

ALBUQUERQUE DEVELOPMENT COMMISSION

August 4, 2024

Local Economic Development Act Hearing

Case #2024-7 Mesa Film Studios LEDA

LEDA 25-1: Mesa Film Studios LLC LEDA Project

REQUEST: Approval of an Ordinance for Mesa Media Holdings LLC Pursuant to the Local Economic Development Act

PROJECT SUMMARY:

Mesa Media Holdings LLC, a limited liability corporation registered to do business in New Mexico (“Mesa Film Studios”), is seeking the City of Albuquerque to be the fiscal agent for State LEDA funds and for the City to directly provide LEDA funds, to be used for the construction of soundstages and other film production facilities (the “Project”). Mesa Film Studios is seeking LEDA funding in the amount of \$6,750,000. The State has agreed to provide \$6,000,000 and the City proposes to provide \$750,000. Mesa Film Studios will be eligible for reimbursement for costs of the construction and improvements incurred following execution of the Project Participation Agreement (“PPA”).

The Company "Mesa Film Studios" is a newly formed venture of world-class owners and operators partnering to create a full-service media & film development campus. Our executive team boasts members with over 125 years experience in the film & television industry. The company will launch “Phase One”, with the construction of a full-service purpose-built soundstage complex across 60+ acres on Albuquerque’s West Mesa at Double Eagle II Airport consisting of six soundstages, production offices, mill and flex space. The complex will include an oversized 20+ acre backlot with a permanent Greenscreen wall.

Mesa Film Studios is an independent film production studio complex. The project is planned to be built on a 56-acre site located on City of Albuquerque, New Mexico owned land at the Double Eagle II Airport approximately 17 miles west of downtown in Albuquerque. The Company is developing and constructing a film & television production campus totaling 285,000+ square feet over 60+ acres in the West Mesa of Albuquerque, NM. Horizontal construction is projected to begin in 4Q 2024, with vertical construction and all improvements completed by 1Q 2026. Upon completion, the project will commence operations immediately.

Mesa Film Studios commits to a cumulative Direct Spend (on its own or affiliated company productions) in at the Project facilities of at least \$800,000,000. The company will provide approximately \$48,525,000 in investment for new construction of facilities at Double Eagle II Airport and to maintain and operate the facilities for at least ten years. The ordinance would allow reimbursement of approved Project costs so Mesa Film Studios can undertake the acquisition and construction for its new film production facilities located in Albuquerque.

Under the Local Economic Development Act, the State of New Mexico and its local governments are empowered to offer discretionary incentives to companies that support

economic development projects that foster, promote, and enhance local economic development efforts. Qualifying entities for these incentives per statute include(s): A business in which all or part of the activities of the business involve the supplying of products and services to the general public, governmental agencies, or a specific industry or customer, but, other than as provided in Paragraph E of the statute subsection, not including businesses primarily engaged in the sale of goods or commodities at retail. As such, the Mesa Film Studios project represents a qualifying entity under State and City laws.

It is important to note that for this project, the evaluation criteria normally addressed in a LEDA project around job creation has to be addressed differently, due to the nature of the film industry. The focus, evaluation, and performance requirements for this project are structured around the economic investment related to the direct spend by productions. While we know that this results in hundreds of jobs, the performance measures and penalties/clawbacks are built around their ability to meet these financial commitments. Production companies' jobs are not permanent, they vary depending on the production.

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

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

The impact of the film industry also extends beyond the crew. There is the indirect impact in Albuquerque from the monies spent at local lumber, glass and paint stores, for food vendors and local security companies and insurance companies. The production companies pay local office owners and home-owners location rental fees and often lease warehouses, parking lots and City buildings. The overall economic impact is far and wide throughout the community. The City's LEDA Ordinance requires that economic development projects requesting economic assistance from the City shall clearly demonstrate the benefits that will accrue to the community, and that the qualifying entity is making a substantive contribution to the community. Our analysis clearly demonstrates that by fulfilling the commitment for \$800 million in cumulative Direct Spend, the Mesa Film Studios LEDA Project will be providing a high degree of benefits to the community and a strong substantive contribution.

The Project will generate additional benefits and costs for local taxing districts, a summary of which is provided below. The source of specific benefits and costs are provided in greater detail for each taxing district on subsequent pages. Overall, the City will receive approximately \$13,532,630 in net benefits over the 10-year period, equating to a Present Value of \$ 11,006,945. The Project will have an estimated Total Public Net Benefit of \$ 5 4,673,586 over the 10-year

period.

The Project is expected to create approximately 230 construction jobs sourced from local labor pools, as much as possible.

The State of New Mexico and its local governments are empowered to offer discretionary incentives to companies that support economic development projects that foster, promote, and enhance local economic development efforts. Qualifying entities for these projects include:

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

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

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

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

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

FINDINGS:

1. LEDA 25-1 is a qualified project as defined by the State’s Local Economic Development Act and the City enabling legislation (F/S O-04-10); and
2. LEDA 25-1 would make positive substantive contributions to the local economy and community by developing much needed film production facilities in Albuquerque, and committing to \$800 Million in cumulative Direct Spend on TV, film, and media productions,; and
3. LEDA 25-1 has demonstrated the financial capability to undertake and successfully manage the Project; and

4. Subject to the development of acceptable security documents, LEDA 25-1 would adequately meet the evaluation criteria established by the City for Local Economic Development Act projects, including the requirement that the City recoup the value of its investment within 10 years;

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

I. PROJECT ELIGIBILITY

1. QUALIFYING ENTITY

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

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

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

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

2. ECONOMIC DEVELOPMENT POLICIES AND OBJECTIVES

The City’s enabling legislation also states that applications for LEDA assistance, which meet the policies and objectives of the City’s community economic development plans, shall receive priority. Mesa Film Studios qualifies as the type of project that meets the City’s identified economic development priorities under (F/S O-04-10) in the following categories:

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

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

II. LAND USE, PLAN AND DESIGN ELEMENTS

1. PLAN & ZONING:

Legal Description

LEDA 25-1: Mesa Film Studios LEDA

Description - MFS Lease Tract 2, Plat of Tract A-1 & Tract L-1 Parcels 1-5

A certain parcel of land being a portion of Tract A-1, Plat of Tract A-1 & Tract L-1 Parcels 1-5, filed in the office of the County Clerk of Bernalillo County, New Mexico on November 13, 2006, in Plat Book 2006C, Page 351, as Document No. 2006171918, and being more particularly described by New Mexico State Plane Grid Bearings (NAD 83 Central Zone) and ground distances as follows:

BEGINNING at the southeasterly corner said LEASE TRACT 2, WHENCE Albuquerque Geodetic Reference Station Brass Cap stamped "2-F6" bears South 05° 51'11" East a distance of 1124.53 feet;

THENCE North 89° 59'48" West a distance of 2000.00 feet to the southwesterly corner of said LEASE TRACT 2;

THENCE North 00° 00'12" East a distance of 1260.00 feet to the northwesterly corner of said LEASE TRACT 2;

THENCE South 89° 59'48" East a distance of 2000.00 feet to the northeasterly corner of said LEASE TRACT 2, WHENCE, as a tie, the southeasterly corner of Tract L-1 Parcel 5, as shown on said plat filed in Plat Book 2006C, Page 351 bears North 41° 51'11" East a distance of 1124.53 feet;

THENCE South 00° 00'12" West a distance of 580.00 feet to an angle point;

THENCE South 89° 59'48" East a distance of 1088.82 feet to an angle point, said point being a point on the westerly easement line of a 156' Wide Public Access Easement granted by plat filed 07/10/2002, Plat Book 2002C, Page 228;

THENCE South 13° 27'24" East a distance of 102.82 feet along said easement line to an angle point;

THENCE North 89° 59'48" West a distance of 112.76 feet to an angle point;

THENCE South 00° 00'12" West a distance of 580.00 feet to the POINT OF BEGINNING.

The property is zoned NON-RESIDENTIAL – SENSITIVE USE ZONE DISTRICT (NR-SU). A film studio is an allowable use in the NR-SU zone. A film studio is also allowable per the master plan at DEII.

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

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

2. LAND USE:

LEDA 25-1: Mesa Film Studios LEDA

The Project consists of developing and constructing a film & television production campus totaling 285,000+ square feet over 60+ acres in the West Mesa of Albuquerque, NM. Specifically, the build out will include:

- Grading and comprehensive drainage plan for the entirety of the site.
- Six Sound Stages - 20,250 sf each, 8" concrete slab to receive metal building, 40 feet to the grid, 3200 amps, 3 phases per stage, 800 amps @ 400 power, 20' elephant doors
- Two Flex Buildings - 36,000 sf total, 6" concrete slab to receive metal building, washer/dryer hookups in each building, 20' x 20' elephant doors, red iron framing for dividing wall, R-19 roof insulation.
- Office Building - 50,000 sf rentable space, production space with kitchenettes, mail room and art suites.
- Mill Building - 80,000 sf, full restroom facilities, 1200 amps, 3 phase power.

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

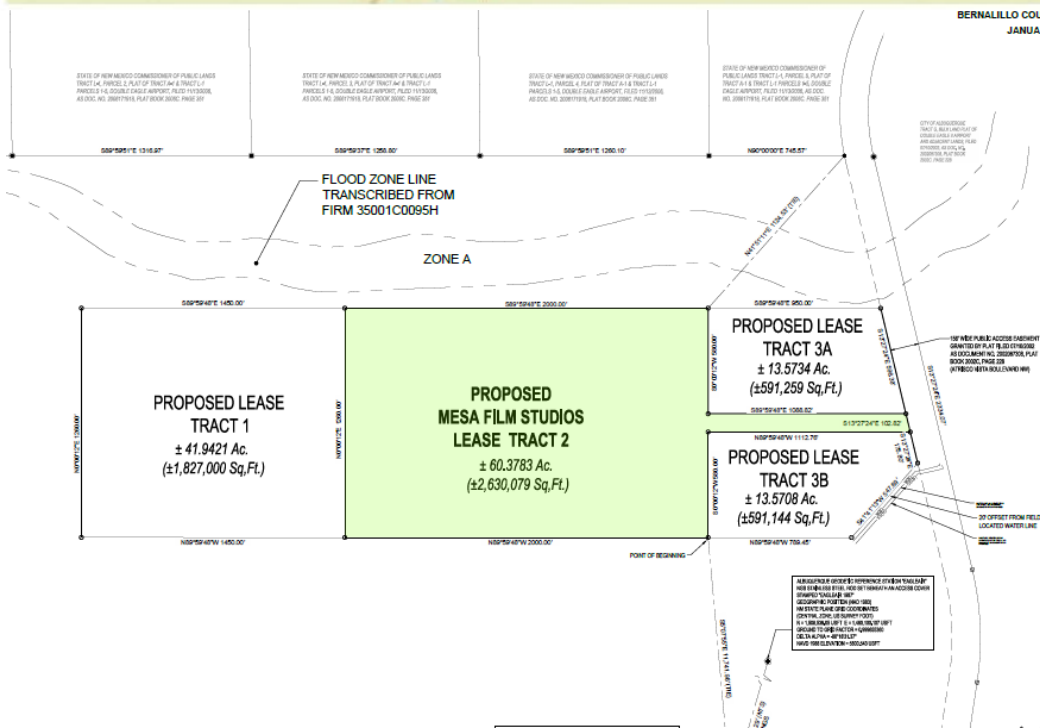
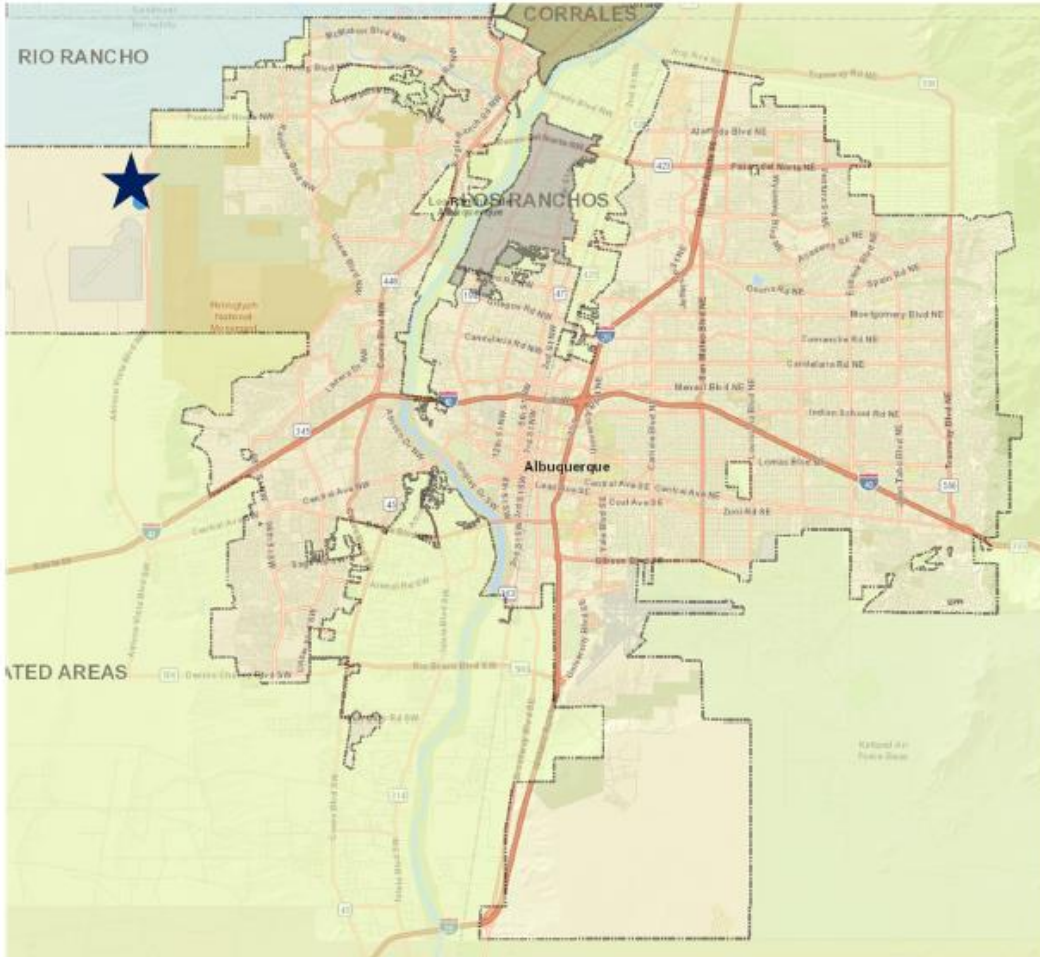
The Project furthers the City's goals of securing New Mexico as a world-class entertainment production hub and provides desperately needed sound stages for the industry.

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

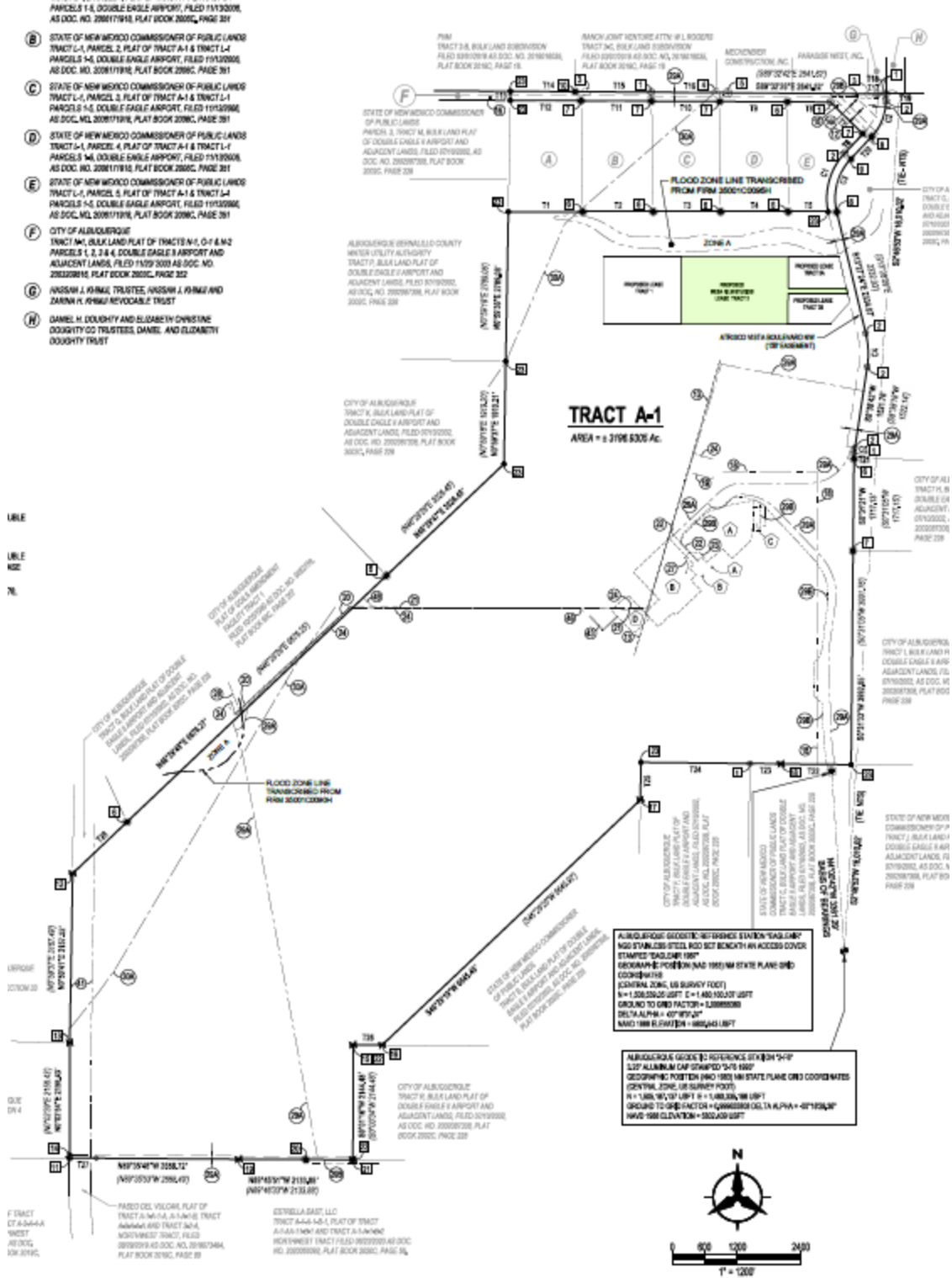
The Project is expected to become operational in 2026. The Project is expected to be in operation for at least 10 years.

3. INFILL:

LEDA 25-1: Mesa Film Studios LEDA



LEDA 25-1: Mesa Film Studios LEDA





4. DESIGN AND CONSERVATION:

The Project will not require significant water usage.

5. RENEWABLE ENERGY:

MFS has completed preliminary conversations with Solar Field Developer Pristine Sun for the provision of a 100% renewable energy supply for the project. Plans to move forward with Pristine Sun will be further investigated upon receipt of the building permit for the project.

Mesa Film Studios is working with the City of Albuquerque on long-term plans to develop a regional retention pond to be used by the development and surrounding areas, which would include a comprehensive hydrological study. All equipment used on the retention pond project will be rated for maximum energy efficiency, including usage of LED light bulbs, smart thermostats and other implementations

III. ECONOMIC BENEFITS

6. COMPETITION:

According to State of New Mexico Film Office, there are 21 qualified production facilities in the state eligible for state assistance. A qualified production facility includes a building (or complex of buildings and backlot facilities) with 1) a sound stage of at least 7,000 square feet, and 2) a standing set with at least one interior and five exteriors built for film production. There are nine qualified production facilities located in the Albuquerque area, nine in Santa Fe County, and one in Las Cruces. Several of the existing Albuquerque film studios that are of large enough size to be considered competitors to Mesa Film Studios are described below.

Netflix – The first major film studio in Albuquerque was ABQ Studios that opened in 2007 in the Mesa Del Sol project located south of the City’s Sunport Airport on University Boulevard. In 2018, Netflix purchased ABQ Studios for \$30 million and is in the process of a 300-acre expansion.

NBCUniversal – One of the more recent film studio projects in New Mexico is NBCUniversal studio in Albuquerque. NBCUniversal signed a 10-year lease in June of 2019 to turn an empty 80,000 square foot warehouse into a film studio with two sound stages, offices, and a mill.

Cinelease Studios – Located at 9201 Pan American Freeway, the Cinelease Studios has 500,000 square feet of space including five sound stages totaling 103,000 square feet, 75,000 square feet of mill space, 45,000 square feet of office, and 5 acres of backlot. Cinelease is a national entertainment company with 12 studios in six states and has contracts with major producers including HBO, Netflix, Disney, and Amazon.

The proposed Mesa Film Studios will fill an existing gap in facilities in Albuquerque as two of the largest soundstage complexes (Netflix and NBCUniversal) have fulltime occupants, leaving a gap for other production facilities. While Netflix and NBC Universal are competitors in the area related to the production of film and television media, it should be noted

that both are primarily focused on the production of their own content rather than leasing sound stage space to outside production companies. Except for Cinelease, other Albuquerque independent studios are relatively small without adequate facilities for major productions.

7. JOBS:

Mesa Film Studios expects to employ 25 full-time, permanent staff for day-to-day operations. These 25 employees fall under five employment categories: chief operations officer (COO), accounting, general staff, security, and janitorial. The projected total annual cost for salaries and benefits is \$1.36 million, and the average hourly wage is \$28.84.

It should be noted that none of the permanent jobs created will not be required as part of the Project Participation Agreement, but provides an additional economic benefit above the Direct Spend requirement in the PPA.

The Project is also expected to the creation of 230 construction jobs sourced from local labor pools, as much as possible. Additionally, the Project is expected to created 469 indirect and induced jobs.

IV. PROJECT FEASIBILITY

9. COST/ FEASIBILITY/ FINANCING:

The Mesa Film Studios project will be capitalized with an Applicant Equity Investment of \$35,000,000. The balance of the financing will come from bank loans. Additionally, the State has committed \$6,000,000 in LEDA funds and the City has committed an additional \$750,000 for a total of \$6,750,000. LEDA funding is subject to City Council approval.

10. DEVELOPER'S RECORD:

The Mesa Film Studios development is led by the partnership between Galen Walker, SR Capital and Roadtown Enterprises LTD.

Galen Walker has over 30 years in the entertainment industry managing, overseeing and facilitating 100+ projects through digital and production departments. Established in 1998, Walker founded Pacifica Media Affiliates, an audio post production company. Over a 5 year span, PMA acquired and operated five of Hollywood's largest independent sound studio facilities and later was purchased by Technicolor.

SR Capital a real estate development and investment firm a 30-year track record. A recent project is 551 West 21st Street, a 200,000 square foot residential condominium building in West Chelsea, NYC completed in 2017.

Roadtown Enterprises is a specialized consulting and management company focused on entertainment, real estate, and related industries. The company seamlessly help landowners, developers, business owners, and entrepreneurs design, build, operate, and market motion picture and television production facilities and their associated support businesses. They have designed,

LEDA 25-1: Mesa Film Studios LEDA

developed and serviced studios across the country for firms like Amazon, Sony, Warner Bros, and more.

Nick Smerigan, CEO & Founder of Roadtown, was responsible for building and managing Albuquerque Studios, which was subsequently acquired by the largest content streaming company in the world, Netflix.

For additional info: <https://www.roadtownenterprises.com/home>

Additional team biographies can be found as an exhibit to the LEDA application.

Based upon financial information provided, the company's track record and the organizational capacity, the company appears capable of managing and completing the project.

11. EQUITY:

The Mesa Film Studios project will be capitalized with an Applicant Equity Investment of \$35,000,000. The balance of the financing will come from bank loans. Additionally, the State has committed \$6,000,000 in LEDA funds and the City has committed an additional \$750,000 for a total of \$6,750,000. LEDA funding is subject to City Council approval.

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

12. MANAGEMENT:

The Company "Mesa Film Studios" is a newly formed venture of world-class owners and operators partnering to create a full-service media & film development campus. Our executive team boasts members with over 125 years experience in the film & television industry.

Principals:

SCOTT RESNICK - Principal/Owner/Lead Developer of the Project.

GALEN WALKER - Principal/Owner overseeing operations of the Project.

NICK SMERIGAN - Senior Consultant, Roadtown Enterprises

MARK KINDRACHUK - Head of Finance on the Project

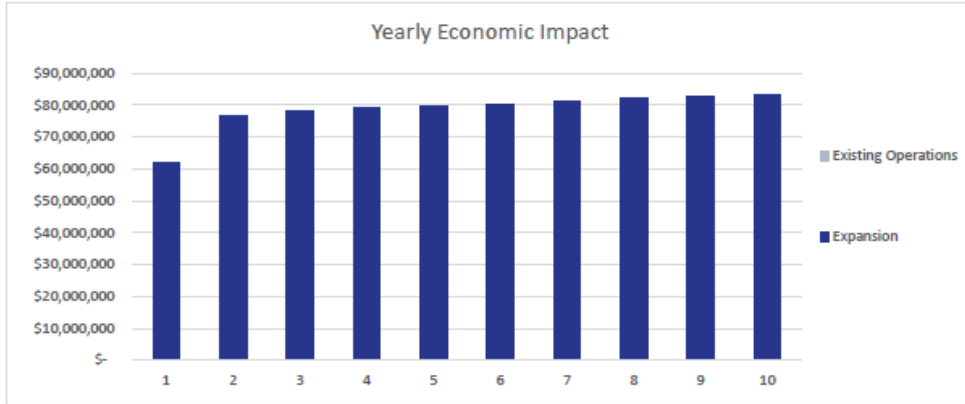
Based upon expertise and proven track record of the management team, the company appears capable of managing and completing the Project.

13. FISCAL IMPACT ANALYSIS

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

Total Economic Impact

	Total
Estimated Economic Impact Over 10 Years:	\$ 784,668,326
Combined Total Incentive Over 10 Years:	\$ 6,000,000
Economic Impact Rate of Return:	12,978%

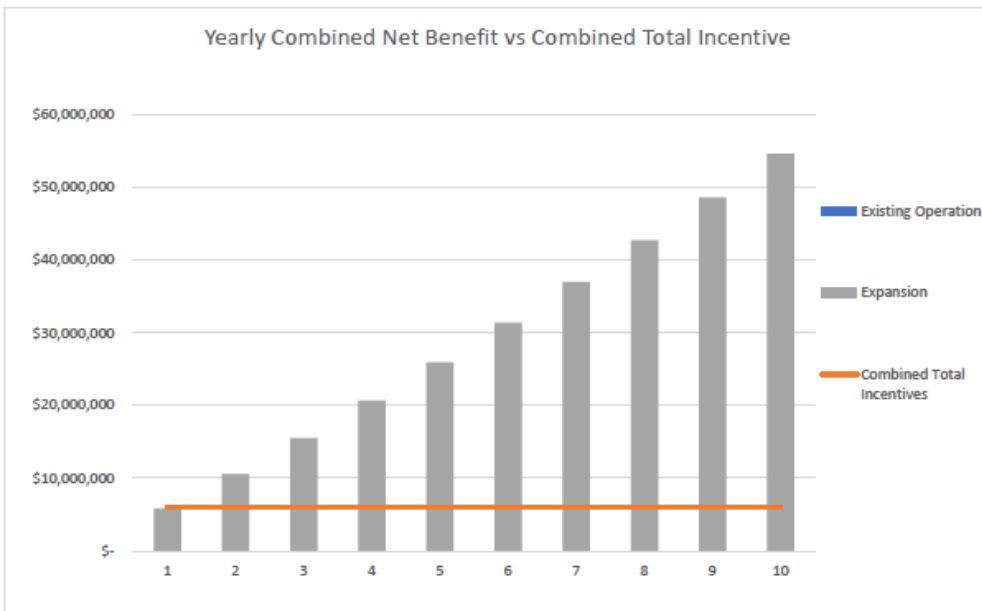


Workers and New Residents over 10 years

	Direct	Indirect and Induced
Number of Jobs Created:	512	469
Estimated Number of Construction Workers:	230	
Estimated Number of New Residents to the State:		8
Estimated Number of New Residents to the County:		7
Estimated Number of New Residents to the City:		7

Total Public Net Benefit

	Total
Estimated Total Public Net Benefit Over 10 Years:	\$ 54,673,586
Combined Total Incentive Over 10 Years:	\$ 6,000,000
Total Public Net Benefit Rate of Return:	811%



V. PROJECT PARTICIPATION AGREEMENT

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

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

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

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

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

2. Company Contribution. Mesa Film Studios shall acquire, construct, improve and operate its Facilities for the use as a production base for various film, television, and media productions and related activities at an estimated cost of approximately \$48,525,000 over ten (10) years, and will commit to the ten (10) year cumulative Production Spend Requirement of \$800,000,000 reflected by the table in Section 7.A, as contemplated by this Agreement all in accordance with the schedule and other terms and conditions set forth in this Agreement. Mesa Film Studios will maintain the Project's operations in Albuquerque for a minimum of ten (10)

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

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

- (1) \$500,000 upon Mesa Film Studios signing the lease for the land described as Mesa Film Studios Tract 2, Plat of Tract A-1 and Tract L-1 Parcels 1-5 in the Ground Lease Agreement signed between the City of Albuquerque and Mesa Film Studios on April 28, 2024 and attached to this Agreement as Exhibit C;
- (2) \$500,000 upon Mesa Film Studios breaking ground for construction of the Facility;
- (3) \$1,000,000 upon the issuance of a Certificate of Occupancy for new stages at the Facility with a minimum of two (2) stages at the Facility;
- (4) \$1,000,000 upon \$100,000,000 in production spending by Mesa Film Studios; and
- (5) \$1,000,000 for every \$80,000,000 in production spending in excess of the \$100,000,000 mentioned above in this Section until the State LEDA funds are exhausted.

State Contribution disbursements (3), (4) and (5) are predicated on the production spending being LEDA eligible and Mesa Film Studios being current with all reporting required herein and under any other agreement or ordinance.

4. The City Contribution. Pursuant to the Project Ordinance and the LEDA Ordinance, the City has committed the amount of \$1,000,000 for use in connection with the Project. As required by the LEDA Ordinance, the City will deposit the proceeds of the City Contribution into a clearly identified separate account, which account will be subject to an annual independent audit. City funds will be dispensed to Mesa Film Studios as follows:

- (1) \$125,000 upon Mesa Film Studios signing the lease for the land described as Mesa Film Studios Tract 2, Plat of Tract A-1 and Tract L-1 Parcels 1-5 in the Ground Lease Agreement signed between the City of Albuquerque and Mesa Film Studios on April 28, 2024 and attached to this Agreement as Exhibit C;
- (2) \$125,000 upon Mesa Film Studios breaking ground for construction of the Facility;

LEDA 25-1: Mesa Film Studios LEDA

(3) \$250,000 upon the issuance of a Certificate of Occupancy for new stages at the Facility with a minimum of two (2) stages at the Facility; and

(4) \$250,000 upon every \$100,000,000 in production spending by Mesa Film Studios until the City LEDA funds are exhausted.

City Contribution disbursements (3) and (4) are predicated on the production spending being LEDA eligible and Mesa Film Studios being current with all reporting required herein and under any other agreement or ordinance.

5. Time Commitment. Mesa Film Studios intends to invest approximately 48,525,000 over ten (10) years for acquisition, construction, and improvement of the Facility, with operations at the Facility to begin in 2026. Mesa Film Studios will continue to occupy the Facility and diligently conduct operations at the Facility in the manner contemplated by this Agreement at least through December 31, 2034.

6. Use of Public Contributions. Mesa Film Studios will be eligible for reimbursement of up to \$7,000,000 for costs of acquiring the land, and construction and improvement of the Facility actually incurred after the date hereof and paid for, subject to the receipt by the City of the State Contribution. The City will make payment to Mesa Film Studios following submission to the City of documentation reasonably satisfactory to the City evidencing payment of expenses with respect to the Facility, evidencing the commencement of construction of the Facility, showing proof of receipt of the Certificate of Occupancy, and meeting the performance targets set forth herein.

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

7. Performance Clawback Requirements.

A. Production Spending Clawback Requirements. The clawback provisions stipulated in the table shown below herein outline the conditions under which financial penalties are triggered if the actual production spend falls short of the predefined thresholds. Specifically, the "Yearly Average of Production Spending Requirement" column establishes the minimum required expenditure for each year. This Agreement enforces a clawback penalty under the following conditions: For the year 2028, should the annual production spending be less than the required average of \$57,000,000, a clawback of 100% of the shortfall amount will be enforced; in 2031, if the production expenditure does not meet the \$72,000,000 threshold, a clawback penalty amounting to 75% of the shortfall will be applied; and by 2033, the clawback rate is adjusted to 50% for any shortfall from the annual requirement of \$72,000,000.

<i>Production Spend Requirement Clawback</i>				
Year	Production Spending	Cumulative Spend	Yearly Average of Production Spending Requirement	Clawback

LEDA 25-1: Mesa Film Studios LEDA

2024	\$0	\$0	\$0	
2025		Buffer for extended construction time	\$0	
2026	\$93,000,000	\$93,000,000	\$31,000,000	
2027	\$95,000,000	\$188,000,000	\$47,000,000	
2028	\$97,000,000	\$285,000,000	\$57,000,000	100% of the percentage shortfall below the average
2029	\$99,000,000	\$384,000,000	\$64,000,000	
2030	\$101,000,000	\$485,000,000	\$69,000,000	
2031	\$105,000,000	\$590,000,000	\$72,000,000	75% of the percentage shortfall below the average
2032	\$105,000,000	\$695,000,000	\$72,000,000	
2033	\$105,000,000	\$800,000,000	\$72,000,000	50% of the percentage shortfall below the average

B. Maximum Clawback; Unpaid Payments. Notwithstanding anything herein to the contrary, the maximum aggregate clawbacks payable hereunder will be an aggregate of \$6,750,000, not including interest. Any clawbacks not paid when due shall bear interest at the Prime Rate plus 2% per annum from the due date until paid. “Prime Rate” means the U.S. prime rate as reported from time to time in *The Wall Street Journal* in its Bonds, Rates and Yields table, or successor table.

C. Change in Business Climate. Notwithstanding the foregoing, if Mesa Film Studios fails to achieve the performance targets as identified in Section 7.A herein, or a Facility closure occurs as provided in Section 7.D herein, and believes Business Climate Changes were the cause for its failure to meet such requirements or for the Facility closure, Mesa Film Studios will so advise the City in writing describing the Business Climate Changes in detail. “Business Climate Changes” mean substantial changes outside of the control of Mesa Film Studios, in the segment of the industry in which Mesa Film Studios operates, that cause a significant decrease in the amount of production Mesa Film Studios is able to achieve. The shifting of Mesa Film Studios’

operations to another Project, whether within or outside of Albuquerque, will not constitute a Business Climate Change. If the City determines that Business Climate Changes affect Mesa Film Studios’ ability to achieve the required performance targets or results in the closure of the Facility, after consultation with and concurrence of the State EDD, it may waive or modify the clawback, and may withhold future contributions to Mesa Film Studios. The City must operate with good faith in making any such decision. Any clawback ultimately due will be paid within the later of 15 days after the City notifies Mesa Film Studios of its decision or, if Mesa Film Studios invokes the dispute resolution procedures of Section 12 herein, within 15 days after a final determination is made that the clawback is required.

D. Facility Closure Clawback. Should Mesa Film Studios cease operation of the Facility before December 31, 2034, Mesa Film Studios shall, within ninety (90) days of the cessation of operations, pay to the City, in cash, an amount equal to a specified percentage of the amount of the City Contribution and State Contribution paid pursuant to this Agreement, with the specific percentage based on the date of cessation of operations in accordance with the following table:

Date of Cessation of Operations	Percent of Public Contributions to be Repaid
On or before December 31, 2028	100%
From January 1, 2029 through December 31, 2031	75%
From January 1, 2032 through December 31, 2034	50%

8. Security. To secure the performance of its obligations under this Agreement, prior to the payment of any portion of the State Contribution or the City Contribution to Mesa Film Studios, Mesa Film Studios shall obtain a Letter of Credit issued by [_____], in favor of the City. The Letter of Credit shall be in an aggregate amount of \$7,000,000 and shall serve as security for Mesa Film Studios’ obligations under this Agreement. The Letter of Credit shall be subject to terms and conditions satisfactory to the City and shall be issued on or about the date of this Agreement. The Letter of Credit shall remain in effect throughout the term of the Project, unless otherwise approved by the City, and will be renewed as necessary, such renewal being the sole responsibility of the company.

9. Events of Default and Remedies.

A. Failure to Comply with Obligations. Failure by Mesa Film Studios to comply with any obligation under this Agreement, including without limitation, the failure to make timely payment of any clawback payment due hereunder, shall be an Event of Default. Notwithstanding the foregoing, failure to meet production spending requirements shall not be

considered an Event of Default; however, the failure to make timely payment of any clawback payment due as a result thereof shall be an Event of Default.

B. Notice of Event of Default. If any Event of Default occurs, the City shall notify Mesa Film Studios in writing, and Mesa Film Studios shall have thirty (30) days in which to cure such Event of Default. If the Event of Default is not cured within such thirty-day period, the City shall have and may (1) terminate this Agreement upon notice to Mesa Film Studios and accelerate any clawback provisions and (2) exercise any remedies available at law or in equity.

10. Fees. Mesa Film Studios will promptly pay or reimburse the City for all reasonable third-party expenses incurred by the City in connection with this Agreement and the Project, provided, however, that Mesa Film Studios shall not be liable for costs incurred by the City that are the responsibility of the City in the ordinary course of business. If so determined by the City, in its sole discretion, such third-party expenses may be offset against or reimbursed from the City Contribution or the State Contribution. Although the City does not anticipate incurring significant third party expenses during the term of this Agreement, such expenses could include, without limitation, expenses associated with performance reviews or audits with respect to the Project and legal fees for outside counsel in the event of any proposed amendment to this Agreement or any necessary enforcement action with respect to this Agreement.

11. Reporting Requirement, Performance Review and Termination. Quarterly, on or before each January 31, April 30, July 31 and October 31, Mesa Film Studios will provide to the City and to State EDD the Company's ES903A with Affidavit or its equivalent filed with New Mexico's Department of Workforce Solutions for the previous quarter regarding the workforce for Mesa Film Studios and such other information necessary for the City or its independent contractor to determine whether Mesa Film Studios has met its obligations under this Agreement. Additionally, on the same quarterly schedule, Mesa Film Studios will provide the City and State data showing the production spending and cumulative totals to show compliance with Section 7 herein. Failure to complete the requirements of Section 11 herein by the quarterly deadline will result in a 10% Clawback of LEDA funds received. As required by the LEDA Ordinance, the Project will be subject to an annual performance review conducted by City staff, which will evaluate whether the Project is attaining the requirements of this Agreement. This review shall be presented to the City Administration and the City Council. If the requirements of this Agreement are not being satisfied, the City Council at a public hearing may cause the enforcement of this Agreement, including the right of the City to any Performance Clawbacks and other remedies set forth herein. In addition, pursuant to LEDA, if Mesa Film Studios has ceased operations and paid all amounts due to the City as provided herein, the City may enact an ordinance terminating the LEDA Ordinance.

FINDINGS:

1. LEDA 25-1 is a qualified project as defined by the State's Local Economic Development Act and the City enabling legislation (F/S O-04-10); and

LEDA 25-1: Mesa Film Studios LEDA

2. LEDA 25-1 would make positive substantive contributions to the local economy and community by developing much needed film production facilities in Albuquerque, and committing to \$800 Million in cumulative Direct Spend on TV, film, and media productions,; and

3. LEDA 25-1 has demonstrated the financial capability to undertake and successfully manage the Project; and

4. Subject to the development of acceptable security documents, LEDA 25-1 would adequately meet the evaluation criteria established by the City for Local Economic Development Act projects, including the requirement that the City recoup the value of its investment within 10 years.

STAFF RECOMMENDATION:

Based on the above findings, staff recommends approval of LEDA 25-1 as proposed in the project plan application.

Max Gruner, Director
Economic Development Department

FY23/24/25 LEDA Application-ABQ

Applicant	Dayan Hochman-Vigil
Applicant ID	APP-019006
Company Name	Mesa Media Holdings LLC
Phone	505-948-2320
Email	day@dhv-law.com
Status	Submitted
Application Amount	\$0.00
Funded/Approved	<input type="checkbox"/>

Contact Information

Question: Legal Company Name

Mesa Media Holdings LLC

Question: Trade Name (dba)

Not Answered

Question: Project Name

Mesal Film Studios

Question: Company Street Address

West Mesa at Double Eagle II Airport

Question: Company City

Albuquerque

Question: Company State

New Mexico

Question: Company Zip

87120

Question: Phone

(917) 565-3102

Question: Website

Not Answered

Question: Primary Contact Person First Name

Galen

Question: Primary Contact Person Last Name

Walker

Question: Federal Tax ID #

99-1868749

Question: NM State Tax and Revenue Identification Number

03660834003

Question: City/County Business License Registration will be pursued

Yes

No

Question: NAICS Code(s)-North American Industry Classification System

512110

Question: DUNS # (preferred but not required)

NA

Question: This Business is organized as a:

C-Corporation

S-Corporation

LLC

Partnership

Sole Proprietorship

B-Corporation

Question: Incorporation Papers

[MSF NM SOS.pdf](#) (7/17/2024, 3:21 PM)

[Mesa Film Studios LLC - EIN Applications and Assignment.pdf](#) (7/17/2024, 3:21 PM)

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

[Mesa_Report_R7-compressed \(5\) 7.pdf](#) (7/17/2024, 3:23 PM)

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

Scott Resnick

Question: Title

Executive Member

Question: Telephone

917-565-3102

Question: Cell Phone

917-565-3102

Question: Email

sresnick@srcapitalnyc.com

Project Information

Please include detailed information such as:

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

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

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

The Company is developing and constructing a film & television production campus totaling 285,000+ square feet over 60+ acres in the West Mesa of Albuquerque, NM. Horizontal construction is projected to begin in 4Q 2024, with vertical construction and all improvements completed by 1Q 2026. Upon completion, the project will commence operations immediately.

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

Grading and comprehensive drainage plan for the entirety of the site.

Six Sound Stages - 20,250 sf each, 8" concrete slab to receive metal building, 40 feet to the grid, 3200 amps, 3 phases per stage, 800 amps @ 400 power, 20' elephant doors

Two Flex Buildings - 36,000 sf total, 6" concrete slab to receive metal building, washer/dryer hookups in each building, 20' x 20' elephant doors, red iron framing for dividing wall, R-19 roof insulation

Office Building - 50,000 sf rentable space, production space with kitchenettes, mail room and art suites

Mill Building - 80,000 sf, full restroom facilities, 1200 amps, 3 phase power

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

The Company "Mesa Film Studios" is a newly formed venture of world-class owners and operators partnering to create a full-service media & film development campus. Our executive team boasts members with over 125 years experience in the film & television industry. The development is led by the partnership between Galen Walker, a film producer and post-production executive, he is a 5th generation New Mexican and his films have generated over \$1bn in revenue. RoadTown Enterprises who has designed, developed and actively services studios across the country for firms like Amazon, Sony, Warner Bros, and more. Along with SR Capital, a seasoned real estate developer with a 30 year track record, we will launch "Phase one", we intend to construct a full-service purpose-built soundstage complex across 60+ acres on Albuquerque's West Mesa at Double Eagle II Airport consisting of six soundstages,

production offices, mill and flex space. The complex will include an oversized 20+ acre backlot with a permanent Greenscreen wall. The actual studio facility is designed, built, and will be managed by a team of seasoned production professionals. Helming the project is Nick Smerigan and his company RoadTown Enterprises, LTD. Mr. Smerigan was responsible for building and managing Albuquerque Studios, that anchored the film industry in New Mexico and generated over a billion dollars of production revenue for the state and the eventual acquisition by the largest content streaming company in the world, Netflix. The Studio facility will create thousands of jobs statewide and will eventually expand into additional services including post-production facilities as well as film production within the state.

Question: Supporting Documentation

[MFS - Operational Org Chart v1.pdf](#) (6/25/2024, 8:09 AM)

Financial Information

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

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

[MFS - 3yr Operating Pro Forma v1.pdf](#) (6/25/2024, 8:11 AM)

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

[Question 30 Section 4.pdf](#) (7/30/2024, 1:58 PM)

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

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

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

n/a

Question: What is the equity investment from the applicant?

\$35,000,000.00

Question: External Equity Investment Sources

SR Capital, LLC and a to-be-determined investment partner

Question: External Equity Investment Amount

\$35,000,000.00

Question: City/County Funding Source

LEDA

Question: City/County Funding Amount

\$1,000,000.00

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

TBD

Question: Bank Loans Amount Total

\$49,000,000.00

Question: Other Loans Source

n/a

Question: Other Loans Amount

\$0.00

Question: Other Sources

n/a

Question: Other Sources Amount

\$0.00

Question: Total Project Amount (Sum of above)

\$83,000,000.00

Question: Supporting financial documentation

Company History and Background

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

N/A - this is a new venture

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

0.00

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

Scott Resnick. Please see document submitted in section 2 with principal member biographies.

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

Yes

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

None

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

None

Community Aspects

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

The current infrastructure needs not yet in place on the community level are as follows:

Power (From PNM)
Water (Water Authority)
Gas (NM Gas Company)
Sewer

Data (Exchange)
Phones (Exchange)
Traffic Study For Atrisco Vista
Drainage Retention Pond
Night Sky (Lighting City May Require)

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

Mesa Film Studios, LLC has requested Local Economic Development Act (LEDA) funding from both the State of New Mexico Economic Development Department and the City of Albuquerque. A term sheet has already been executed for the provision of \$6,000,000 in LEDA funds from the State of New Mexico, with an additional \$1,000,000 from the City of Albuquerque over a ten year period. The applicant is expecting to finalize the LEDA application process by the end of June 2024, with submission of the required proposed ordinance to the Albuquerque City Council for consideration by August 5, 2024, and expected confirmation of approval by September 4, 2024. The first drawdown of LEDA funding is expected to occur immediately following finalization of the Project Participation Agreement, which is contingent upon approval of the LEDA ordinance. Subsequent draw downs of LEDA funds will occur upon the achievement of certain project milestones, as outlined by the project term sheet and Project Participation Agreement.

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

At this time, Mesa Film Studios has finalized a ground lease agreement with the City of Albuquerque Aviation Department for specific land parcels located around the city's Double Eagle II Airport, as detailed in the lease attached to this application. All requisite infrastructure and utilities will be provided by the City of Albuquerque to the site boundary.

Job Creation / Performance

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

- [Job Creation Worksheet](#)

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

See pdf titled 'MFS - Job Creation Worksheet'

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

See pdf titled 'MFS - Job Creation Worksheet'

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

Employees will be offered full benefits, as negotiated and contracted by associated labor unions, including medical, vision and dental.

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

We have conducted initial outreach to the IATSE union and are investigating partnerships with the local film school sponsored by Governor Michelle Lujan Grisham and the New Mexico Film Office.

Question: Attach job creation worksheet

[7. MFS - Job Creation Worksheet.pdf](#) (7/17/2024, 3:36 PM)

Question: Starting Headcount (from worksheet above)

24.00

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

24.00

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

\$1,300,000.00

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

2.00

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

\$110,000.00

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

2.00

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

\$110,000.00

Economic Impact Analysis

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

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

See attached Economic Impact Analysis pdf document completed by EIS.

Attachments

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

- [Authorization for examination and release of information form](#)
- [Employer quarterly wage and contribution report example](#)

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

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

Please download the LEDA Application Affirmation Template here:

[LEDA Application Affirmation Template](#)

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

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

[MFS Authorization for examination and release of information.pdf](#) (7/17/2024, 3:41 PM)

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

[Question 69 Section 9.pdf](#) (7/30/2024, 2:04 PM)

Question: Affirmation and any other supporting documents

[233131-Final Mesa Film Studios EIA 1-10-2024.pdf](#) (7/28/2024, 7:12 AM)

[IDO - 2023 Annual Update - Effective \(2\).pdf](#) (7/28/2024, 6:58 AM)

[EIS Summary.pdf](#) (7/17/2024, 3:58 PM)

[07032024_Exhibit C-LEDA Application.pdf](#) (7/17/2024, 3:56 PM)

City of Albuquerque Project Information

This section of the NMEDD LEDA Application contains information required by the City of Albuquerque Ordinance 0-04-10 and conforms with and complements the policies established for the Local Economic Development Act pursuant to the Council action. This documentation is presented to demonstrate to the City of Albuquerque the public benefits of this project and to help the City evaluate its merit in comparison to other projects submitted.

Question: Project Supporting Documents: City Zone Atlas Map of Location, aerial/satellite picture of area, conceptual overview of finished location, Fiscal Impact Analysis from UNM BBER (if requested by City ED Director), Conceptual Site Plan and Elevation.

[LEDA PACKET.pdf](#) (7/28/2024, 6:53 AM)

Question: General Description-Statement of benefit to be gained by the Albuquerque community from this development

Mesa Film Studios (MFS) is a full service, purpose-built, film and television production facility with the probability of bringing \$1.4 billion of direct economic impact to the City of Albuquerque and the state of New Mexico over a 10-year period, which includes over 11,200 high paying jobs over that time frame. Located 20 minutes from Albuquerque International Sunport and 15 minutes from downtown Albuquerque, a facility the size and scope of MFS, has the potential to provide a significant economic development impact to the local economy.

Providing a designated 12 acre backlot and a permanent 280' x 120' by 40' high blue screen, makes MFS unique to the New Mexico studio landscape. In addition to the backlot and permanent Blue Screen wall, MFS will offer its clients six sound stages, production office space, construction mill building and flex space for wardrobe, special effects, and props.

Question: Site and Existing Conditions: Legal Description-Give both the precise and complete legal description and address or identification of location.

Description - MFS Lease Tract 2, Plat of Tract A-1 & Tract L-1 Parcels 1-5

A certain parcel of land being a portion of Tract A-1, Plat of Tract A-1 & Tract L-1 Parcels 1-5, filed in the office of the County Clerk of Bernalillo County, New Mexico on November 13, 2006, in Plat Book 2006C, Page 351, as Document No. 2006171918, and being more particularly described by New Mexico State Plane Grid Bearings (NAD 83 Central Zone) and ground distances as follows:

BEGINNING at the southeasterly corner said LEASE TRACT 2, WHENCE Albuquerque Geodetic Reference Station Brass Cap stamped "2-F6" bears South 05° 51'11" East a distance of 1124.53 feet;

THENCE North 89° 59'48" West a distance of 2000.00 feet to the southwesterly corner of said LEASE TRACT 2;

THENCE North 00° 00'12" East a distance of 1260.00 feet to the northwesterly corner of said LEASE TRACT 2;

THENCE South 89° 59'48" East a distance of 2000.00 feet to the northeasterly corner of said LEASE TRACT 2, WHENCE, as a tie, the southeasterly corner of Tract L-1 Parcel 5, as shown on said plat filed in Plat Book 2006C, Page 351 bears North 41° 51'11" East a distance of 1124.53 feet;

THENCE South 00° 00'12" West a distance of 580.00 feet to an angle point;

THENCE South 89° 59'48" East a distance of 1088.82 feet to an angle point, said point being a point on the westerly easement line of a 156' Wide Public Access Easement granted by plat filed 07/10/2002, Plat Book 2002C, Page 228;

THENCE South 13° 27'24" East a distance of 102.82 feet along said easement line to an angle point;

THENCE North 89° 59'48" West a distance of 112.76 feet to an angle point

THENCE South 00° 00'12" West a distance of 580.00 feet to the POINT OF BEGINNING.

Question: Prevailing Site Conditions: Describe the present use and development of the site, including any improvements, vacant land, etc.

This is a vacant lot, with no existing easements as confirmed by the ALTA land survey conducted by Bohannon Huston Incorporation as part of the project due diligence process.

Question: Present Assessed Value: According to the Bernalillo County Assessor's office.

This property belongs to the City of Albuquerque, therefore there is no assessed value at this time.

Question: Present Zoning of Property

See filed entitled "IDO 2023 Annual Update Effective (2).pdf" attached to this application.

Question: Proposed Zoning: If change in zoning is required for the proposed use, enter the proposed new zone.

No zoning change is necessary.

Question: Status of Permitting/Regulatory matters needed for project.

At this time, Mesa Film Studios has completed all evaluation and permitting processes required by the Federal Aviation Administration, since the project would be located on airport land. Currently, Mesa Film Studios is awaiting approval of a site plan text amendment to the City of Albuquerque Double Eagle II Airport Master Plan existing site plan which will specifically enumerate a film studio as a permitted use. Adoption of that amendment is imminent.

Question: Sustainability Initiatives: Describe any sustainability initiatives or programs the company already has and/or plans to use in its facility operations and processes.

MFS is working with the City of Albuquerque on long-term plans to develop a regional retention pond to be used by the development and surrounding areas, which would include a comprehensive hydrological study. All equipment used on the retention pond project will be rated for maximum energy efficiency, including usage of LED light bulbs, smart thermostats and other implementations.

Question: Renewable Energy: Indicate in detail if and how the Project will create, produce or use renewable energy and renewable energy technology.

MFS has completed preliminary conversations with Solar Field Developer Pristine Sun for the provision of a 100% renewable energy supply for the project. Plans to move forward with Pristine Sun will be further investigated upon receipt of the building permit for the project.

Question: Products and Process: Will the proposed development generate air, noise or

waste pollution or traffic congestion? If so, what plans are in place for the reduction and disposal of waste and/or project emissions?

MFS engineers will conduct a thorough traffic study as required by the City of Albuquerque planning process to determine the project impact on local roads. Similarly, the MFS development team is in active conversations with all relevant city departments in advance to MFS' submission to the City of Albuquerque Environmental Planning Commission to identify and address any issues flagged with regards to sewer, utility, gas, and waste management.

Question: Competition: The Development Commission and City Council do not wish to make public funds available for projects with local competition. Describe any competition in the same area of commerce or industry existing in the City.

See page 5 of the full EIS report attached to this submission.

Question: Describe the predicted effects of the project including construction jobs generated, increased employment, increased sales, new industrial base, possible spin-off business in the City.

See page 36 of the EIS report attached to this submission.

Question: Proposed Development: Describe any construction to be undertaken in the project, including square footage, construction type, location of construction on project site.

Please see the information provided in Section 3 of this application.

Question: Proposed Development: Will existing buildings will be rehabilitated or incorporated in the construction?

No. This is a vacant lot.

Question: Proposed Development: Detail any demolition required and indicate whether it involves any identified historic properties.

No demolition will be required as this is a vacant lot.

Question: Infrastructure: Indicate if the project will require any extension or relocation of utility or road systems and if so, what cost sharing agreements have been reached between the applicant and the City.

The City of Albuquerque, at its own expense, shall cause all necessary infrastructure to be extended, provided and made available for water, sewer, electricity in an amount sufficient to provide "reserve" capacity to the 130 acre development, roads, fiberoptic and natural gas connections as required by MFS to the demise line of the 130 acre project cite. As required by MFS and the project, the City of Albuquerque will assist in facilitating running such facilities from the demise line to the project at MFS' expense

Question: Area Enhancement: Describe how project design and placement will enhance the area.

See page 36 of the EIS report attached to this application.

Question: Local Purchasing: Provide and estimated annual expenditure on goods and services locally procured that are subject to the New Mexico gross receipts tax, and an estimated annual increase in such an expenditure.

See page 27 of the EIS report attached to this application.

Question: Water Conservation: Estimate average daily and monthly water consumption and include any plans for reduction or re-use of water.

See page 28 of the document entitled "LEDA Packet.pdf" attached to this application.

Question: Relocation of Individuals or Businesses: No individuals, families or businesses should be displaced by the activities outlined in this plan. If any relocation is required, detail the assistance the applicant will give in relocation.

None identified.

Question: Corporate Citizenship Policy/Plan: List any company policies/plans regarding community charitable and civic donations and volunteerism.

As this is a new venture that has yet to become operational, all policies and plans for community engagement and charitable/civic donations or volunteerism are aspirational at this point. However, once the studio spaces are built and functional, MFS has plans to engage with children interested in film production and development through the New Mexico film academy and CNM, inclusive of opportunities for internships and access to other members of the film community to create mentorship opportunities.

Question: Positive Contributions: List all positive contributions that the project will make to the neighborhood.

See EIS summary attached to this application.

Question: Management: If the project will not be managed by the applicant, who will manage it and does the applicant have any long-range involvement?

The project will be managed by Roadtown Enterprises. The biographical information for all principals of the company has been provided in Section 1 of this application.

Question: Indicate the estimated appraised value of the project after completion.

The replacement value of this project is approximately \$70 million for property and infrastructure.

▶ WHO WE ARE

SCOTT RESNICK

- > Principal/Owner/Lead Developer of the Project.
- > 30-year real estate career, developing over \$2 billion in ground up projects in New York City.
- > Notable iconic buildings include 200 Chambers Street, 250 West 50th Street, 551 West 21st Street, and the Whitney Museum of American Art.



GALEN WALKER

- > Principal/Owner overseeing operations of the Project.
- > 5th generation New Mexican.
- > Film Producer with 35 years experience producing content for Warner Brothers, Paramount, NBC/Universal that have generated over \$1.5 billion in revenue. Resurrected and relaunched “Teenage Mutant Ninja Turtles” Franchise, with 3 tent-pole films totaling \$336 million in production budget.
- > Spearheading the post-production initiative after developing, operating and selling one of LA’s largest award winning post-production companies to Technicolor.



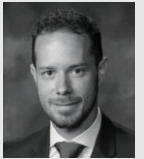
NICK SMERIGAN

- > Senior Consultant, Roadtown Enterprises - Development and operations of major media studios worldwide.
- > His company RoadTown Enterprises designed, developed and managed the Albuquerque Studios (now Netflix), Atlanta Film Studios, Atlanta Metro Studios, as well as other studios in Los Angeles, New Orleans, Chicago and New York.
- > RoadTown services productions for all major studios and streaming platforms including Netflix, HBO, Disney, Warner Bros., DreamWorks, Paramount, Universal, Amazon and Marvel.



MARK KINDRACHUK

- > Head of Finance on the Project.
- > 17-year real estate career, over \$11.2 billion of transactions and asset management oversight of more than \$2 billion in assets.
- > Notable roles include fundraising & asset management for Lone Star Funds during the financial crisis of 2008 and Investment Banking at Jones Lang LaSalle focusing on domestic and international hospitality and real estate portfolios.



GAIL SMERIGAN

- > Consultant, Roadtown Enterprises - Marketing and Communications.
- > 30 years of experience in entertainment industry, including Senior VP of Communications for Albuquerque Studios, Director of client services for Atlanta Metro Studios and Atlanta Film Studios.
- > Producer of television and feature films for Sony, Fox, NBC and Warner Brothers.



ADAM CHAMBERS

- > Design and Operations Consultant - Roadtown Enterprises.
- > Over 20 years experience in studio design, studio operations and physical production.
- > Adam has provided studio design and operational support for more than a dozen studio facilities across the country.
- > His clients include EastEnd (NY, CA), Quixote (CA), Atlanta Metro Studios (GA) and Second Line Stages, New Orleans.





EDD ECONOMIC
DEVELOPMENT
DEPARTMENT

3/8/2024

FISCAL IMPACT ANALYSIS AND ECONOMIC IMPACT OF THE EXPANSION OF MESA MEDIA HOLDINGS LLC

Prepared by:

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





Purpose and Limitations:

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

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

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

Introduction:

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

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

Description of the Company:

The Company "Mesa Media Holdings" is a newly formed venture of world-class owners and operators who are partnering to create a full-service media & film development campus. Our executive team boasts members with over 125 years experience in the film & television industry. The development is led by the partnership between Galen Walker, a film producer and postproduction executive, he is a 5th generation New Mexican and his films have generated over \$1bn in revenue. RoadTown Enterprises who has designed, developed and actively services studios across the country for firms like Amazon, Sony, Warner Bros, and more. Along with SR Capital, a seasoned real estate developer with a 30 year track record, we will launch "Phase one", we intend to construct a full-service purpose-built sound stage complex across 50+ acres on Albuquerque's West Mesa at Double Eagle II Airport consisting of six soundstages, production offices, mill and flex space. The complex will include a twelve-acre backlot with a permanent Greenscreen wall. The actual studio facility is designed, built, and will be managed by a team of seasoned production professionals. Helming the project is Nick Smerigan and his company RoadTown Enterprises, LTD. Mr. Smerigan was responsible for building and managing Albuquerque Studios, that anchored the film industry in New Mexico and generated over a billion dollars of production revenue for the state and the eventual acquisition by the largest content streaming company in the world, Netflix. The Studio facility will create thousands of jobs statewide and will eventually expand into additional services including postproduction facilities as well as film production within the state.

Description of the Project:

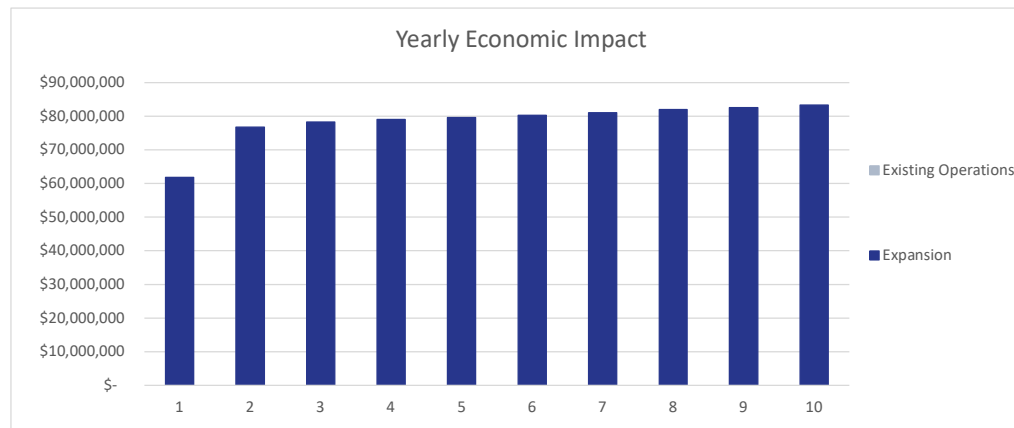
Phase one: The project involves development of approximately 54 acres of unimproved land in the West Mesa at Double Eagle II Airport. Initial grading, environmental remediation, and geotechnical work will be followed by increasing the capacity of utilities that service the site (water, power, gas, data). The improvements thereupon will total over 312,000 square feet, including 6 sound stages (20,000 sf to 25,000 sf each), an 80,000 square foot mill, 60,000 square feet of office space, and 37,000 square feet of flex space. Also included on the property will be a dedicated "back lot" area for outdoor filming, as well as a Greenscreen. This studio complex will generate many new production partners and production vendors which will result in more than 400 jobs per contracted production. The studio has a partnership with a world-class lighting and grip company which will be located within our facility. There is a plan to design a new postproduction facility for sound and picture, the studio will partner with major "Hollywood" Post facilities that will supply talent / personnel required in these high-end positions for film and television. Upon the completion of construction, the partnership plans to commence "Phase two" and double the size of the complex, expanding over the full 100 acres. Future growth at the Double Eagle II Airport will accommodate direct private flights for the production and postproduction talent between ABQ and LA. This will have a major impact on successfully keeping postproduction sustainability in NM. Mesa Holdings intends to partner with Pristine Sun to provide both on site solar power generation, as well as a dedicated array just north of the Project site, with the intent to be a fully-solar powered studio.



Economic Impact

Total Economic Impact

	Total
Estimated Economic Impact Over 10 Years:	\$ 784,668,326
Combined Total Incentive Over 10 Years:	\$ 6,000,000
Economic Impact Rate of Return:	12,978%



Workers and New Residents over 10 years

	Direct	Indirect and Induced
Number of Jobs Created:	512	469
Estimated Number of Construction Workers:	230	
Estimated Number of New Residents to the State:	8	
Estimated Number of New Residents to the County:	7	
Estimated Number of New Residents to the City:	7	

Total Public Impacts



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

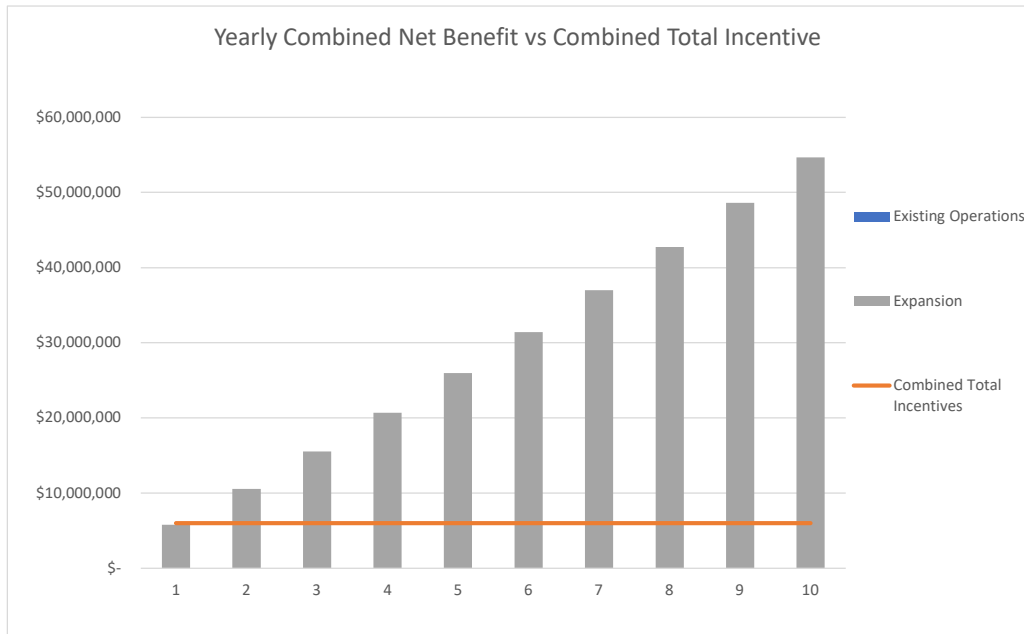
Cumulative Net Benefits					
	Existing Operations	Expansion	Existing & Expanded Operations	Present Value of Net Benefits*	
State of New Mexico	\$ -	\$ 34,846,217	\$ 34,846,217	\$	27,911,915
County	-	6,294,739	6,294,739	\$	5,117,465
City	-	13,532,630	13,532,630	\$	11,006,945
School District	-	1,541,981	1,541,981	\$	1,235,499
Special Taxing District	-	2,435,356	2,435,356	\$	1,951,308
Total	\$ -	\$ 58,650,924	\$ 58,650,924	\$	47,223,132

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

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

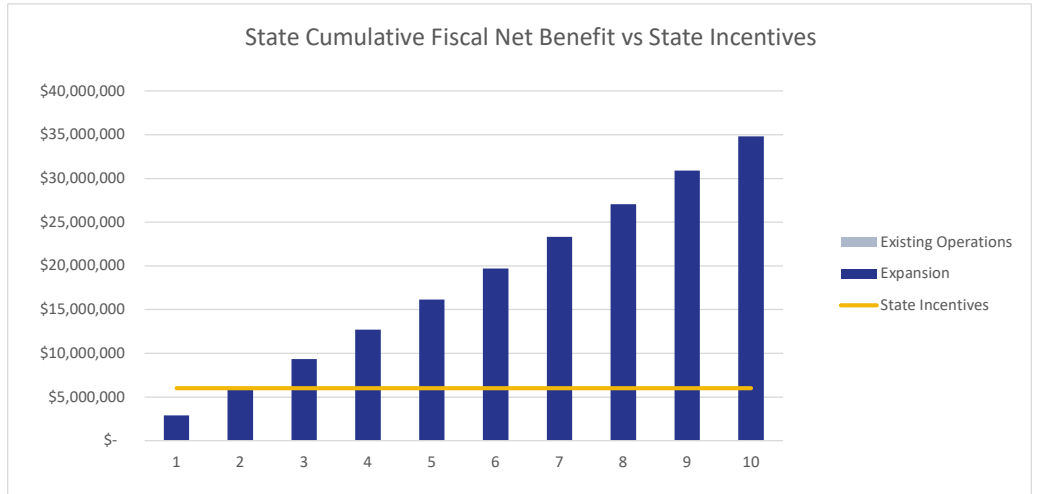
Total Public Net Benefit

	Total
Estimated Total Public Net Benefit Over 10 Years:	\$ 54,673,586
Combined Total Incentive Over 10 Years:	\$ 6,000,000
Total Public Net Benefit Rate of Return:	811%



State Impacts





Incentives

Total State Incentive:	\$ 6,000,000
State Incentive Per Job:	\$ 157,895

Combined Payback and Return

State Payback Period Combined:	1.98 Years
State Rate of Return Combined:	365%

Expansion Only Payback and Return

State Payback Period Expansion:	1.98 Years
State Rate of Return Expansion:	365%

State Net Benefits Of Current Operations

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

State Net Benefits Of Expansion

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 2,920,046	\$ 9,537	\$ 2,910,509	\$ 2,910,509
2	\$ 3,153,916	\$ 10,621	\$ 3,143,295	\$ 6,053,804
3	\$ 3,293,499	\$ 11,736	\$ 3,281,763	\$ 9,335,567
4	\$ 3,382,754	\$ 12,882	\$ 3,369,873	\$ 12,705,440
5	\$ 3,468,993	\$ 13,651	\$ 3,455,342	\$ 16,160,781
6	\$ 3,559,411	\$ 14,441	\$ 3,544,970	\$ 19,705,751
7	\$ 3,653,285	\$ 15,663	\$ 3,637,622	\$ 23,343,374
8	\$ 3,755,351	\$ 16,918	\$ 3,738,433	\$ 27,081,806
9	\$ 3,850,368	\$ 17,801	\$ 3,832,567	\$ 30,914,374
10	\$ 3,950,551	\$ 18,708	\$ 3,931,844	\$ 34,846,217

State Combined Net Benefits

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 2,920,046	\$ 9,537	\$ 2,910,509	\$ 2,910,509
2	\$ 3,153,916	\$ 10,621	\$ 3,143,295	\$ 6,053,804
3	\$ 3,293,499	\$ 11,736	\$ 3,281,763	\$ 9,335,567
4	\$ 3,382,754	\$ 12,882	\$ 3,369,873	\$ 12,705,440
5	\$ 3,468,993	\$ 13,651	\$ 3,455,342	\$ 16,160,781
6	\$ 3,559,411	\$ 14,441	\$ 3,544,970	\$ 19,705,751
7	\$ 3,653,285	\$ 15,663	\$ 3,637,622	\$ 23,343,374
8	\$ 3,755,351	\$ 16,918	\$ 3,738,433	\$ 27,081,806
9	\$ 3,850,368	\$ 17,801	\$ 3,832,567	\$ 30,914,374
10	\$ 3,950,551	\$ 18,708	\$ 3,931,844	\$ 34,846,217

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

Taxes and Revenue

Gross Receipt Taxes	\$ 14,162,362
Personal Income Taxes	\$ 20,794,162
Corporate Income Taxes	\$ -
Misc. Taxes and Revenue	\$ 31,652
Subtotal of Benefits	\$ 34,988,175

Costs

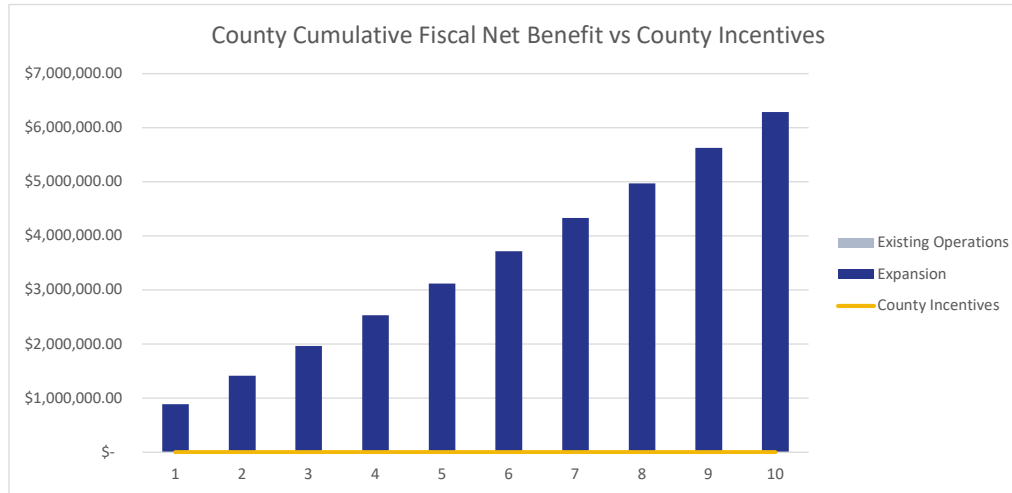
Costs	\$ 141,958
Subtotal of Costs	\$ 141,958

Net Benefits

Net Benefits	\$ 34,846,217
Present Value	\$ 27,911,915

County Impacts





Incentives

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

Combined Payback and Return

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

Expansion Only Payback and Return

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

County Net Benefits Of Current Operations

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

County Net Benefits Of Expansion

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 888,217	\$ 1,197	\$ 887,020	\$ 887,020
2	\$ 527,465	\$ 1,333	\$ 526,132	\$ 1,413,151
3	\$ 553,321	\$ 1,473	\$ 551,848	\$ 1,964,999
4	\$ 569,817	\$ 1,617	\$ 568,200	\$ 2,533,199
5	\$ 586,027	\$ 1,713	\$ 584,313	\$ 3,117,513
6	\$ 602,398	\$ 1,813	\$ 600,585	\$ 3,718,098
7	\$ 619,433	\$ 1,966	\$ 617,467	\$ 4,335,565
8	\$ 637,860	\$ 2,123	\$ 635,737	\$ 4,971,302
9	\$ 654,816	\$ 2,234	\$ 652,581	\$ 5,623,883
10	\$ 673,204	\$ 2,348	\$ 670,856	\$ 6,294,739

County Combined Net Benefits

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 888,217	\$ 1,197	\$ 887,020	\$ 887,020
2	\$ 527,465	\$ 1,333	\$ 526,132	\$ 1,413,151
3	\$ 553,321	\$ 1,473	\$ 551,848	\$ 1,964,999
4	\$ 569,817	\$ 1,617	\$ 568,200	\$ 2,533,199
5	\$ 586,027	\$ 1,713	\$ 584,313	\$ 3,117,513
6	\$ 602,398	\$ 1,813	\$ 600,585	\$ 3,718,098
7	\$ 619,433	\$ 1,966	\$ 617,467	\$ 4,335,565
8	\$ 637,860	\$ 2,123	\$ 635,737	\$ 4,971,302
9	\$ 654,816	\$ 2,234	\$ 652,581	\$ 5,623,883
10	\$ 673,204	\$ 2,348	\$ 670,856	\$ 6,294,739

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

Taxes and Revenue

Gross Receipt Taxes	\$ 4,607,618
Misc. Taxes and Revenue	\$ 41,075
Property Taxes	\$ 1,663,864
Subtotal of Benefits	\$ 6,312,556

Costs

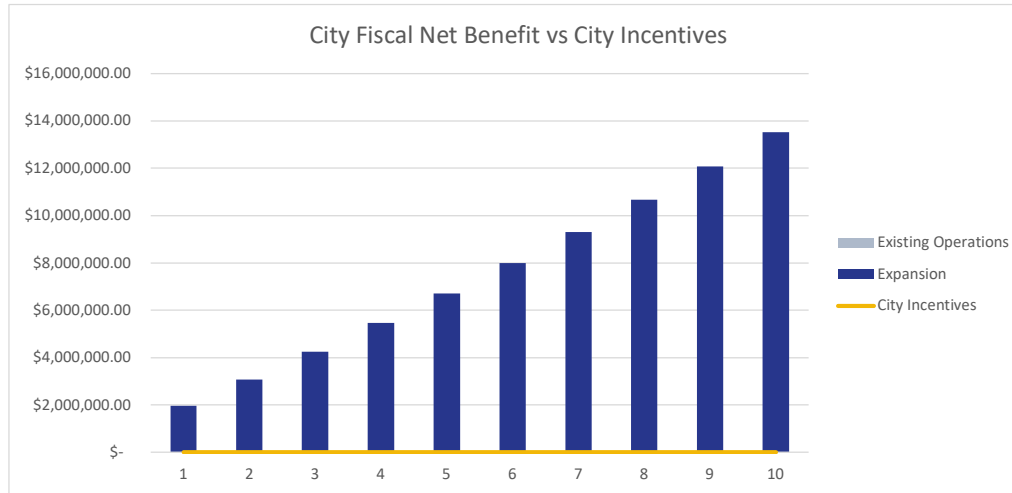
Costs	\$ 17,817
Subtotal of Costs	\$ 17,817

Net Benefits

Net Benefits	\$ 6,294,739
Present Value	\$ 5,117,465

City Impacts





Incentives

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

Combined Payback and Return

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

Expansion Only Payback and Return

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

City Net Benefits Of Current Operations

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

City Net Benefits Of Expansion

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 1,959,508	\$ 443	\$ 1,959,065	\$ 1,959,065
2	\$ 1,119,566	\$ 651	\$ 1,118,915	\$ 3,077,980
3	\$ 1,176,407	\$ 993	\$ 1,175,414	\$ 4,253,394
4	\$ 1,211,763	\$ 1,470	\$ 1,210,294	\$ 5,463,687
5	\$ 1,247,079	\$ 1,743	\$ 1,245,336	\$ 6,709,023
6	\$ 1,283,548	\$ 2,025	\$ 1,281,523	\$ 7,990,546
7	\$ 1,322,577	\$ 2,532	\$ 1,320,046	\$ 9,310,592
8	\$ 1,366,308	\$ 3,053	\$ 1,363,255	\$ 10,673,847
9	\$ 1,408,629	\$ 3,373	\$ 1,405,256	\$ 12,079,103
10	\$ 1,457,229	\$ 3,702	\$ 1,453,527	\$ 13,532,630

City Combined Net Benefits

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 1,959,508	\$ 443	\$ 1,959,065	\$ 1,959,065
2	\$ 1,119,566	\$ 651	\$ 1,118,915	\$ 3,077,980
3	\$ 1,176,407	\$ 993	\$ 1,175,414	\$ 4,253,394
4	\$ 1,211,763	\$ 1,470	\$ 1,210,294	\$ 5,463,687
5	\$ 1,247,079	\$ 1,743	\$ 1,245,336	\$ 6,709,023
6	\$ 1,283,548	\$ 2,025	\$ 1,281,523	\$ 7,990,546
7	\$ 1,322,577	\$ 2,532	\$ 1,320,046	\$ 9,310,592
8	\$ 1,366,308	\$ 3,053	\$ 1,363,255	\$ 10,673,847
9	\$ 1,408,629	\$ 3,373	\$ 1,405,256	\$ 12,079,103
10	\$ 1,457,229	\$ 3,702	\$ 1,453,527	\$ 13,532,630

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

Taxes and Revenue

Gross Receipt Taxes	\$ 10,893,212
Misc. Taxes and Revenue	\$ 1,090,713
Property Taxes	\$ 1,568,689
Subtotal of Benefits	\$ 13,552,614

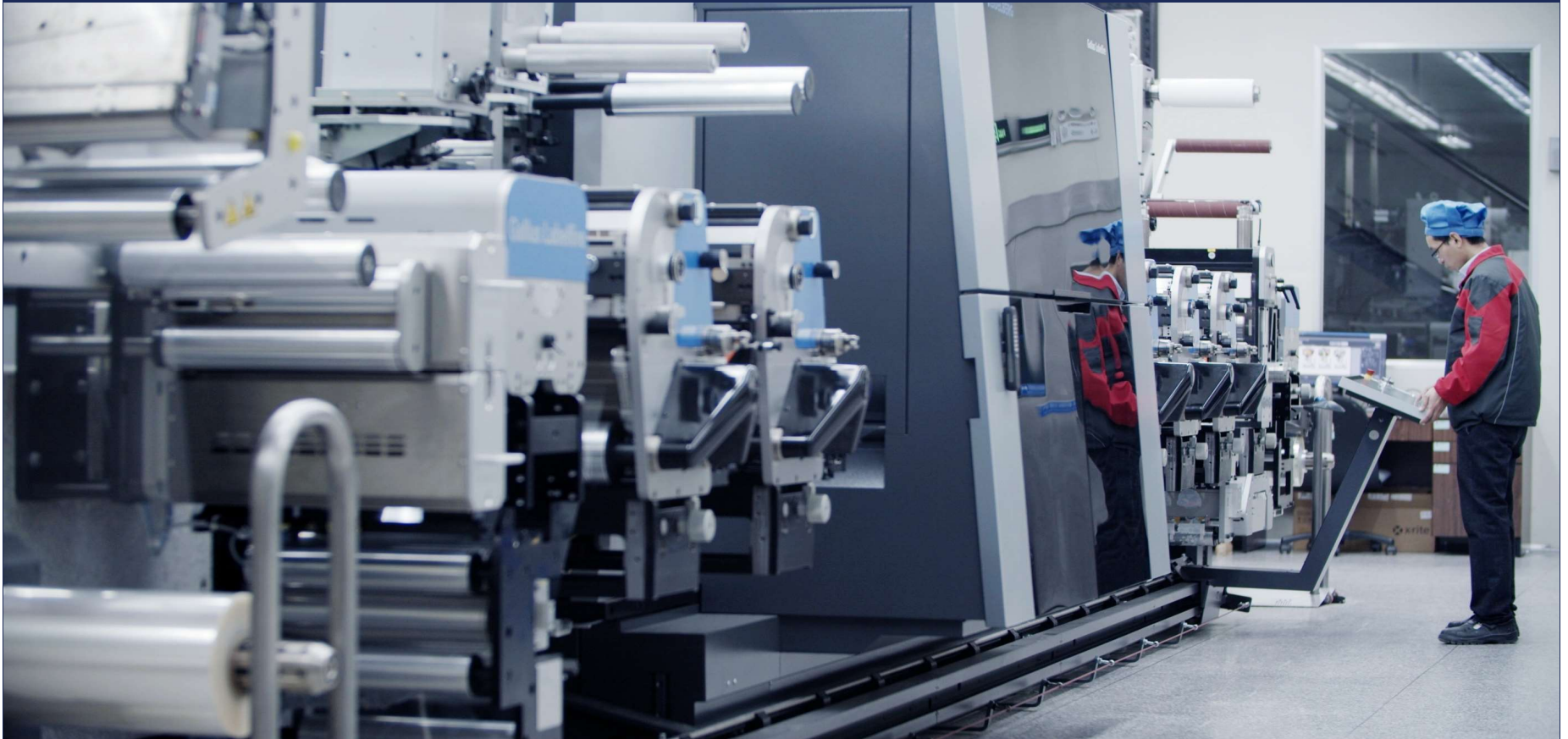
Costs

Costs	\$ 19,985
Subtotal of Costs	\$ 19,985

Net Benefits

Net Benefits	\$ 13,532,630
Present Value	\$ 11,006,945

Special Taxing District and Public Schools



Special Taxing District

Special Taxing District Net Benefits of Current Operations

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

Special District Net Benefits of Expansion

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 211,686	\$ -	\$ 211,686	\$ 211,686
2	\$ 218,607	\$ -	\$ 218,607	\$ 430,293
3	\$ 225,612	\$ -	\$ 225,612	\$ 655,905
4	\$ 232,657	\$ -	\$ 232,657	\$ 888,562
5	\$ 239,748	\$ -	\$ 239,748	\$ 1,128,310
6	\$ 246,883	\$ -	\$ 246,883	\$ 1,375,193
7	\$ 254,068	\$ -	\$ 254,068	\$ 1,629,262
8	\$ 261,310	\$ -	\$ 261,310	\$ 1,890,571
9	\$ 268,650	\$ -	\$ 268,650	\$ 2,159,221
10	\$ 276,135	\$ -	\$ 276,135	\$ 2,435,356

Special District Combined Net Benefits

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 211,686	\$ -	\$ 211,686	\$ 211,686
2	\$ 218,607	\$ -	\$ 218,607	\$ 430,293
3	\$ 225,612	\$ -	\$ 225,612	\$ 655,905
4	\$ 232,657	\$ -	\$ 232,657	\$ 888,562
5	\$ 239,748	\$ -	\$ 239,748	\$ 1,128,310
6	\$ 246,883	\$ -	\$ 246,883	\$ 1,375,193
7	\$ 254,068	\$ -	\$ 254,068	\$ 1,629,262
8	\$ 261,310	\$ -	\$ 261,310	\$ 1,890,571
9	\$ 268,650	\$ -	\$ 268,650	\$ 2,159,221
10	\$ 276,135	\$ -	\$ 276,135	\$ 2,435,356

Public Schools

Public Schools Net Benefits of Current Operations

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

Public Schools Net Benefits of Expansion

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 134,032	\$ -	\$ 134,032	\$ 134,032
2	\$ 138,414	\$ -	\$ 138,414	\$ 272,446
3	\$ 142,849	\$ -	\$ 142,849	\$ 415,295
4	\$ 147,310	\$ -	\$ 147,310	\$ 562,605
5	\$ 151,800	\$ -	\$ 151,800	\$ 714,405
6	\$ 156,318	\$ -	\$ 156,318	\$ 870,723
7	\$ 160,867	\$ -	\$ 160,867	\$ 1,031,590
8	\$ 165,452	\$ -	\$ 165,452	\$ 1,197,042
9	\$ 170,100	\$ -	\$ 170,100	\$ 1,367,142
10	\$ 174,839	\$ -	\$ 174,839	\$ 1,541,981

Public Schools Combined Net Benefits

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 134,032	\$ -	\$ 134,032	\$ 134,032
2	\$ 138,414	\$ -	\$ 138,414	\$ 272,446
3	\$ 142,849	\$ -	\$ 142,849	\$ 415,295
4	\$ 147,310	\$ -	\$ 147,310	\$ 562,605
5	\$ 151,800	\$ -	\$ 151,800	\$ 714,405
6	\$ 156,318	\$ -	\$ 156,318	\$ 870,723
7	\$ 160,867	\$ -	\$ 160,867	\$ 1,031,590
8	\$ 165,452	\$ -	\$ 165,452	\$ 1,197,042
9	\$ 170,100	\$ -	\$ 170,100	\$ 1,367,142
10	\$ 174,839	\$ -	\$ 174,839	\$ 1,541,981

Property Tax Exemptions and Industrial Revenue Bonds



Property Tax Exemptions and Industrial Revenue Bonds

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

Land:	No
Building and Property Improvements:	No
Furniture, Fixtures and Equipment:	No

Property Tax Percentage Exemptions On Land and Building

County	City	Schools	Special Taxing District
0%	0%	0%	0%

Property Tax Percentage Exemptions On Furniture, Fixtures and Equipment

County	City	Schools	Special Taxing District
0%	0%	0%	0%

Value of Exemption Through 10 Years:	\$ -	\$ -	\$ -
*Value of Payment in Lieu of Taxes Through 10 Years:	\$ -	\$ -	\$ -

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

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

Year	State	County	City
1	0%	0%	0%
2	0%	0%	0%
3	0%	0%	0%
4	0%	0%	0%
5	0%	0%	0%
6	0%	0%	0%
7	0%	0%	0%
8	0%	0%	0%
9	0%	0%	0%
10	0%	0%	0%
Value of Exemption Through 10 Years:	\$ -	\$ -	\$ -

Project Participation Agreement
City of Albuquerque,
New Mexico Economic Development Department
and Mesa Film Studios, LLC
Local Economic Development Act Project

This Project Participation Agreement is made as of this ____ day of 2024 by and between the CITY OF ALBUQUERQUE, NEW MEXICO (the “City”), and MESA FILM STUDIOS, LLC, a Delaware limited liability company, with a place of business at 5929 Canyon Ridge Pl. NE, Albuquerque, New Mexico 87111 (together with its successors, affiliates, subsidiaries and assigns, “Mesa Film Studios”).

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

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

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

Mesa Film Studios shall acquire, construct and develop in the City, (collectively, the “Facilities”); the Facilities are projected to be completed over a ten year period with a total investment from Mesa Film Studios of \$48,525,000;

Commitment to maintain and operate the Facilities for a minimum of ten (10) years;

Commitment for \$800,000,000 in Production Spend monies related to productions in New Mexico on or before December 31, 2033;

Commitment to partnering and supporting training and workforce development programs with New Mexico-based organizations and/or institutions, including but not limited to, support for Native content creators and filmmakers who are members of one of the recognized tribes or pueblos of New Mexico;

Commitment to request Mesa Film Studios' tenants utilizing the Facilities to create public-facing media projects to include a screen credit with a State logo in all productions in which a film production tax credit is claimed acknowledging that the production was filmed in the State of New Mexico;

Commitment to request Mesa Film Studios' participants/tenants utilizing the Facilities to create public-facing media projects to include a screen credit with a City logo, and acknowledgement of the City, in all productions filmed within the City; and

WHEREAS, the growth of film, media and movie production has been a steady economic development driver in the City and State of New Mexico ("State") over the last two decades. In fiscal year 2004, Direct Spend in the State was \$12 million and by fiscal year 2023 had reached \$855.40 million and

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

WHEREAS, Mesa Film Studios estimates that activities at the Facility and around Bernalillo County, New Mexico will result in approximately \$80,000,000 direct production and production-related jobs on an annual basis for the term of this Agreement; and

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

WHEREAS, the State has committed up to \$6,000,000 in State LEDA funds (the "State Contribution"), and the City has committed up to \$1,000,000 in City LEDA funds (the "City Contribution"), to be used to reimburse Mesa Film Studios for a portion of the expenses related to the Project, on the terms set forth herein and other eligible expenses under LEDA and the LEDA Ordinance; and

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

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

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

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

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

WHEREAS, the City adopted Ordinance No. O-24-_____ on __, 2024 (the “Project Ordinance”) (i) finding that Mesa Film Studios is a qualifying entity as defined in Section 5-10-3(G) NMSA, (ii) approving the Mesa Film Studios Application for assistance with the Project pursuant to the LEDA Ordinance, which Application proposed that the City direct up to \$6,000,000 in funds to be received from the State (the “State Contribution”) and \$750,000 in funds to be committed by the City (the “City Contribution”), all to finance certain statutorily eligible expenses of the Project consisting of reimbursement for the acquisition, construction and improvement of the Facility, and (iii) approving this Agreement.

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

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

2. Company Contribution. Mesa Film Studios shall acquire, construct, improve and operate its Facilities for the use as a production base for various film, television, and media productions and related activities at an estimated cost of approximately \$48,525,000 over ten (10) years, and will commit to the ten (10) year cumulative Production Spend Requirement of \$800,000,000 reflected by the table in Section 7.A, as contemplated by this Agreement all in accordance with the schedule and other terms and conditions set forth in this Agreement. Mesa Film Studios will maintain the Project’s operations in Albuquerque for a minimum of ten (10) years. Mesa Film Studios will comply with all applicable laws in connection with the operation of the Project and will timely pay all personal property taxes with respect thereto.

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

- (1) \$500,000 upon Mesa Film Studios signing the lease for the land described as Mesa Film Studios Tract 2, Plat of Tract A-1 and Tract L-1 Parcels 1-5 in the Ground Lease Agreement signed between the City of Albuquerque and Mesa Film Studios on April 28, 2024 and attached to this Agreement as Exhibit C;
- (2) \$500,000 upon Mesa Film Studios breaking ground for construction of the Facility;
- (3) \$1,000,000 upon the issuance of a Certificate of Occupancy for new stages at the Facility with a minimum of two (2) stages at the Facility;
- (4) \$1,000,000 upon \$100,000,000 in production spending by Mesa Film Studios; and

(5) \$1,000,000 for every \$80,000,000 in production spending in excess of the \$100,000,000 mentioned above in this Section until the State LEDA funds are exhausted.

State Contribution disbursements (3), (4) and (5) are predicated on the production spending being LEDA eligible and Mesa Film Studios being current with all reporting required herein and under any other agreement or ordinance.

4. The City Contribution. Pursuant to the Project Ordinance and the LEDA Ordinance, the City has committed the amount of \$1,000,000 for use in connection with the Project. As required by the LEDA Ordinance, the City will deposit the proceeds of the City Contribution into a clearly identified separate account, which account will be subject to an annual independent audit. City funds will be dispensed to Mesa Film Studios as follows:

(1) \$125,000 upon Mesa Film Studios signing the lease for the land described as Mesa Film Studios Tract 2, Plat of Tract A-1 and Tract L-1 Parcels 1-5 in the Ground Lease Agreement signed between the City of Albuquerque and Mesa Film Studios on April 28, 2024 and attached to this Agreement as Exhibit C;

(2) \$125,000 upon Mesa Film Studios breaking ground for construction of the Facility;

(3) \$250,000 upon the issuance of a Certificate of Occupancy for new stages at the Facility with a minimum of two (2) stages at the Facility; and

(4) \$250,000 upon every \$100,000,000 in production spending by Mesa Film Studios until the City LEDA funds are exhausted.

City Contribution disbursements (3) and (4) are predicated on the production spending being LEDA eligible and Mesa Film Studios being current with all reporting required herein and under any other agreement or ordinance.

5. Time Commitment. Mesa Film Studios intends to invest approximately 48,525,000 over ten (10) years for acquisition, construction, and improvement of the Facility, with operations at the Facility to begin in 2026. Mesa Film Studios will continue to occupy the Facility and diligently conduct operations at the Facility in the manner contemplated by this Agreement at least through December 31, 2034.

6. Use of Public Contributions. Mesa Film Studios will be eligible for reimbursement of up to \$7,000,000 for costs of acquiring the land, and construction and improvement of the Facility actually incurred after the date hereof and paid for, subject to the receipt by the City of the State Contribution. The City will make payment to Mesa Film Studios following submission to the City of documentation reasonably satisfactory to the City evidencing payment of expenses with respect to the Facility, evidencing the commencement of construction of the Facility, showing proof of receipt of the Certificate of Occupancy, and meeting the performance targets set forth herein.

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

7. Performance Clawback Requirements.

A. Production Spending Clawback Requirements. The clawback provisions stipulated in the table shown below herein outline the conditions under which financial penalties are triggered if the actual production spend falls short of the predefined thresholds. Specifically, the "Yearly Average of Production Spending Requirement" column establishes the minimum required expenditure for each year. This Agreement enforces a clawback penalty under the following conditions: For the year 2028, should the annual production spending be less than the required average of \$57,000,000, a clawback of 100% of the shortfall amount will be enforced; in 2031, if the production expenditure does not meet the \$72,000,000 threshold, a clawback penalty amounting to 75% of the shortfall will be applied; and by 2033, the clawback rate is adjusted to 50% for any shortfall from the annual requirement of \$72,000,000.

<i>Production Spend Requirement Clawback</i>				
Year	Production Spending	Cumulative Spend	Yearly Average of Production Spending Requirement	Clawback
2024	\$0	\$0	\$0	
2025		Buffer for extended construction time	\$0	
2026	\$93,000,000	\$93,000,000	\$31,000,000	
2027	\$95,000,000	\$188,000,000	\$47,000,000	
2028	\$97,000,000	\$285,000,000	\$57,000,000	100% of the percentage shortfall below the average
2029	\$99,000,000	\$384,000,000	\$64,000,000	
2030	\$101,000,000	\$485,000,000	\$69,000,000	
2031	\$105,000,000	\$590,000,000	\$72,000,000	75% of the percentage shortfall below the average
2032	\$105,000,000	\$695,000,000	\$72,000,000	
2033	\$105,000,000	\$800,000,000	\$72,000,000	50% of the percentage shortfall below the average

B. Maximum Clawback; Unpaid Payments. Notwithstanding anything herein to the contrary, the maximum aggregate clawbacks payable hereunder will be an aggregate of \$6,750,000, not including interest. Any clawbacks not paid when due shall bear interest at the Prime Rate plus 2% per annum from the due date until paid. “Prime Rate” means the U.S. prime rate as reported from time to time in *The Wall Street Journal* in its Bonds, Rates and Yields table, or successor table.

C. Change in Business Climate. Notwithstanding the foregoing, if Mesa Film Studios fails to achieve the performance targets as identified in Section 7.A herein, or a Facility closure occurs as provided in Section 7.D herein, and believes Business Climate Changes were the cause for its failure to meet such requirements or for the Facility closure, Mesa Film Studios will so advise the City in writing describing the Business Climate Changes in detail. “Business Climate Changes” mean substantial changes outside of the control of Mesa Film Studios, in the segment of the industry in which Mesa Film Studios operates, that cause a significant decrease in the amount of production Mesa Film Studios is able to achieve. The shifting of Mesa Film Studios’ operations to another Project, whether within or outside of Albuquerque, will not constitute a Business Climate Change. If the City determines that Business Climate Changes affect Mesa Film Studios’ ability to achieve the required performance targets or results in the closure of the Facility, after consultation with and concurrence of the State EDD, it may waive or modify the clawback, and may withhold future contributions to Mesa Film Studios. The City must operate with good faith in making any such decision. Any clawback ultimately due will be paid within the later of 15 days after the City notifies Mesa Film Studios of its decision or, if Mesa Film Studios invokes the dispute resolution procedures of Section 12 herein, within 15 days after a final determination is made that the clawback is required.

D. Facility Closure Clawback. Should Mesa Film Studios cease operation of the Facility before December 31, 2034, Mesa Film Studios shall, within ninety (90) days of the cessation of operations, pay to the City, in cash, an amount equal to a specified percentage of the amount of the City Contribution and State Contribution paid pursuant to this Agreement, with the specific percentage based on the date of cessation of operations in accordance with the following table:

Date of Cessation of Operations	Percent of Public Contributions to be Repaid
On or before December 31, 2028	100%
From January 1, 2029 through December 31, 2031	75%
From January 1, 2032 through December 31, 2034	50%

8. Security. To secure the performance of its obligations under this Agreement, prior to the payment of any portion of the State Contribution or the City Contribution to Mesa Film Studios, Mesa Film Studios shall obtain a Letter of Credit issued by [_____], in favor of the City. The Letter of Credit shall be in an aggregate amount of \$7,000,000 and shall serve as security for Mesa Film Studios' obligations under this Agreement. The Letter of Credit shall be subject to terms and conditions satisfactory to the City and shall be issued on or about the date of this Agreement. The Letter of Credit shall remain in effect throughout the term of the Project, unless otherwise approved by the City, and will be renewed as necessary, such renewal being the sole responsibility of the company.

9. Events of Default and Remedies.

A. Failure to Comply with Obligations. Failure by Mesa Film Studios to comply with any obligation under this Agreement, including without limitation, the failure to make timely payment of any clawback payment due hereunder, shall be an Event of Default. Notwithstanding the foregoing, failure to meet production spending requirements shall not be considered an Event of Default; however, the failure to make timely payment of any clawback payment due as a result thereof shall be an Event of Default.

B. Notice of Event of Default. If any Event of Default occurs, the City shall notify Mesa Film Studios in writing, and Mesa Film Studios shall have thirty (30) days in which to cure such Event of Default. If the Event of Default is not cured within such thirty-day period, the City shall have and may (1) terminate this Agreement upon notice to Mesa Film Studios and accelerate any clawback provisions and (2) exercise any remedies available at law or in equity.

10. Fees. Mesa Film Studios will promptly pay or reimburse the City for all reasonable third-party expenses incurred by the City in connection with this Agreement and the Project, provided, however, that Mesa Film Studios shall not be liable for costs incurred by the City that are the responsibility of the City in the ordinary course of business. If so determined by the City, in its sole discretion, such third-party expenses may be offset against or reimbursed from the City Contribution or the State Contribution. Although the City does not anticipate incurring significant third party expenses during the term of this Agreement, such expenses could include, without limitation, expenses associated with performance reviews or audits with respect to the Project and legal fees for outside counsel in the event of any proposed amendment to this Agreement or any necessary enforcement action with respect to this Agreement.

11. Reporting Requirement, Performance Review and Termination. Quarterly, on or before each January 31, April 30, July 31 and October 31, Mesa Film Studios will provide to the City and to State EDD the Company's ES903A with Affidavit or its equivalent filed with New Mexico's Department of

Workforce Solutions for the previous quarter regarding the workforce for Mesa Film Studios and such other information necessary for the City or its independent contractor to determine whether Mesa Film Studios has met its obligations under this Agreement. Additionally, on the same quarterly schedule, Mesa Film Studios will provide the City and State data showing the production spending and cumulative totals to show compliance with Section 7 herein. Failure to complete the requirements of Section 11 herein by the quarterly deadline will result in a 10% Clawback of LEDA funds received. As required by the LEDA Ordinance, the Project will be subject to an annual performance review conducted by City staff, which will evaluate whether the Project is attaining the requirements of this Agreement. This review shall be presented to the City Administration and the City Council. If the requirements of this Agreement are not being satisfied, the City Council at a public hearing may cause the enforcement of this Agreement, including the right of the City to any Performance Clawbacks and other remedies set forth herein. In addition, pursuant to LEDA, if Mesa Film Studios has ceased operations and paid all amounts due to the City as provided herein, the City may enact an ordinance terminating the LEDA Ordinance.

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

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

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

15. Indemnity. Mesa Film Studios agrees to defend, indemnify and hold harmless the City and its officials, agents and employees from and against any and all claims, actions, suits or proceedings of any kind brought against said parties because of any injury or damage received or sustained by any person, persons or property arising out of or resulting from the Services performed by Mesa Film Studios or Mesa Film Studios' agents under this Agreement or by reason of any asserted act or omission, neglect or

misconduct of Mesa Film Studios or Mesa Film Studios' agents or employees or any subcontractor or its agents or employees. The indemnity required hereunder shall not be limited by reason of the specification of any particular insurance coverage in this Agreement.

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

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

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

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

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

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

22. Force Majeure. Neither party shall be liable to the other party for any failure to perform any provisions or obligations of this Agreement if such failure to perform is caused by or results directly or indirectly from Force Majeure. "Force Majeure" means any cause beyond the reasonable control of a party affected, including but not limited to, any acts of God, fire, flood, storm, strike, riot or civil disturbance, war, earthquake, lightning, epidemic, pandemic, labor disturbance, sabotage, or restraint by court or public authority, or any other cause beyond the reasonable control of a party affected whether similar or dissimilar to the ones listed, which makes it impossible or unreasonably difficult for a party to perform its obligations under this Agreement. Nothing contained in this paragraph shall be construed to require either party to prevent or settle a strike against its will. The party unable to perform its obligations due to Force Majeure

will provide notice to the other party within fifteen (15) days of its becoming aware of the Force Majeure of its inability to perform and its expectations as to when, if ever, it will be able to resume its obligations.

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

24. Assignment by the Company. Should Mesa Film Studios move, sell, lease or transfer its ownership or operation duties in the Facility before the expiration of this Agreement and desire to transfer its right hereunder to such assignee, the City retains the right to deny any and all assignments, sales, leases or transfers of any interests in the Facility until adequate assurances are made that the transferee, assignee or lessee is a “Qualifying Entity” as defined in the Ground Lease Agreement signed between the City of Albuquerque and Mesa Film Studios on April 28, 2024 and attached to this Agreement as Exhibit C, and that the terms of this Agreement shall be satisfied by the transferee, assignee or lessee or Mesa Film Studios terminates this Agreement and pays any Clawback or reimbursement amounts due hereunder as of such date.

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

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

[Signature Page Follows]

CITY OF ALBUQUERQUE,
NEW MEXICO

MESA FILM STUDIOS, LLC

By: _____

Name: Samantha Sengel

Title: Chief Administrative Officer

Date: _____

By: _____

Name:

Title:

Date: _____

Address for notice:

One Civic Plaza NW

Albuquerque, NM 87102

Attention: Economic Development
Director

Tel: (505) 768-3000

Email:

Address for notice:

With a copy to:

City Attorney

One Civic Plaza NW

Albuquerque, NM 87102

Tel: (505)768-3000

Email: lkeefe@cabq.gov

Mailing Address:

P.O. Box 1293

Albuquerque, NM 87103

Exhibits

- Exhibit A Application for LEDA Assistance
- Exhibit B Security
- Exhibit C Copy of Executed Lease Agreement Between the City of Albuquerque and Mesa Film Studios