment, to the east and south, are existing parking areas used by the park for special events, while due west of the site is the Balloon Fiesta Launch field. Note that high voltage power lines running north-south across the park separate the area of the launch field from the proposed stadium site. The area due north of the stadium development site has additional existing parking areas that will be improved as part of the overall site improvements in support of the project. Vehicular access to the stadium site will come primarily from I-25 via the southbound frontage road turning onto Balloon Fiesta Parkway, which brings visitors into the northeast corner of the park.

### Present Assessed Value

The assessed value of the site is \$683,020, based on the known value of nearby undeveloped properties and factoring the poor condition of the existing site. This equates to \$2.24 per square

foot. The Bernalillo County Assessor's 2024 Notice of Value for 4900 Balloon Fiesta Parkway NE is \$23,122,100.00

### **Present and Proposed Zoning**

The project site is zoned NON-RESIDENTIAL – PARK AND OPEN SPACE ZONE DISTRICT (NR-PO-A), which lists sports stadiums as an allowable use. No Zone changes are required for this project.

#### 2. LAND USE:

The stadium construction will develop a multi-purpose sports facility on its 7-acre leased site and will be a catalyst for overall site improvements within the park, including a total of 25 acres of grading and drainage, paving, and landscape improvements across the existing east parking lot the stadium is located within.

New Mexico United planned the proposed project development to mitigate light and sound pollution to the surrounding neighborhoods to the greatest extent possible. Impact analyses based on specific project design criteria and environmental modeling show that the proposed design will fall within acceptable parameters. The construction of this project will initiate the installation of additional new landfill gas monitoring wells around an adjacent old landfill site near the south boundary of the project, further improving safety year-round for all visitors to the park. Furthermore, the regrading and repaving of the parking lot to the north of the stadium site along with stabilization of the surrounding steep escarpment areas will improve long-standing water runoff issues, allowing for greater water retainage and percolation during storms while reducing surface runoff.

A comparative traffic analysis for the project shows that the existing infrastructure will be adequate to serve peak events at the stadium. The stadium will utilize existing parking and traffic access systems at Balloon Fiesta Park, which accommodates nearly 100,000 visitors per day during the International Balloon Fiesta. A peak event at the stadium will draw approximately 12,000 fans (3,000 cars). The team will utilize traffic control policies before and after games to ensure safe ingress/egress at the site, while also ensuring no vehicles cut through sensitive neighborhoods.

An existing Verizon equipment building will be relocated as part of the site improvement coordination efforts. The new location will be planned to work in conjunction with the stadium location and coordination efforts among COA, Verizon and team have been established.



### 3. Competition

New Mexico United does not have any direct competition in Albuquerque, as there are no other professional soccer franchises operating. There are also no existing stadiums with comparable layout, capacity, and amenities to what is proposed for this project.

Indirect competitors fall into two categories: sports teams and stadiums and entertainment venues. Of the professional and semi-professional sports teams considered indirect competition for the United, none play outdoor soccer. Numerous, comparably-sized venues in the metro area host sporting events and other events that may overlap with the proposed uses of the New Mexico United stadium. Other events hosted by the United stadium will largely be additive to the state's entertainment offering portfolio rather than redistributive. No other stadium is equipped to host major professional sporting events beyond the City's current event portfolio. In addition, a mid-sized outdoor concert venue with the flexible, configurable layout offered by a soccer stadium footprint does not exist in the City.

### 4. Effect on Existing Industry and Commerce during and after Construction

Once the City delivers the pad-ready site, the construction phase for the stadium will last approximately 18 months. Construction activities will be sequenced so as not to conflict with the Exclusive Use period of time that AIBF needs leading up to and immediately after the Balloon Fiesta (part of September and the first half of October). During the 18-month construction phase, it's estimated that nearly \$10 million will be spent directly on local labor, generating up to 310 construction jobs, with the potential to increase depending on final stadium design.

Once the stadium is completed, the team projects total employment of 120 full-time roles, as well as over 130 temporary and seasonal roles to staff New Mexico United matches and other stadium events. This represents significant growth from the current New Mexico United operations, primarily through additional activities the stadium will enable, including non-soccer events (concerts, festivals, etc.) and the launch of a professional women's team. These additional activities are expected to generate a combined \$20 million in additional annual revenue at full scale.

Stadium events will also draw out-of-state tourism, particularly in the form of fans from opposing teams who travel to New Mexico to support their hometown players, spending money not just on game tickets, but on lodging, meals and entertainment in the region.

The project would support: a) An Economic Development Strategy for Albuquerque/Bernalillo County to attract, develop, and retain responsible and responsive businesses; nourish expansion of existing and new local businesses; and emphasize economic base companies; and b) The Comprehensive Plan Economic Development Policies to: encourage expansion of export-based business to customers across the country that strengthen the economy; encourage prospective employers willing to hire local residents and able to diversify the employment base; development of local business enterprises as well as the recruitment of outside firms. The project also supports the economic development priorities and objectives of the City's Local Economic Development Act.

The United Project further supports the EDD's criteria for the use of incentives by Leveraging our Core Assets, Implementing Place-Based Strategies, Supporting Focused and Positive ROI Projects, and creating 53 new full-time jobs.

#### 5. INFILL:

The stadium is meant to serve as a catalyst for additional development of Balloon Fiesta Park. The park's master plan calls for additional, mixed-use applications at the park that enhance the International Balloon Fiesta and the multitude of events that happen at the park each year. Considering the stadium as just one phase, there is an opportunity to see additional public and private investment in the park for decades to come.

The stadium is located within the northeast section of Balloon Fiesta Park, the City's largest regional park. With over 360 acres of space, the park is home to the annual Albuquerque International Balloon Fiesta and provides for a wide variety of year-round cultural, recreational, and community programs for all New Mexicans. Prior to the creation of the park in 1996, the site had been used as a gravel quarry.

The stadium development area consists of 7 acres of land within an existing degraded parking lot running along the eastern property line of the park. The stadium will comprise 140,500 square feet of total occupied space including the seating bowl, view terraces, plazas, and open-air concourses.

As the site was a former gravel quarry, no historic or archeological materials exist at the site.





6. DESIGN AND CONSERVATION:

Best practice water conservation strategies will be used in the design and planning of the stadium as well as the surrounding site improvement areas.

The proposed stadium will take a post-industrial area of Balloon Fiesta Park currently in poor condition and transform it into a positive community asset. The stadium will be a catalyst for multiple sustainable planning strategies such as long-overdue grading and drainage improvements to the site; extensive landscape improvements to reduce heat-island effect; safe and accessible pedestrian walkways; and EV charging stations within parking areas. The landscape features incorporated will consist largely of xeric plants and drought tolerant trees requiring low water usage.



7. RENEWABLE ENERGY:

The stadium design incorporates low-flow plumbing fixtures and energy efficient LED lighting systems, and composting stations will be located throughout the facility. The team will continue its collaboration with the Climate Change Leadership Institute at Isotopes Park to compost waste from all games and events at the new stadium. Water harvesting in landscape areas will reduce irrigation water loads. Photovoltaic panels will be installed at various locations including on top of shade canopies.

**III. ECONOMIC BENEFITS**

1. COMPETITION:

New Mexico United does not have any direct competition in Albuquerque, as there are no other professional soccer franchises operating. There are also no existing stadiums with comparable layout, capacity, and amenities to what is proposed for this project.

Indirect competitors fall into two categories: sports teams and stadiums and entertainment venues. Of the professional and semi-professional sports teams considered indirect competition for the United, none play outdoor soccer. Numerous, comparably-sized venues in the metro area host sporting events and other events that may overlap with the proposed uses of the New Mexico United stadium. Other events hosted by the United stadium will largely be additive to the state’s entertainment offering portfolio rather than redistributive. No other stadium is equipped to host major professional sporting events beyond the City’s current event portfolio. In addition, a mid-sized outdoor concert venue with the flexible, configurable layout offered by a soccer stadium footprint does not exist in the City.

2. JOBS:

Projected wages for new positions are competitive with comparable roles at other Albuquerque event- and entertainment-focused businesses.

The New Mexico United organization is expected to employ 120 full-time employees, as well as an estimated 136 event-based and seasonal staff. Of these 120 full-time staff, 67 will be retained from the current organization, and 53 will be new.

New job types will be:

<b>Job Type (new roles only)</b>	<b>Number of Positions</b>	<b>Salary Range</b>
VP / Director	6	\$90-125,000
Organization Operations Management	3	\$50-80,000
Organization Coordinators	6	\$35-60,000

and Assistants		
Stadium and Event Operations Management	3	\$75-80,000
Stadium and Event Operations Coordination	7	\$35-40,000
Technical: Head Coach	1	\$150,000
Technical: Assistant Coaches and Staff	5	\$30-75,000
Technical: Players	22	\$25-\$75,000
<b>TOTAL NEW FULL-TIME POSITIONS</b>	<b>53</b>	
Stadium Operations Staff: Event-Based	136	\$15-25 / hour

Event-based staff roles include event day security, ushers, retail associates, cleaning crew, technology operations, and other hospitality staff.

- a. What percentage of the permanent new jobs is expected to be filled by current Albuquerque area residents, as opposed to people relocated from elsewhere?

Aside from coaching staff and players,, we anticipate that 90% of permanent new jobs will be filled by current Albuquerque residents.

- b. Will jobs benefit low- and moderate-income residents?

Yes. The positions created will be filled by employees with diverse range of skills, experience and backgrounds. Approximately 95% of new positions will be available to people without college degrees.

- c. Will the jobs meet or exceed median wages for the industry within the community?

Projected wages for new positions are competitive with comparable roles at other Albuquerque event- and entertainment-focused businesses.

New Mexico United’s current payroll is \$3.9 million annually, including players, technical staff, front office staff, and temporary roles. The stadium will enable the organization to grow its employment and payroll by an estimated 6% each year. Future annual payroll is

projected to reach \$9.2 million by the end of the third full year of stadium operations, including:

- \$2.80 million for New Mexico United men’s team and technical staff (including some positions shared between men’s and women’s team)
- \$1.25 million for New Mexico United women’s team technical and player wages
- \$4.16 million for front office operations serving the two professional teams and stadium operations
- \$0.99 million for temporary and seasonal event staffing

d. Will the jobs match skills of current city residents?

Yes. The Albuquerque labor pool has the available skills to perform most jobs. The team is committed to prioritizing the local labor market to fill the majority of staffing needs. In addition, New Mexico United has a demonstrated commitment to upskill the local labor pool to fill positions jobs from players to coaches to the front office. The New Mexico United Academy, a U23 team, has produced two local players signing full-time contracts with the team, as well as the development and training of a professional quality local coaching pool. Programs such as New Mexico United’s Diversity Fellowship, front office internships, and partnership with the University of New Mexico to source and train employees, have also enabled the team to hire local talent across the spectrum of available positions. This commitment to local sourcing, hiring, and training will be magnified when the stadium is in operation.

e. Will new employees be trained to fill the positions?

Yes. The United has a documented onboarding and training process for new employees, which will be implemented across all new roles.

f. What stated advancement opportunities are there?

All full-time staff positions will have the opportunity for advancement in their respective departments (finance and administration, marketing and creative, merchandise, revenue and partnerships, and technical).

g. Will “Job Training Incentive Program” or other job training programs be used?

Yes. The team anticipates making use of the JTIP program and other programs that may be relevant to any qualifying position.

h. Will at least 50% of health insurance premiums be covered for employees?

Yes. The United After 60 days of service, all regular full-time employees are eligible to participate in the New Mexico United health plan. The team offers two different elective health plans for both the front office staff and players. This policy will remain in effect after completion of the stadium project. The team contributes 50% of the employees’ monthly health insurance premiums.

### 3. LOCAL PURCHASING

Throughout its history, New Mexico United has been committed to local procurement whenever possible. In 2023, the organization purchased an estimated \$1.73 million in goods and services from Albuquerque area businesses subject to local GRT, including over \$200,000 on local apparel and printing; \$75,000 on local multimedia and production; \$40,000 on local food; and over \$250,000 on services from accounting, legal, and other New Mexico-based professional firms.

With the opening of full stadium operations including a women's team, annual local spending is projected to increase to \$3.44 million initially, growing by 6% per year on average.

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

##### **1. COST/ FEASIBILITY/ FINANCING:**

##### **Cost of Improvements, Bond Amount and Private Financing**

A summary of the project is as follows:

##### **Cost of Improvements**

The total cost of improvements to be constructed will be \$40 million. The amount of bonds requested will be \$30 million, which will be funded by existing organization owners and additional independent entities.

The commencement of the construction for the stadium is contingent upon the City providing a "pad-ready" site.

**Bond Amount** – NM United is requesting a City-issued Industrial Revenue Bond in the amount of \$30,000,000.

##### **Project Financing**

If approved, the IRB will provide an essential component of the financing required to construct the stadium and hire staff needed for the organization's operations. The current stadium construction budget is approximately \$40 million, with anticipated debt and equity commitments from private entities of \$30 million. Without the IRB, the project will likely face a shortfall in the resources required for completion.

##### **2. DEVELOPER'S RECORD:**

Established in 2018, New Mexico United competes in the United Soccer League - Championship (USL), currently sanctioned as Division 2 by the United States Soccer Federation (USSF). Only Major League Soccer (MLS) holds a higher sanction. The team currently plays its home matches at Isotopes Park and owns and operates a practice facility at Mesa Del Sol.

New Mexico United has exceeded initial attendance expectations, drawing over 700,000 attendees between 2019 and 2023. The club averaged 9,619 fans per game in 2023, which placed it fourth among USL teams despite the Albuquerque MSA having one of the smallest market sizes in the league. The team also achieved an opening day attendance of over 11,000 fans in 2024, demonstrating its growing popularity.

New Mexico United has not only excelled in attendance, but also in brand recognition, leading apparel sales in the league since its inception. Corporate sponsorships have also flourished and topped the league.

Brief summaries of the relevant experience of the United executive team are included below. Additional information about other key individuals with the company can be found on the company's website <https://www.newmexicoutd.com/>.

*Peter Trevisani*

*Owner & CEO*

Peter Trevisani is the first Club President, CEO and majority owner of New Mexico United. Peter attended Boston College and has an MBA from Columbia University. Peter had a varied career across the globe and ultimately ended up in Santa Fe, retiring as a Partner at Thornburg Investment Management.

*Ron Patel*

*President*

Ron Patel is the President of New Mexico United. After co-founding New Mexico United in 2018 with the club's Majority Owner & CEO Peter Trevisani, Ron helped guide the team to become the USL league leaders in attendance and merchandise sales as its Vice President of Sales. After a brief stint away from New Mexico, overseeing a Sports and Entertainment group in McAllen, TX, Ron and his family returned home to New Mexico in 2021. Ron and Peter "got the band back together" in January of 2022, with Ron returning as New Mexico United's Chief Business Officer. Ron was promoted to President of the club in January of 2024, a role in which he proudly serves through the present day.

*Clint Gray*

*Vice President, Business Development & Facilities*

Clint Gray is the Vice President of Business Development & Facilities for New Mexico United. Clint brings over 25 years of experience from the banking sector, where he cultivated his expertise in financial management, strategic planning, and operational efficiency. Leveraging this extensive background, Clint orchestrates a multifaceted approach to drive growth with New Mexico United.

Based on the description and information given in the project plan, the company's performance, and operations at their current facilities, the team appears to have the track record to ensure a successful project.

Additional information is available on <https://www.newmexicoutd.com/frontoffice/>

3. EQUITY:

The current stadium construction budget is approximately \$40 million, with anticipated debt and equity commitments from private entities of \$30 million.

4. MANAGEMENT:



## IRB 25-3: BFP Stadium Project

United currently has a management team for the site. Executive team biographies are found in Section 10 above.

Based on the description and information given in the project plan, management appears to be qualified to manage the project.

### 5. FISCAL IMPACT ANALYSIS

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

The fiscal impact presented shows that operations related to the \$30 million bond will generate an estimated total of slightly over \$9 million in taxes by 2043, with a continued upward trend anticipated thereafter. Project BFP Stadium is expected to remain tax positive throughout the span of the contract. As New Mexico United gradually scales up its operations to reach full capacity, which includes hiring 53 new full-time employees by 2028, the job creation will generate a tax impact throughout the lifespan of the IRB and beyond. In addition to full-time staff, the organization will also be bringing on part-time and dedicated event staff, further contributing to the economic landscape of Albuquerque.

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

### **FINDINGS:**

1. IRB 25-3 is a qualified project as defined by the State's Industrial Revenue Bond Act and the City enabling legislation (Resolution R-196, Sixth Council (126-1985) as amended by Resolution 350 Sixth Council; and
2. IRB 25-3 would make positive substantive contributions to the local economy and community by creating 53 jobs; and
3. IRB 25-3 will make positive impacts on Albuquerque's tourism and entertainment industries through the development of new venue and infrastructure at Balloon Fiesta Park; and
4. IRB 25-3 would comply with the adopted City plans and policies, and meet community economic development priorities and objectives; and
5. IRB 25-3 would adequately meet the evaluation criteria established by the City for Industrial Revenue Bond Act projects, including the requirement that the City recoup the value of its investment over the term of the bonds.

### **STAFF RECOMMENDATION:**

Based on the above findings, staff recommends approval of IRB 25-3 as proposed in the project plan application.

Chris Chavez, Economic Development Manager  
Economic Development Department



BUREAU OF BUSINESS  
& ECONOMIC RESEARCH



# Fiscal Impact Analysis of Proposed New Mexico United Stadium (BFP Stadium) on the City of Albuquerque

Prepared for the City of Albuquerque Economic Development Department

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Alexis P. Amodio-Cardwell

NOVEMBER 2024

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## Introduction

The Economic Development Department at the City of Albuquerque (the City) has requested that UNM's Bureau of Business & Economic Research (UNM BBER) conduct a fiscal impact analysis regarding an industrial revenue bond (IRB) application submitted by United Athletic Club, LLC ("New Mexico United, LLC"). The current project name is titled "BFP Stadium."

Founded in 2018, New Mexico United is a professional soccer team competing in the United Soccer League (USL) Championship.<sup>1</sup> Presently, the team plays its home games at the Rio Grande Credit Union Field at Isotopes Park, a multi-purpose facility with a maximum capacity of 13,279. This venue, originally constructed in 2003, primarily serves as the home ground for the Albuquerque Isotopes (minor league baseball).

Recognizing the need for a dedicated home venue, New Mexico United, LLC proposes the development of a cutting-edge entertainment facility aimed at bolstering the ongoing success of New Mexico United. The new stadium, Project BFP Stadium, will have a seating capacity of 7,592 and an overall capacity of 10,042 when including general admission areas. Project BFP Stadium will be designed to host up to 100 events annually, ranging from soccer games to other sporting and non-sporting events.

During the construction phase of the stadium, it is anticipated that 310 jobs will be created. Additionally, 120 full-time and over 130 part-time and seasonal staff will also be hired for ongoing operations. Of the 120 full-time staff, 67 will be retained from the current organization, and 53 will be new. Dedicated event staff include security personnel, ushers, retail associates, cleaning crews, technology operations, and other hospitality staff.

In pursuit of this project, New Mexico United is requesting a \$30 million bond from the City. In addition, New Mexico United, LLC is also seeking a 75% real and personal property tax abatement.

## Property

Project BFP Stadium will be located within the northeast section of Balloon Fiesta Park, the City's largest regional park. The address is 4900 Balloon Fiesta Parkway NE, Albuquerque, NM 87114. The site is legally described as Tract A-1 Plat of Tracts A-1, B-1, C-1, D-1, E-1, F-1, G-1-A, H-1, I-1-A, & I-2-A at Balloon Fiesta Park containing approximately 184.5111 acres.

## Data and Methods

This analysis is based on self-reported budget and expenditures information provided by New Mexico United, LLC representatives. The figures submitted in the IRB application to the City have also been taken into account. Given that New Mexico United, LLC is seeking a 20-year bond rate, data includes expected payroll and employment figures, operational spending, and capital expenditures over the next 20 years.

Employment data includes the creation of 53 new full-time jobs from 2026 to 2028. Total compensation for these jobs, which includes salaries and benefits, ranges from \$45,738 for the players to \$187,500 for the head

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<sup>1</sup> New Mexico United is considered a United States Soccer Federation (USSF) Division 2 Professional League.

coach. New Mexico United also plans to offer an average salary increase of 5% for the managerial positions and 8% for the coaches and players.

In 2023, New Mexico United, LLC purchased an estimated \$1.73 million in goods and services from Albuquerque area businesses subject to local GRT. Based on estimates from New Mexico United, LLC, annual local spending is projected to increase to \$3.44 million initially, growing by 6% per year on average. Taxes for electricity and natural gas have also been considered in this analysis.

This analysis assesses the tax impact of New Mexico United, LLC's operations on the City of Albuquerque over the next 20 years, focusing on gross receipts, property, and other taxes. It includes the effects of spending related to direct, indirect, and induced jobs generated by New Mexico United, LLC operations, including construction. The analysis also incorporates the expected tax contributions from the industry.

Major assumptions were undertaken to complete this analysis, all of which are listed below:

1. Aside from the coaching staff and players, it is anticipated that 90% of permanent jobs will be filled by current Albuquerque residents.
2. The commencement of the construction for Project BFP Stadium is contingent upon the City providing a "pad-ready" site. The City's estimated completion date of a pad-ready site will be on or before June 30, 2026. Thus, for this analysis, we have assumed that construction will begin in 2026.
3. All construction jobs are expected to be sourced from within the city. New Mexico United, LLC representatives estimate that \$9.7 million will be spent directly on local labor.
4. The fiscal impact assumes a 75% abatement of gross receipts and compensating taxes on purchases of eligible tangible personal property acquired in connection with Project BFP Stadium, as well as a 75% real and personal property tax abatement for the project site with a 25% PILOT (payments in lieu of taxes) to the City.
5. The numbers provided in the analysis assume that all components will be purchased locally, except for pre-fabricated stadium-specific components.
6. With regards to depreciable business and personal property, the estimates are uncertain. This is because the actual breakdown of purchases made from New Mexico versus Non-New Mexico vendors are unknown until the specific furniture, fixtures, & equipment (FF&E) vendors are selected.
7. This analysis assumes that all employment resulting from this agreement – including construction, research and development, and manufacturing activities – will be a net gain to Albuquerque. Company spending is a net gain. The purchase of goods and services, real and personal properties, and construction expenditures are considered for gross receipt, compensating, and property taxes.
8. Only the City of Albuquerque incentives and the ensuing fiscal impact on the City are considered; incentives received from the State of New Mexico and/or any other governing entity are not included in this analysis.
9. Multipliers used for estimating the impacts of the project were based on historical budget information and the industry for which the impact was modeled – NAICS 711211: Sports Teams and Clubs. The following is the 2022 NAICS Definition for NAICS 711211: "This U.S. industry comprises professional or semiprofessional sports teams or clubs primarily engaged in participating in live sporting events, such as baseball, basketball, football, hockey, soccer, and jai alai games, before a paying audience. These



establishments may or may not operate their own arena, stadium, or other facility for presenting these events.”<sup>2</sup>

## Results

The fiscal impact presented in Table 1 shows that operations related to the \$30 million bond will generate an estimated total of slightly over \$9 million in taxes by 2043, with a continued upward trend anticipated thereafter.<sup>3</sup> Project BFP Stadium is expected to remain tax positive throughout the span of the contract. As New Mexico United gradually scales up its operations to reach full capacity, which includes hiring 53 new full-time employees by 2028, the job creation will generate a tax impact throughout the lifespan of the IRB and beyond. In addition to full-time staff, the organization will also be bringing on part-time and dedicated event staff, further contributing to the economic landscape of Albuquerque.

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<sup>2</sup> <https://www.census.gov/naics/?year=2007&input=711211&details=711211>

<sup>3</sup> The \$4 million cumulative total is determined around the current 20-year general obligation bond rate of 3.68%.

**Table 1. IRB Analysis: Estimated Tax Revenues for Proposed New Mexico United Stadium Project (Project BFP Stadium), Including Incremental Tax, Present Value of City Taxes, TIDD Taxes, and Net Tax Increment, and Cumulative Net Present Value by Year (2024 dollars)**

	Gross Receipts and Compensating Taxes							Property Tax			Other Taxes	Total Revenues	Foregone			City Costs	Fiscal Impact		
	Company Employees	Indirect and Induced Employees	Company Purchases	Company Sales	Construction	Construction Employees	Utilities	Real (Company)	Personal (Company)	Real (Employees)			Real Property Tax	Personal Property Tax	GRT & CMP		Annual	Present Value	Cumulative
2024	-	-	72,791	150,017	-	-	299	-	-	-	-	223,107	-	-	-	0	223,107	223,107	223,107
2025	-	-	70,629	155,675	161,412	-	316	-	4,263	-	-	392,295	-	3,197	17,829	0	371,268	357,849	580,956
2026	4,188	5,845	83,623	293,901	456,980	65,434	345	80,740	11,068	1,253	388	1,003,765	60,555	8,301	530,095	4,131	400,683	372,241	953,197
2027	4,403	6,144	89,914	329,994	249,586	48,364	367	137,481	12,786	1,253	388	880,679	103,111	9,589	383,050	4,131	380,799	340,982	1,294,179
2028	7,115	12,163	98,274	449,307	-	-	522	132,844	11,171	2,554	791	714,742	99,633	8,378	2,248	8,420	596,062	514,445	1,808,624
2029	7,466	12,950	104,290	485,031	-	-	554	128,327	9,570	2,554	791	751,534	96,245	7,178	2,626	8,420	637,065	529,960	2,338,584
2030	7,634	13,791	110,603	475,305	-	-	587	123,831	7,896	2,554	791	742,992	92,873	5,922	2,691	8,420	633,085	507,614	2,846,198
2031	8,131	14,690	117,151	514,573	-	-	622	119,299	6,151	2,554	791	783,963	89,475	4,613	2,784	8,420	678,671	524,496	3,370,694
2032	8,662	15,650	124,137	558,986	-	-	659	114,802	4,366	2,554	791	830,607	86,101	3,274	3,010	8,420	729,801	543,625	3,914,320
2033	6,041	16,677	131,722	561,446	-	-	699	110,330	3,114	2,554	791	833,375	82,747	2,336	3,129	8,420	736,743	528,960	4,443,280
2034	5,747	17,774	139,587	616,950	-	-	741	105,836	2,869	2,554	791	892,849	79,377	2,152	3,351	8,420	799,548	553,304	4,996,583
2035	5,653	18,947	148,079	676,548	-	-	785	101,417	3,079	2,554	791	957,854	76,062	2,309	3,713	8,420	867,349	578,528	5,575,111
2036	5,523	20,202	157,008	710,376	-	-	833	97,038	3,303	2,554	791	997,626	72,778	2,477	3,979	8,420	909,971	585,020	6,160,131
2037	5,939	21,544	166,428	745,894	-	-	882	92,681	3,537	2,554	791	1,040,251	69,511	2,653	4,218	8,420	955,449	592,055	6,752,186
2038	3,784	22,683	176,414	783,189	-	-	935	88,347	3,780	2,554	791	1,082,478	66,260	2,835	4,471	8,420	1,000,491	597,558	7,349,744
2039	4,059	23,903	186,998	822,349	-	-	992	84,038	4,030	2,554	791	1,129,713	63,028	3,022	4,739	8,420	1,050,502	604,749	7,954,493
2040	846	25,208	198,218	863,466	-	-	1,051	79,754	4,288	2,554	791	1,176,176	59,816	3,216	5,024	8,420	1,099,700	610,189	8,564,683
2041	432	26,604	210,111	906,639	-	-	1,114	75,499	4,554	2,554	791	1,228,299	56,624	3,416	5,325	8,420	1,154,514	617,449	9,182,132
2042	(1,074)	28,099	951,971	-	-	-	1,181	71,272	4,829	2,554	791	-	53,454	3,622	5,645	8,420	(71,141)	(36,672)	9,145,460
2043	(1,285)	29,700	999,570	-	-	-	1,252	67,077	3,688	2,554	791	-	50,307	2,766	-	8,420	-	-	9,145,460

**Gross Receipts Taxes, Company Employees:** Gross receipts taxes on local purchases by new operating personnel employed by applicant.

**Gross Receipts Taxes, Indirect and Induced Employees:** Gross receipts taxes on local spending by those supported by company's purchases of local goods and services and by spending by operating personnel.

**Gross Receipts Taxes, Company Purchases:** Gross receipts taxes on increased company purchases of local goods and services as a result of the project.

**Gross Receipts Taxes, Company Sales:** Only sales in-state generate gross receipts taxes.

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

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

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

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

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

**City Costs:** Costs of providing City services and infrastructure to the additional population and additional employment supported by the project. Costs include general fund expenditures, the subsidy for Transit, city street fund expenditures and average spending over past 5 years in the City's Capital Acquisition less that supported by Federal funds or transfers. The cost of services provided by the city is split between businesses (based on employment) and residents (based on additional population).

**Fiscal Impact, Annual:** The annual fiscal impact is the total revenue less the cost for each year of the Industrial Revenue Bond.

**Fiscal Impact, Present Value:** Present value of the stream of annual net fiscal impacts discounted to current values. Here the discount rate is the real rate of interest on GO bonds.

**Fiscal Impact, Cumulative:** The running total of state present value fiscal impacts over the life of the Industrial Revenue Bond, where the last year is the net present value of the Industrial Revenue Bond.

**Company Purchases** includes employer paid health care insurance as well as G&S expenditures.

**Property Tax** includes Real and Personal property for applicant and employees.