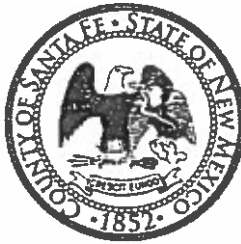


Daniel "Danny" Mayfield
Commissioner, District 1

Miguel M. Chavez
Commissioner, District 2

Robert A. Anaya
Commissioner, District 3



Kathy Holian
Commissioner, District 4

Liz Stefanics
Commissioner, District 5

Katherine Miller
County Manager

TO: Santa Fe County Board of County Commissioners

FROM: David Griscom, Economic Development Manager *DG*

Via: Robert Griego, Planning Manager *RG*
Penny Ellis-Green, Growth Management Director *PEG*
Katherine Miller, County Manager

RE: Request Authorization to Publish Title and General Summary of Ordinance No. 2015-, the Santa Fe Brewing Company Local Economic Development Act (LEDA) Project Ordinance.

DATE: December 1, 2014

Background and History

Santa Fe Brewing Company is planning to expand its existing brewing facility on Highway 14. The brewery began operations in 1988 in Galisteo, NM with a handful of employees and has since grown into a regional beer producer with 41 employees. The Brewery has outgrown its capacity to supply the demand, and its new expansion plans are to enhance its ability to meet those market demands, including sales in national and international beer markets.

Santa Fe Brewing Company has submitted for master plan approval with Santa Fe County for its expansion plans.

At its November 25, 2014 meeting, the Board of County Commissioners (Board) approved a Memorandum of Understanding between the County of Santa Fe and the City of Santa Fe, pursuant to which the City would allow the Brewing Company's wastewater to be discharged, via a County wastewater collection system, into the City's wastewater collection and treatment system.

Santa Fe Brewing Company has applied to Santa Fe County for economic assistance pursuant to the Local Economic Development Act (LEDA), NMSA 1978, Chapter 5, Article 10 and Santa Fe County Economic Development Ordinance, Ordinance No. 2014-7.

LEDA

Staff has evaluated the project and determined that SF Brewing Company is qualified for economic assistance pursuant to LEDA. The New Mexico Economic Development Department ("NM EDD") has similarly determined that the Brewery is qualified for LEDA funds. The Brewery initially requested \$500k in LEDA support from NM EDD for the following scope of work:

- o Design, Construction, and Implementation of a state of the art wastewater treatment system to treat all the Brewery's effluent.

The total cost of the project is \$435,788, and NM EDD will provide \$250k towards that total cost, and the balance will be procured through a line of credit with a local bank.

The process would work as follows. If the Board approves of the proposed ordinance, the County would make formal application to NM EDD for a \$250,000 LEDA grant for the project. If NM EDD approves of the grant, NM EDD and the County would enter into an intergovernmental agreement pursuant to which NM EDD makes the grant to the County. Once the intergovernmental agreement is executed, the County and Santa Fe Brewing Company would enter into the project participation agreement. Thereafter, Santa Fe Brewing Company would submit reimbursement requests to the County, who would in turn seek funds from NM EDD with which to reimburse Santa Fe Brewing Company.

Separately, the Santa Fe Brewing Company has requested that Santa Fe County waive its application and development review fees as its contribution towards this LEDA project. The proposed ordinance would expressly authorize the Land Use Administrator to do so, since there is no language in any existing ordinance that would allow such a waiver.

Economic Development Impact

With the planned expansion, production capacity at the Brewery will ramp up from 17,000 barrels of beer (2013) to 80,000 barrels of beer (2020). Sales are projected to ramp up from \$4.2 million (2013) to \$17 million (2020). The Brewery plans to have 105 employees on its payroll by January 1, 2020, an increase of approximately 64 new direct jobs. The expansion and additional jobs would create the following in tax revenue:

SFBC Taxes Paid in NM	2009	2013	2017	2020
NM Excise Tax	8,125	77,000	80,000	100,000
State Gross Receipts Tax	7,500	25,700	90,875	115,000
State Payroll Tax	42,000	80,000	170,000	300,000
Property Tax	9,000	9,000	19,000	19,000
Total	66,625	191,700	359,875	534,000

Substantive Contribution Required from Santa Fe Brewing Company within the Project Participation Agreement

The project participation agreement or PPA is the contract between the Santa Fe Brewing Co and Santa Fe County. The contract includes the following economic development requirement: Santa Fe Brewing Company must have on its payroll a total of 105 employees by January 1, 2020, as documented by its biannual reports to the County as well as NM Dept. of Workforce Solutions reports. This represents an increase of approximately 64 new jobs over its current employment figures.

In addition, throughout the term of the Project Participation Agreement, Santa Fe Brewing Company will be required to:

- Pay when due all local, state, and federal taxes, including property taxes; and
- Continually maintain a County business license.

Fiscal Impact Report (FIR)

A FIR is attached. The primary fiscal impact, should the Board agree to it, is waiving future application and development review fees. The indirect impact is staff time in reviewing and processing requests for reimbursement, monitoring compliance with the Project Participation Agreement, and pursuing enforcement actions in the event of Santa Fe Brewing Company's default.

Staff Recommendation

Staff recommends that the Board of County Commissioners authorize publishing title and general summary for Ordinance 2015-xxx, the Santa Fe Brewing Company Local Economic Development Act (LEDA) Project Ordinance. Staff recommends one public hearing, to be held on January 13, 2015.

Between now and the public hearing, the proposed ordinance, project participation agreement, and related documents will continue to be vetted internally and with NM EDD and Santa Fe Brewing Company.

Packet Material

Attached to this memorandum are the following:

Exhibit A- Proposed Ordinance

Exhibit A to the Proposed Ordinance is the Project Participation Agreement

Attachment B- LEDA application

Attachment C- FIR

**THE BOARD OF COUNTY COMMISSIONERS
OF SANTA FE COUNTY**

ORDINANCE NO. 2015-_____

**THE SANTA FE BREWING COMPANY
LOCAL ECONOMIC DEVELOPMENT ACT (LEDA) PROJECT ORDINANCE**

IT IS HEREBY ORDAINED by the Board of County Commissioners of Santa Fe County as follows:

- 1. SHORT TITLE.** This Ordinance shall be cited as the "Santa Fe Brewing Company LEDA Ordinance" and shall be referred to herein as "the Ordinance" or "this Ordinance."
- 2. AUTHORITY.** This Ordinance is enacted pursuant to N.M. Const., art. IX, Section 14(D), LEDA, and the Santa Fe County Economic Development Ordinance, Ordinance No. 2014-7.
- 3. DEFINITIONS.**
 - a. "Board" means the Board of County Commissioners of the County.
 - b. "County" means Santa Fe County.
 - c. "EDD" means the New Mexico Economic Development Department.
 - d. "LEDA" means the Local Economic Development Act, NMSA 1978, Chapter 5, Article 10.
 - e. "Project" means the expansion of SFBC's beer manufacturing capacity and related storage, warehousing, and distributing capacity through the construction of buildings and infrastructure at the Property, including an on-site wastewater treatment system for SFBC's wastewater.
 - f. "Property" means the real property located at _____.
 - g. "SFBC" means Santa Fe Brewing Company, a New Mexico corporation.

- 4. FINDINGS.**
 - a. SFBC has submitted an application for economic assistance pursuant to Section V(C) of the Santa Fe County Economic Development Ordinance, Ordinance No. 2014-7.
 - b. The Board has reviewed the application and hereby determines that the Project warrants the economic assistance set forth in this Ordinance and the attached Project Participation Agreement based upon the following, among other, factors:
 - i. SFBC is a qualifying entity under LEDA, in that it is "an industry for the manufacturing, processing or assembling of agricultural or manufactured products" (NMSA 1978, § 5-10-3(I)(1));
 - ii. SFBC is an expanding business;
 - iii. SFBC has agreed to make a substantive contribution to the County economy in the form of 74 new jobs by January 1, 2020;



iv. The economic benefits of SFBC's expansion, including the 74 new jobs, represent adequate return on the public investment of \$250,000 plus the value of the waived development review fees;

v. The economic assistance to be provided under this Ordinance and Project Participation Agreement is permissible under LEDA, in that it represents direct or indirect assistance for infrastructure and buildings for the Project; and

vi. Except for the waiver of development review fees, the economic assistance for the Project will be provided by a LEDA grant to the County from EDD.

5. APPROVAL OF PROJECT AND PROJECT PARTICIPATION AGREEMENT. Subject to the contingencies set forth in Section 7 of this Ordinance, the Board hereby approves of the Project and the Project Participation Agreement attached hereto as Exhibit A; provided, however, the County Manager is authorized to negotiate and agree to on behalf of the County non-substantive changes to the Project Participation Agreement.

6. ECONOMIC ASSISTANCE TO BE PROVIDED. Subject to the provisions of this Ordinance and the Project Participation Agreement, the County shall provide the following economic assistance to SFBC for the Project:

a. \$250,000, via a LEDA grant from EDD to the County, to plan, design, and construct an on-site wastewater treatment system for SFBC's wastewater; and

b. for development applications necessary for the Project submitted after the effective date of the Project Participation Agreement but before the termination of the Project Participation Agreement, the County shall waive all otherwise applicable application and development review fees due under the Land Development Code or Sustainable Land Development Code and Ordinance No. 2008-12 and any future ordinance establishing application or development review fees under the Sustainable Land Development Code. Notwithstanding anything in the Land Development Code, Ordinance No. 2008-12, the Sustainable Land Development Code, or other ordinance to the contrary, the Land Use Administrator is hereby authorized to waive such application and development review fees in accordance with this Ordinance and the Project Participation Agreement.

7. CONTINGENCIES. The economic assistance to be provided under this Ordinance and the Project Participation Agreement are contingent upon the following:

a. EDD's approval of the County's application for a \$250,000 LEDA grant for the Project;

b. EDD and the County entering into an Intergovernmental Agreement, pursuant to which EDD grants \$250,000 to the County for the Project; and

c. The City of Santa Fe and County entering into an agreement pursuant to which the City agrees to allow the County to discharge SFBC's wastewater into the City's wastewater collection and treatment system.

These contingencies must be met by December 31, 2015, or the County's approval of the Project and Project Participation Agreement is void.

8. DELEGATION OF AUTHORITY TO THE COUNTY MANAGER. The Board hereby delegates to the County Manager the authority to:

a. sign on behalf of the County all applications and other documents required to be submitted to EDD for purposes of applying for a LEDA grant for the Project;

b. execute on behalf of the County an Intergovernmental Agreement between the County and EDD pursuant to which EDD grants \$250,000 to the County for the Project; and

c. execute on behalf of the County the Project Participation Agreement attached hereto as Exhibit A; provided, however, the County Manager is authorized to negotiate and agree to non-substantive changes to the Project Participation Agreement.

9. **PROJECT REVENUE FUND.** The County Manager shall cause to be established the SFBC LEDA Grant Fund, in which all revenue and expenditures associated with the Project shall be accounted. Any unexpended balance remaining in the SFBC LEDA Grant Fund as of the date set forth in the Intergovernmental Agreement between the County and EDD shall revert to EDD.

10. **SEVERABILITY.** If a provision of this Ordinance or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the Ordinance that can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are severable.

11. **EFFECTIVE DATE.** This Ordinance shall become effective thirty (30) days after it is recorded in the Office of the County Clerk.

PASSED, APPROVED AND ADOPTED THIS ____ DAY OF ____, 2015.

THE BOARD OF COUNTY COMMISSIONERS
OF SANTA FE COUNTY

By: _____
Robert A. Anaya, Chair

ATTEST:

County Clerk

APPROVED AS TO FORM:

Gregory S. Shaffer, County Attorney

**LEDA PROJECT PARTICIPATION
AGREEMENT FOR SANTA FE BREWING
COMPANY PROJECT**

This Project Participation Agreement ("Agreement") is entered into by and between Santa Fe County, New Mexico ("the County") and Santa Fe Brewing Company, a New Mexico corporation ("the Project Party" or "SFBC"), as of the date it is signed by both parties.

1. Recitals.

A. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in Santa Fe County Ordinance No. 2015- .

B. Pursuant to LEDA, the County adopted the Santa Fe County Economic Development Ordinance, Ordinance No. 2014-7, authorizing the County to consider applications for economic assistance.

C. The Project Party has submitted an application to the County for economic assistance under the Santa Fe County Economic Development Ordinance. In the application, the Project Party has proposed that:

- The County grant \$250,000 to the Project Party to plan, design, and construct an on-site wastewater treatment system to treat all the Project Party's wastewater at the Property.
- The County waive all otherwise applicable application and development review fees for development applications necessary for the expansion of the Project Party's manufacturing and related storing, warehousing and distributing facilities.

D. The County has adopted Ordinance No. 2015-___, finding, among other things, that the Project Party is a qualifying entity as defined in Section 5-10-3(I)(1) NMSA 1978 and approving this Agreement.

2. Economic Assistance to be Provided.

A. The County shall provide \$250,000 to the Project Party to plan, design, and construct an on-site wastewater treatment system to treat all the Project Party's wastewater at the Property. This funding shall come from, and is contingent upon the County's receipt of, a \$250,000 LEDA Grant from EDD.

B. For development applications necessary for the expansion of the Project Party's manufacturing and related storing, warehousing, and distributing facilities and related infrastructure submitted after the effective date of this Agreement but before the termination of this Agreement, the County shall waive all otherwise applicable application and development review fees due under the Land Development Code or Sustainable Land Development Code and Ordinance No. 2008-12 and any future ordinance establishing application or development review fees under the Sustainable Land Development Code.

3. Substantive Contribution of the Project Party. Per the Economic Impact statement in Attachment 1 and in accordance with NMSA 1978, § 5-10-10(B), the Project Party agrees to provide the following substantive contribution in exchange for the economic development assistance set forth in Paragraph 2: SFBC shall have on its payroll a total of 105 employees

employed within Santa Fe County by January 1, 2020, as documented by its biannual reports to the County as well as required filings with the New Mexico Department of Workforce Solutions. This represents an increase of 64 jobs above its payroll as of _____.

4. General Terms and Conditions. The economic assistance to be provided under this Agreement is expressly conditioned upon the following general terms and conditions:

a. The County Utility Department Director must approve of the design documents for the on-site wastewater treatment system in writing, in advance of construction.

b. The Project Party shall keep the County Utility Department Director fully informed as to the progress of the planning, designing, and construction of the on-site wastewater treatment system to treat all the Project Party's wastewater at the Property and shall permit the County Utility Department Director and other County representatives to inspect all work at reasonable times, provided the County provides the Project Party with at least twenty-four hours advance notice of its intention to do so. The Project Party shall provide the County with a construction schedule for the on-site wastewater treatment system and shall update that construction schedule at least weekly to ensure meaningful inspections can be scheduled.

c. Within fifteen days of the on-site wastewater treatment system being fully installed and operational, the Project Party shall permit the County Utility Department Director or designee to conduct a final inspection. The County Utility Department Director shall accept the infrastructure if all design parameters have been met and the infrastructure has been installed in a workmanlike manner.

d. The on-site wastewater treatment system shall be the property of the Project Party. In no event shall the County be liable to the Project Party or its guests for any damage resulting from design or other defects in the construction or installation of the infrastructure.

e. Maintenance and operation of the on-site wastewater treatment system shall be the Project Party's sole responsibility.

f. All conditions set forth in the Intergovernmental Agreement between the County and the EDD concerning the LEDA grant for the Project must be complied with. Without limiting the generality of the foregoing, all expenses for which the Project Party seeks reimbursement under this Agreement must be capital expenditures for the plan, design, and construction of the on-site wastewater system that are properly reimbursable under the Intergovernmental Agreement and appropriation providing funds for the LEDA grant from EDD to the County;

g. Expenditures for which SFBC seeks reimbursement under this Agreement must be made by the earlier of the date set forth in the Intergovernmental Agreement between the County and EDD or the end of the expenditure period set forth in law for the appropriation providing funds for the LEDA grant from EDD to the County.

5. Events of Default; Recovery of Proportionate Share of Economic Development Assistance.

a. The following are Events of Default (i) entitling the County to terminate this Agreement; (ii) causing the amounts set forth in subparagraph b of this Section 5 to be immediately due and payable; and (iii) entitling the County to execute its rights under the Security Agreement:

- i. The failure of SFBC to create 64 new jobs by January 1, 2020;
 - ii. The failure of SFBC to pay when due all local, state, and federal taxes, including property taxes;
 - iii. The failure of SFBC to continually maintain a County business license;
 - iv. Breach of any covenant or agreement or warranty by SFBC to the County, whether such covenant, agreement, or warranty is set forth in this Agreement or the Security Agreement;
 - v. Any attempt by SFBC to sell, transfer, or otherwise encumber its Accounts, as defined in the Security Agreement, without first obtaining written consent of the County and EDD;
 - vi. Abandonment of the Property by SFBC;
 - vii. The filing, execution or occurrence of:
 - a) A petition in bankruptcy by or against SFBC which remains undismissed or unstayed for sixty (60) calendar days;
 - b) A petition or answer seeking a reorganization, composition, readjustment, liquidation, dissolution or other relief of the same or different kind under any provision of the federal Bankruptcy Code, 11 U.S.C., which remains undismissed or unstayed for sixty (60) calendar days;
 - c) Adjudication of SFBC as a bankrupt or insolvent, or insolvency in the bankruptcy equity sense which remains undismissed or unstayed for sixty (60) calendar days;
 - d) An assignment by SFBC for the benefit of creditors, whether by trust, mortgage or otherwise;
 - e) A petition or other proceeding by or against SFBC for the appointment of a trustee, receiver, guardian, conservator or liquidator with respect to all or substantially all of SFBC's property which remains undismissed or unstayed for sixty (60) calendar days; or
 - f) SFBC's dissolution or liquidation, or the taking of possession of SFBC's property by any governmental authority in connection with dissolution or liquidation; or
 - viii. A reasonable determination by the County that the collateral in the Security Agreement is inadequate or in danger of being impaired or threatened from any cause whatsoever.
- b. Should an Event of Default occur and should SFBC have not fully met its substantive contribution under Paragraph 3 of this Agreement as of the date of the Event of Default, the following amounts shall be immediately due and payable from SFBC to the County:
- i. a proportionate share of the economic assistance provided through the date of the Event of Default, calculated as follows: the amount due shall equal (i) the amount of economic assistance provided through the date of the Event of Default multiplied by (ii) the recovery percentage, where the recovery percentage is equal to 1 minus the quotient derived by dividing the number of new jobs actually created as of the date of the Event of Default or 64,

whichever is less, by 64. By way of example, if \$250,000 of economic assistance had been provided to SFBC as of the date of the Event of Default and SFBC had created 50 new jobs as of the date of the Event of Default, the amount immediately due and payable from SFBC to the County would be \$54,687.50; that is, $\$250,000 \times (1 - (50/64))$; and

ii. interest on the amount due under Section 5(b)(i) from the date of the Event of Default through the date of payment by SFBC at the prime rate on the date of the Event of Default as published by the Wall Street Journal.

6. Security Provided by SFBC. Contemporaneously with its execution of this Agreement, SFBC shall execute and deliver to the County a Security Agreement in substantially the form as the Security Agreement attached hereto as Attachment 2.

7. Requests for Reimbursement. This section governs SFBC's requests for reimbursement from the LEDA Grant for expenditures to plan, design, and construct an on-site wastewater treatment system to treat all the Project Party's wastewater at the Property ("Reimbursable Expenditures").

a. SFBC shall submit Requests for Reimbursement to the County's Economic Development Manager.

b. SFBC may seek reimbursement of Reimbursable Expenditures no more frequently than once per month.

c. SFBC may only seek reimbursement of Reimbursable Expenditures that is has already paid, as evidenced by cashed checks or other proof of payment satisfactory to the County.

d. All requests for reimbursement must be made on forms provided by the County, be submitted in accordance with procedures developed by the County, and be supported by such documentation as the County may reasonably require.

e. Submission of a request for reimbursement constitutes SFBC's express representation and warranty that all conditions precedent to its reimbursement have been met and that there exists no Event of Default, as defined in Section 5 of this Agreement.

f. The County shall complete the requisite review of each request for reimbursement within fifteen days of receipt of each request. When additional documentation is necessary to support the request for reimbursement, the County shall notify SFBC of the need in writing within the fifteen day review period. The County shall have an additional fifteen days to review any additional documentation supplied by SFBC.

g. If the County rejects a request for reimbursement, the County shall notify SFBC of the rejection and the reasons therefore. If the County approves of the request for reimbursement, reimbursement shall be mailed to SFBC within thirty days of the County's receipt of LEDA Grant funds from EDD.

8. Term; Early Termination; Limitation on Damages.

a. This Agreement shall be effective upon the date it is executed by both parties. It shall terminate on January 1, 2020, unless the County terminates the agreement early:

i. Due to an Event of Default as defined in Section 5 of this Agreement;

- ii. Pursuant to Section 16 of this Agreement; or
- iii. Due to SFBC having met its substantive contribution by creating 64 new jobs prior to January 1, 2020.

The County shall provide written notice of early termination to SFBC and EDD in accordance with Section 17 of this Agreement.

b. In the event of early termination, the County's sole liability shall be to reimburse the Project Party for expenditures made prior to the effective date of termination that are properly reimbursable under this Agreement and the Intergovernmental Agreement between EDD and the County for the LEDA grant. WITHOUT IN ANY WAY LIMITING THE GENERALITY OF THE FOREGOING, IN NO EVENT SHALL THE COUNTY BE LIABLE TO THE PROJECT PARTY FOR ANY INCIDENTAL, CONSEQUENTIAL, SPECIAL, OR PUNITIVE DAMAGES OF ANY KIND OR NATURE, WHETHER LIABILITY FOR SUCH DAMAGES IS ASSERTED ON THE BASIS OF CONTRACT, TORT, OR OTHER THEORY, AND REGARDLESS OF WHETHER THE COUNTY HAD BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES PRIOR TO EXECUTION OF THIS AGREEMENT.

9. Reporting and Review. By May 15 and November 15 of each year during the term of this Agreement, the Project Party will submit to the County, and the County will review and provide to EDD, a project report in such format and containing such information and supporting documentation as the County may reasonably require. At a minimum, each project report shall include the following: a 1-page narrative on project progress and a jobs spreadsheet listing all employees, their titles, and salaries as of the last day of the month preceding the project report. Project report must be supported by any reports and documentation from the New Mexico Department of Workforce Solutions, including form ES-903, demonstrating the headcount of the operation.

10. Ratification. The County and the Project Party hereby ratify all actions consistent with this Agreement that the County or the Project Party or their respective agents may have taken in furtherance of the Project.

11. Miscellaneous. This Agreement binds and inures to the benefit of the County and the Project Party and their respective successors and assigns. This Agreement may be amended or modified, and the performance by any party of its obligations hereunder may be waived, only in a written instrument duly executed by the 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 substantive laws of the State of New Mexico, without giving effect to its choice-of-law principles.

12. No Commitment of County Funds. Project Party acknowledges and agrees that the LEDA grant from EDD to the County is the sole and exclusive source of reimbursement for expenditures it occurs to plan, design, or construct the on-site wastewater treatment system to treat all the Project Party's wastewater at the Property. In no event shall the County be obligated to reimburse the Project Party unless it receives LEDA grant funds from EDD with which to do so.

13. Merger and Integration Clause. This Agreement contains the entire agreement of the parties with respect to the subject matter hereof. This Agreement supersedes any prior

agreements, understandings, or negotiations, whether written or oral.

14. Written Amendments Required. This Agreement may only be amended in writing, which written amendment must be duly executed by all parties.

15. Representations and Warranties of SFBC. SFBC hereby represents and warrants as follows:

- a. SFBC is a New Mexico corporation, duly organized and in good standing;
- b. The person signing this Agreement has the authority to bind SFBC to the terms hereof;
- c. This Agreement and the actions contemplated hereunder do not conflict with SFBC's Articles of Incorporation, Bylaws, any agreement to which SFBC is a party, any law or regulation applicable to SFBC, or any court order to which SFBC is bound; and
- d. Once duly executed by all parties, this Agreement shall be valid and enforceable against SFBC according to its terms.

16. Termination Clauses Related to Intergovernmental Agreement and LEDA Grant.

a. The terms of this Agreement are contingent upon sufficient appropriations and authorization being made by the Legislature of New Mexico for the performance of this Agreement. If sufficient appropriations and authorization are not made by the Legislature, the County may immediately terminate this Agreement by giving the Project Party written notice of such termination. The County's decision as to whether sufficient appropriations are available shall be accepted by the Project Party and shall be final. The Project Party hereby waives any rights to assert an impairment of contract claim against the County or EDD or the State of New Mexico in the event of immediate or Early Termination of this Agreement by the County or EDD.

b. This Agreement is funded in whole or in part by funds made available under an EDD Grant Agreement. Should EDD early terminate the grant agreement, the County may early terminate this Agreement by providing the Project Party written notice of such termination. In the event of termination pursuant to this paragraph, the County's only liability shall be to pay the Project Party for acceptable goods delivered and services rendered before the termination date.

17. Notices. All notices required to be given in writing shall be sent by facsimile or regular mail, addresses as follows:

If to County:

with a copy to

If to SFBC:

with a copy to

In the case of mailings, notices shall be deemed to have been given and received upon the date of the receiving party's actual receipt or five calendar days after mailing, whichever shall first occur. In the case of facsimile transmissions, the notice shall be deemed to have been given and received on the date reflected on the facsimile confirmation indicating a successful transmission of all pages included in the writing.

A party may change the person or address to which notice shall be sent by giving the other party

written notice of such change in accordance with this paragraph.

[THIS SPACE LEFT BLANK INTENTIONALLY]

12.9.14 Draft

SANTA FE COUNTY

Katherine Miller, County Manager

Date

Approved As To Form:

Gregory S. Shaffer, County Attorney

ACKNOWLEDGMENT

State of _____
County of _____

This instrument was acknowledged before me on _____ by
Katherine Miller as the County Manager of Santa Fe County.

Notary Public

My commission expires: _____

SANTA FE BREWING COMPANY

(Signature of Authorized Officer)

Date

Its: _____
(Title of Authorized Officer)

ACKNOWLEDGMENT

State of _____
County of _____

This instrument was acknowledged before me on _____ by
_____ as the _____ of Santa Fe Brewing Company.

Notary Public

My commission expires: _____

Attachment 1

LEDA Santa Fe Brewing Company Economic Impact Statement Regarding Proposed Expansion/Sewer Connection

Santa Fe Brewing Company (SFBC), located at 35 Fire Place in Santa Fe, has grown aggressively over the past 5 years and will reach maximum, practical capacity of the present 12,800 sq. ft. building within the next 12 to 18 months. Please note the attached Reference Table that outlines both historical and forecast growth for SFBC's business. The present brewing facility is currently served by a commercial Water Well, County Water, and utilities providing electricity (supplemented by a solar installation on the building roof) as well as natural gas. However, there is no sewer service available which creates a financial penalty for SFBC approaching \$75,000 annually.

SFBC is in the final stage of determining how it can best meet growing market demand for its products. One option SFBC has explored is to contract with another craft brewing company, located in either Colorado or Texas, for a portion of its output and use that product to meet growing market demand for SFBC products. This path is financially attractive in that it reduces capital investment risk and would accelerate the addition of incremental capacity, although it will result in some loss of control over the brewing process.

From SFBC's perspective, the preferred alternative is to initiate a 1 or 2 phase expansion at the present brewery production location, ultimately adding about 63,500 sq. ft. of building space with project investment of \$8 million depending on the ability to build out in just 1 phase. Employment growth at SFBC would approximate 65 jobs plus the employment created in the construction sector during the project duration. This would result in 105 ultimate jobs at SFBC and SFBC continuing to expand its demonstrated commitment to Santa Fe and the State of New Mexico. Some steps have been taken to make this a potentially feasible option including acquisition of an adjacent 3-5 acre property (necessary for the expansion) and a firm financing commitment from a financial institution. The ultimate capacity once both phases are complete would be 200,000 Barrels a year.

In the event that there would be 2 phases, phase I of the two step project would begin late this year/early next year and include a new building to house a laboratory, a waste water treatment plant, packaging hall, loading dock, a beer garden, an expanded tasting room at the brewery, a new tasting room in Albuquerque, and office / event space. Phase I investment would approximate \$5 million (\$2.2 million for new equipment and \$2.8 million in building construction) and will create approximately 30 new jobs. If SFBC were able to combine phase 1 and 2 the additional investment would be \$3 million and would include an additional 27,000 square foot building for storage and finished product.

If the project was split into 2 phases, phase II of the project would kick off in either 2016 or 2017 with total capital spending estimated at \$3 million (\$1 million for a new brew house and \$2 million for additional building space) and will create approximately 35 jobs.

The purpose of this application is two- fold. First, it is imperative to the success of this project that SFBC's facility be connected to the sewer line running along Hwy. 14. The cost penalty to SFBC in managing waste water effluent in the present configuration is the most significant

competitive disadvantage faced by SFBC relative to other craft brewers. The 3.5 acre plot acquired in the past 6 months will enable direct access to an existing sewer line without the necessity of acquiring easement rights. A sewer connection will remove SFBC's competitive cost disadvantage, one that presently amounts to nearly \$70,000 annually. Timing is important. The decision to proceed with expansion at the present site vs. contracting with another craft brewer hinges upon a commitment to allow SFBC immediate sewer connection.

Second, as a part of the sewer connection request, SFBC has budgeted \$435,000 for a new, comprehensive waste water treatment system. The treatment system will be designed and installed by VM Technology, a company with extensive experience in this field. Test results, illustrating a positive environmental impact, for the treatment system are included in this proposal. The request for a direct grant from the State of New Mexico, was approved, and will improve the overall project economics toward selecting the option to expand at SFBC's present site as opposed to entering into a contract brewing arrangement with a craft brewer in Colorado or Texas.

Finally, an expansion of the scope outlined in this document will enable SFBC to expand geographically beyond the 9 states now served by the company into new domestic and international markets. This will increase the flow of dollars into the State of New Mexico from consumers located outside the state, creating a net positive impact upon New Mexico's economy.

SFBC Expansion Economic Impact Reference Table

	<u>2009</u>	<u>2013</u>	<u>2017</u> <u>Forecast</u>	<u>2020</u> <u>Forecast</u>	<u>2025 Forecast</u>
SFBC Production Capacity	9,500 BBL	17,000 BBL	42,000 BBL	80,000 BBL	200,000 BBL
SFBC Sales Revenue	1,449,000	4,269,000	9,000,000	17,000,000	42,000,000
SFBC Employee Population					
Production	8	13	23	30	40
Sales/Marketing/Admin	7	8	18	40	55
Retail Servers	3	10	25	35	50
Total	18	31	66	105	145
SFBC Taxes Paid in NM					
NM Excise Tax	8,125	77,000	80,000	100,000	225,000
State Gross Receipts Tax	7,500	25,700	90,875	115,000	145,000
State Payroll Tax	42,000	80,000	170,000	300,000	440,000
Property Tax	9,000	9,000	19,000	19,000	19,000
Total	66,625	191,700	359,875	534,000	829,000

Attachment 2

SECURITY AGREEMENT

This Security Agreement is made this ____ day of January, 2015, by Santa Fe Brewing Company, a New Mexico corporation ("Santa Fe Brewing" or "SFBC").

Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in Santa Fe County Ordinance No. 2015- and that certain Project Participation Agreement ("PPA") by and between Santa Fe Brewing and the County.

For and in consideration of the economic assistance provided to SFBC for the Project by EDD and the County pursuant to the PPA, Santa Fe Brewing agrees as follows:

1. Santa Fe Brewing hereby grants to EDD and the County a Security Interest in Santa Fe Brewing's current and after-acquired Accounts. For the purposes of this Security Agreement, Accounts shall have the same meaning as NMSA 1978, § 55-9-102(A)(2) and includes all Accounts which Santa Fe Brewing now has or may have in the future.
2. This Security Agreement secures to the County and EDD the repayment of all amounts that may become due pursuant to and under the PPA and this Security Agreement, up to a maximum amount of three hundred fifty thousand dollars (\$350,000).
3. This Security Agreement will continue in effect until discharged in writing by the County and EDD.
4. Santa Fe Brewing represents and warrants that it is the sole owner of the Accounts subject to this Security Agreement and has not given or offered any interest in them to any other party.
5. Santa Fe Brewing will not sell, transfer, or otherwise encumber its Accounts without first obtaining written consent of the County and EDD. Any attempted sale, transfer, or encumbrance of its Accounts without the prior written consent of the County and EDD shall be null and void and without effect.
6. In the event that Santa Fe Brewing owes any money to the County or EDD under and pursuant to the PPA and this Security Agreement, the County shall have the following rights with respect to the Accounts:
 - a. The County may notify any account debtor of the County's interest in Santa Fe Brewing's Accounts and direct the account debtor to make payment directly to the County. Santa Fe County may endorse on Santa Fe Brewing's behalf any checks received from its account debtors.
 - b. The County may demand, collect, endorse, receive and give a receipt for, compromise, settle and handle suits or other proceedings involving the Accounts in Santa Fe Brewing's name.
 - c. The County may take any action it feels is necessary in order to take possession of the Accounts, including performing any part of a contract or endorsing it in Santa Fe Brewing's name.
 - d. The County may take action or pay money, on Santa Fe Brewing's behalf, to preserve or protect the Accounts. The County may treat such payments made or the reasonable value of services performed as advances to be added to the principal amount due from Santa Fe Brewing and secured by this Security Agreement.

Attachment 2

e. The County, as a secured party, shall have all rights and may take any other action with respect to the Accounts allowed under the Uniform Commercial Code, NMSA 1978, Chapter 55, Article 9.

7. This Security Agreement constitutes a security agreement, as defined under the Uniform Commercial Code, NMSA 1978, Chapter 55, Article 9. Santa Fe County may prepare and file an UCC1 Financing Statement and sign the same on Santa Fe Brewing's behalf.

8. This Security Agreement shall be governed by the substantive laws of New Mexico, without regard to its choice of law rules.

9. Upon demand, Santa Fe Brewing shall reimburse the County any and all costs and fees incurred by the County in enforcing the PPA or this Security Agreement or collecting amounts due from Santa Fe Brewing, including reasonable attorney's fees. All such costs and fees shall be treated as an advance and shall constitute additional indebtedness secured by this Security Agreement.

IN WITNESS WHEREOF, the undersigned have signed and sealed this Security Agreement this ____ day of January, 2015.

Santa Fe Brewing Company

By: _____ (signature)

Name: _____ (printed)

Its: _____ (title)

Address: _____

STATE OF NEW MEXICO)

COUNTY OF SANTA FE)

The foregoing instrument was acknowledged before me this ____ day of January, 2015, by _____ (name), _____ (title) of Santa Fe Brewing Company, a New Mexico corporation, on behalf of the corporation.

Notary Public

My Commission Expires:

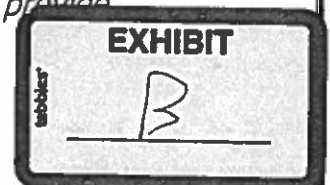


LEDA- Capital Outlay

PROJECT APPLICATION

Fiscal Year 2015

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



APPLICANT INFORMATION

Legal Name	Santa Fe Brewing Co.
Trade Name (dba)	N/A
Project Name if different from above	Expansion including Waste Water Treatment System
Address	35 Fire Place
City, State, Zip	Santa Fe, NM. 87508
Phone	505-424-3333
Fax	505-424-1184
Primary Contact Person	Brian Lock
Federal Tax ID #	85-0437725
NM State Tax and Rev. #	02-306363-007
City/County Business License #	14-00110306
NAICS Code(s)	312120
This business is organized as a:	<input type="checkbox"/> C-Corporation <input checked="" type="checkbox"/> S-Corporation <input type="checkbox"/> LLC <input type="checkbox"/> Partnership <input type="checkbox"/> Proprietorship

Please attach copies of (where applicable):

☒ Incorporation Papers

☒ By-laws

☒ Resumes of all principals (owners, partners, directors or officers)

A) Project Information:

A1. Description of Proposed Development, its product and its timeline.

Santa Fe Brewing Company (SFBC) produced nearly 17,000 barrels of craft beer in 2013, growth of about 22% vs. 2012 production volume. This placed SFBC as the 110th largest craft brewer in the United States, an industry with more than 1,300 participants.

Craft beer industry sales volume growth in the range of 12 to 18% annually continues to account for all growth in the USA beer market. In recent years, SFBC sales volume has grown more rapidly than the industry through a combination of rapid growth in existing markets, expansion into new geographic markets, and the introduction of craft beer packaged in cans. For example, SFBC has grown more than 30% per year in its home market of New Mexico, while expanding into Kansas, Missouri, and Nevada in 2012-2013 and Louisiana in 2014. Sale of craft beer in cans, introduced in 2010, now accounts for nearly 50% of SFBC sales. The market opportunity coupled with SFBC's production facility nearing maximum capacity, has led management to commit to an expansion of the business.

This LEDA application outlines the conclusions reached by management and summarizes the capital requirements necessary to expand SFBC and improve efficiency with the goal of lowering production cost per unit of craft beer produced. The plan will require financing support from our bank partner, New Mexico Bank & Trust and Enchantment Land Certified Development Corporation (that has secured a commitment for Small Business Administration loan guarantees). The spending is staged in a way that stair steps growth, consistent with past practice at SFBC. The complete plan will be executed only when prior steps have been successfully implemented. Plan highlights are outlined below:

1. Capital spending in 2014 and 2015 will range from \$500,000 to \$1 million per year with the investment primarily in infrastructure improvements and the present brewing system, resulting in a rise in capacity by about 10,000 barrels to a level of 27,000 barrels annually. More than 80% of the 2014-15 equipment purchases will be utilized in a later expansion into a new building. About \$315,000 was spent on the purchase of land adjacent to the existing brewery site.
2. During the next two years, SFBC will prove the earning capability of the present brewing system and be able to track craft beer industry development, raising confidence in a more significant expansion. The investment necessary to implement the longer term 2015-17 plan will be in the \$10 million range (new building, new brewing system, new canning line).
3. This staged approach has the following advantages:
 - SFBC will be able to satisfy growing customer demand and continue increasing craft beer market share.
 - Manufacturers of craft beer production and packaging equipment are introducing new, more capital cost effective systems. By starting the

major expansion in 2015, this plan will enable SFBC management to assess the new equipment and make better investment decisions.

- Present staff will have more experience operating equipment purchased in the next 2 years, reducing the amount of training necessary as part of the major expansion.
- LEDA grant funds will be deployed in the early stages of this expansion to configure a water treatment facility and enable sewer connection that will put in place necessary infrastructure to support the expansion (total spending on the water treatment facility and sewer connection costs will approximate \$550,000).
- A higher SFBC earnings level will be in place by 2015 when the major expansion is undertaken. This will help generate sufficient debt coverage when sizeable borrowing takes place to fund building construction and new equipment purchases.

A2. Provide a detailed scope of work that is specific to the funding request/award and what the funds will be used for.

LEDA grant funds will be deployed in the early stages of this expansion to configure a water treatment facility and enable sewer connection that will put in place necessary infrastructure to support the expansion (total spending on the water treatment facility and sewer connection costs will approximate \$550,000).

A3. Detailed information:

- **Executive Summary; Business description and history**

Ownership History

1. Founded in 1988 by Mike Levis (first microbrewery in the state of New Mexico)
2. Acquired by 4 partners in 1996 (Dave Forester, Ty Levis, Brian Lock, Carlos Muller)
3. Brian Lock bought out partners in 2003 / continues as 100% owner of SFBC

Plant Location History

1. Levis Ranch in Galisteo, NM 1988 to 1996
2. Leased building on Frontage Road in Santa Fe from 1996 to 2004
3. Present location at 35 Fire Place from 2005 to present

Equipment / Capacity Evolution

1. From 1988 to 2005 operated as a small brew house with manual bottling and limited financial resources
2. From 2006 to present achieved major equipment reconfiguration: new 12,000 sq. ft. building, installed previously owned 30 barrel brew house (2005), previously owned automated bottling line (2005), automated canning line (2010), incremental fermentation and brite tanks as needed

3. Brewery production capacity has expanded as follows:

- 1996 = 1,000 barrels
- 2003 = 2,000 barrels
- 2006 = 5,000 barrels
- 2011 = 12,000 barrels
- 2013 = 20,000 barrels (est. 23,000 barrel maximum in present building)

Product line expansion has evolved from initial Santa Fe Pale Ale to present offering that includes 3 retail bottled products in six pack carriers (Pale Ale, Porter, Nut Brown), 2 year round 6 pack carriers with cans (IPA and Java Stout), 4 seasonal canned beers (Black IPA, Irish Red Ale, Pilsner, Oktoberfest), and specialty beers such as anniversary beers, barrel aged, and limited edition beers.

Distribution from 1988 to 2003 was direct from SFBC to customers in northern New Mexico. In 2004 sales were initiated statewide in New Mexico through a distributor and additional distributors were added since 2004 to enter other out of state markets. In addition to New Mexico (67.7% of sales volume), SFBC now sells its beers through distributors in Texas (11.4%), Colorado (8.2%), Kansas / Missouri (4.7%), Oklahoma (3%), Arizona (2%), and Nevada (initial shipment in June 2013). In addition, direct retail sales take place through a tasting room at the brewery and the SFBC Tap House in Eldorado, NM (opened in 2011).

- **Infrastructure Development/Needs**

The SFBC is currently trucking its waste water and byproducts from the brewing process to the City of Santa Fe's waste water treatment facility near the airport, costing approximately \$75,000 per year in additional costs. The SFBC will need to interconnect a new sewer line into the Abajo lift station, currently owned by the Turquoise Trail Master Association.

- **Market analysis and strategy**

The craft beer market is highly fragmented. More than 1,300 companies participate in the craft beer market segment and in total account for less than 10% of total beer market volume. Large commodity beer producers and imported beers control 90% of the market but have flat to declining sales volumes as market share has been lost to craft brewers.

In recent years beer consumers have become more discerning in selecting their beer of choice and craft beer producers have benefited from this trend as their beers are generally considered to offer higher quality, more varieties, and provide a stronger "connection" with the consumer. Beer industry analysts forecast that this trend will continue suggesting that craft beer market growth will exceed 10% annually with resulting increased market share.

Outlined below are some of the significant challenges faced by all craft beer producers:

- Access to distribution for their products. There is a limit to the number of beers that a given distributor can carry. The same applies to retail shelf space and tap handles in on site locations.
- Availability of capital necessary to continually upgrade / expand craft beer brewing and packaging equipment in an effort to meet growing demand.
- A passion for beer and business acumen do not always go hand in hand, sometimes resulting in marginal financial performance for some craft brewers. This will lead to some fallout the number of industry participants.

Santa Fe Brewing Company has a number of advantages in navigating this competitive environment:

- There is a "cache" to the name Santa Fe Brewing Company that is nationally recognized.
 - Some SFBC distributors have multiple state presence and desire to add our beers in states where we do not presently participate. As SFBC capacity expands, there will be ability to meet this demand by expanding our geographic distribution footprint.
 - "In House" distribution will grow through the addition of a third SFBC tap house to be located in Albuquerque.
 - Tourism is a major business in New Mexico. As visitors come to our state and are exposed to SFBC beers, they begin to look for these beers upon their return home increasing awareness of our products.
 - SFBC is beginning to grow hops on leased land north of Santa Fe. These will be used in producing craft beers that will be marketed as beer produced with "estate grown hops".
 - Finally, SFBC packaging is distinctive and creates a very positive shelf presence.
- **Summary of competition**
See above (Market Analysis)
 - **Tax Reporting Status**
See exhibit 1.
 - **Effect on Existing Industry and Commerce During and After Construction**
SFBC will hire local companies, including Klinger Construction Company, Summit Electric, Dahl Plumbing. Approximately 20 construction jobs in the construction phase will be created.
 - **Land Acquisition**

In late December 2013 SFBC acquired 3 lots adjacent to the existing brewery located at 35 Fire Place. Currently the lots are in process to be consolidated and include the existing brewery so there will be one large lot. After the build out the entire SFBC complex will be roughly 68,000 square feet. Address is 35 Fire Place, Santa Fe, NM. 87508.

- **Local Purchasing**

SFBC acquired a 7.5 acre plot of land in Rinconada, NM. In late 2013 to start growing their own hops. These hops will be utilized in the brewing process starting in 2015. SFBC also sources it's labels and stickers from a local company in Albuquerque, Stix-On labels. SFBC sources its case trays for cans and also mother cases for bottles from Supply One in Albuquerque.

- **Water Conservation**

With the installation of a new state-of-the-art waste water treatment system, the SFBC will reduce the amount of effluent that will ultimately flow into the City's waste water facility. Water is reused multiple times in the brewery process.

- **Relocation of Individual or Businesses**

This project does not anticipate any relocation of any individuals or businesses.

- **Construction Schedule**

9-30-14 – Complete Building plans

10-8-14 – Submit plans to CRDC (Community College District Review)

11-15-14 – Submit plans to the BCC (Board of County Commissioners)

12-15-14 – Receive Building Permit

1-5-15 – Break ground on building out Phase 1

4-15-15 – Complete construction of 20,000 square foot packaging hall

5-10-15 – Install new canning line

9-15-15 – Finish construction of new tasting room and beer garden

11-15-15 – Complete phase 2 construction with additional 27,000 square feet for finished product storage

1-30-16 – Install new brew house

- **Organizational chart**

See exhibit 2.

- **Any document or record that the local governing body, in its sole discretion, deems necessary.**

Santa Fe County does not need any additional documentation.

B) Financial Information

B1. Detailed assumptions for business and proposed projects; pro-forma cash flow analysis; three year projected income statements, whichever is applicable

See exhibit 3.

B2. Financial statements with independent audits, if available, or Tax returns, for the past three years.

See exhibit 1.

B3. City/County business license number/proof or statement that registration will pursued or secured.

City License – 14-00110306

County Permit # - 96-4380

B4. Does the amount requested reasonably represent the money needed to complete the project?

The total cost of the wastewater treatment equipment is \$435,788; \$250k will cover approximately 57% of cost of the total cost.

B5. If a gap exists, please define/explain options being pursued or solution to fund that gap. Pursue Line of Credit with NM Bank & Trust for \$500,000.

B6. Provide schedule of funding commitments and any term/commitment letters.

See exhibit 4 (NM Bank and Trust letter).

B7. What is the equity investment from the applicant?

Equipment equity, valued at \$2.5 million.

B8. What is the collateral/security to be pledged to the funds awarded?

Lien against the Santa Fe Brewing Company Accounts, as defined in the Uniform Commercial Code, for \$350,000 for the duration of the agreement.

B9. What is the method of appraisal for stated security?

Professional appraisal.

Funding Type	Source	Amount
Equity Investment	Equipment	2,500,000
City funding	N/A	N/A
Bank Loans	New Mexico Bank & Trust	1,150,000

Cash down and % it represents of the total project costs	Funds related to the build out. \$125,000	125,000
Other Loans	NM Finance Authority	750,000
Other Sources	ELCDC	350,000
	TOTAL	4,875,000

C) History and Background

C1. Explain the commitment to build, operate, and/or manage the project?

Brian Lock is the President of SFBC and will continue to run the day to day operations of the business. Alfonz Vizsolay will be the project manager for the expansion, including the waste water treatment facility.

C2. Any officers ever filed for bankruptcy?

No

C3. List Current officers and directors

Brian Lock - President

C4. Applicant or any of its officers ever defaulted on any loans or financial obligation?

No

C5. Does the applicant have any loans or other financial obligations on which payments are not current?

No

D) Community Aspects

D1. At the community level, what are the infrastructure needs, not yet in place or in process that will affect this project's application?

The SFBC needs a new sewer connection with the City of Santa Fe. Anticipate submitting MOU and proper documentation to City of Santa Fe Public Works Committee in November, and City Council in December.

D2. What specific incentives are being REQUESTED from the COMMUNITY (e.g. parcel of land, building lease, waiver of fees, utility access/extension)?

Waiver of building development permit fees.

Property Tax Abatements _____ Industrial Revenue Bonds _____
Infrastructure t _____ Access to Loan Funds _____
Tax Increment Financing _____ Grey Water _____
Other Customized Incentives _____
Other _____

D3. What specific incentives are being PROVIDED from the COMMUNITY (e.g. parcel of land, building lease, waiver of fees, utility access/extension)?

If the Board of County Commissioners agrees to it, the County will waive the building development permit fees.

E) Job Creation/Performance

E1. Outline the number and types of jobs to be created.

105 jobs by January 1, 2020.

E2. Outline the proposed pay scale and payroll proposed by the entity.

From \$30,000 to \$80,000 salary positions. SFBC pays at a minimum the County's minimum wage of \$10.66 per hour for hourly employees.

E3. Outline the benefits offered to the employees, including but not limited to health care and retirement?

401 K, Profit Sharing, and Performance related bonuses.

E4. Outline any efforts being made or proposed by the applicant to employment opportunities to people within the local employment pool.

SFBC hires predominantly local employees from the Santa Fe employment pool.

JOB RETENTION INFORMATION (IF APPLICABLE)

Job Retention Information – (If Applicable)		2014	Number of Retained / Impacted	2017	2019
Job Title or Type	Estimated Pay Scale	At Start Up	Beginning of Year 2	Beginning of Year 3	Beginning of Year 5
Sales Rep.	\$32,000	5	8	12	24
Tasting Room Bartenders	\$30,000	10	20	24	32
Production employees Packaging/Brewers/Cellarman	\$35,000	18	22	26	32
Management	\$50,000	8	8	10	17

Total Number of Jobs Created -----58 -----72 - 105

Total Estimated Payroll -----\$750,000-----\$1,238,000 2,422,000

F) Impacts (environmental, fiscal, economic, etc.)

F1. Outline any impacts to the environment, positively or negatively
Positive result will be the waste water treated to the point of reuse for irrigation purposes and or sent to the City sewer in a pre-treated form.

F2. Status of permitting/regulatory matters needed for project
The WWRT has agreed to send a positive recommendation to the City Public Utilities Committee, accompanied by a draft MOU between the City and the County, to take the effluent. County is working on taking over Abajo lift station from Turquoise Trail Master Association.

By request, NMEDD can provide the Economic Impact Analysis to address the impact to the local tax base, the school system, etc.) ☒ Yes ☐ No

Any supplemental documents that are submitted to support the application are to be included with this application and noted as "exhibit 1, 2" etc.

A review of the application and its contents will be completed by EDD and the local entity; applicant will be advised of any missing or supplemental information needed.

NEW MEXICO ECONOMIC DEVELOPMENT DEPARTMENT AUTHORIZATION FOR EXAMINATION AND RELEASE OF INFORMATION

Santa Fe Brewing Company hereby grants permission to the New Mexico Economic Development Department to conduct a review, full disclosure, and release of any and all information authorized pursuant to federal and state law. The purpose for obtaining and examining the information is to construct a record of the company's personal and professional history to ensure it meet the requirements the New Mexico Economic Development Department has established for recipients of State funds. The company understand the investigation will be conducted by the New Mexico Economic Development Department, the New Mexico Department of Public Safety, or their contractors, and the results of the investigation will only be supplied to the New Mexico Economic Development Department.

Santa Fe Brewing Company hereby grants the New Mexico Economic Development Department permission to obtain any information in its background pertaining to any credit (to include obtaining a copy of my credit report), education, investigation, arrest and/or conviction of it or its principals in any criminal or civil matter. The company also authorizes an employee of the New Mexico Economic Development Department, as its authorized representative, to obtain from the New Mexico Taxation and Revenue Department and/or the Department of Workforce Solutions any tax information that is in any way related to a company Santa Fe Brewing Company owns or has invested in. Santa Fe Brewing Company hereby directs you to release such information upon the request of this bearer. Santa Fe Brewing Company hereby releases you as custodian of such records for any criminal justice, law enforcement or court agency, including its officers and employees, or related personnel, both individually and collectively, from any and all liability for damages of whatever kind, that may at any time result to the New Mexico Economic Development Department or the State of New Mexico because of compliance with this authorization and request to release information; or any attempt to comply with it.

1. The information reviewed, disclosed, and/or released may be used by the New Mexico Economic Development Department for any lawful purpose and/or to determine the company's suitability to receive funds from the State of New Mexico.
2. Santa Fe Brewing Company hereby releases the providers and users of the information collected pursuant to this authorization from any liability under state or federal privacy laws and further release the New Mexico Economic Development Department, its contractors, agents, and/or employees from any liability which may be incurred as a result of the collection and use of information.
3. Santa Fe Brewing Company understands that it may revoke this authorization in writing at any time.

** PLEASE INCLUDE A PHOTO COPY OF THE INDIVIDUAL'S PHOTO ID.*

FULL NAME: _____

SIGNATURE: _____

TITLE: _____

COMPANY: _____

SSN: _____

DOB: _____

DATE: _____

Scribed and sworn to me on this _____ day of
20____, of _____ County, New Mexico

Signed _____

My Commission expires: _____

Notary Public

This form is filed by each taxpayer to the Department of Workforce Solutions and is the form needed by the reporting applicant for job numbers. Self - reporting documents or statements are not accepted.

EMPLOYER'S QUARTERLY WAGE AND CONTRIBUTION REPORT ES903A		DO NOT WRITE IN THIS SPACE	DATE RECEIVED						
SCHEDULE A									
WORKFORCE SOLUTIONS DEPARTMENT, P.O. BOX 2281, ALBUQUERQUE, NM 87103-2281 *PHONE (505) 841-2000									
RETURN THIS REPORT AND TAX DUE BY THE END OF THE MONTH FOLLOWING THE CLOSE OF THE CALENDAR QUARTER, IF NO WAGES, SHOW "NONE"									
EMPLOYER'S NUMBER	TOTAL TAX RATE								
QUARTER ENDING	DUE DATE								
FEDERAL IRS NUMBER	FIRTD CODE								
CRS IDENTIFICATION NUMBER									
1. TOTAL WAGES (TOTAL COLUMN 12)..... \$ 2. DEDUCT EXCESS WAGES (TOTAL COLUMN 13)..... \$ 3. TAXABLE WAGES (ITEM 1 LESS ITEM 2)..... \$ 4. TOTAL TAX DUE (TAXABLE WAGES X TOTAL TAX RATE)..... \$ 5. INTEREST DUE (1% PER MONTH AFTER DUE DATE)..... \$ 6. LATE REPORT PENALTY (ADD \$50.00)..... \$ 7. LATE PAYMENT PENALTY (ADD 5% OF TAX DUE OR \$25.00, WHICHEVER IS GREATER)..... \$ 8. AMOUNT OF \$MDOI REMITTANCE..... \$ 9. INDICATE IF WAGES WERE SUBMITTED VIA (CIRCLE ONE) WEB FILING OR DISKETTE WEB DISKETTE		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">UI Compensation Fund Tax Rate %</td> </tr> <tr> <td style="text-align: center;">State UI Trust Fund Tax Rate %</td> </tr> <tr> <td style="text-align: center;">UI Total Tax Rate %</td> </tr> <tr> <td style="text-align: center;">See Instructions for completing form ES-903A, Item 4, for tax distribution</td> </tr> <tr> <td style="text-align: center;">UI Annual Taxable Wage Base 2008</td> </tr> <tr> <td style="text-align: center;">(Each Employee) \$19,900.00</td> </tr> </table>		UI Compensation Fund Tax Rate %	State UI Trust Fund Tax Rate %	UI Total Tax Rate %	See Instructions for completing form ES-903A, Item 4, for tax distribution	UI Annual Taxable Wage Base 2008	(Each Employee) \$19,900.00
UI Compensation Fund Tax Rate %									
State UI Trust Fund Tax Rate %									
UI Total Tax Rate %									
See Instructions for completing form ES-903A, Item 4, for tax distribution									
UI Annual Taxable Wage Base 2008									
(Each Employee) \$19,900.00									
SCHEDULE B		FOR EACH MONTH OF THIS QUARTER, REPORT IN THE BOXES BELOW THE NUMBER OF COVERED WORKERS WHO WORKED DURING OR RECEIVED PAY FOR THE PAYROLL PERIOD WHICH INCLUDED THE 15TH OF THE MONTH. <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">1ST MTH.</td> <td style="width: 33%;">2ND MTH.</td> <td style="width: 33%;">3RD MTH.</td> </tr> <tr> <td style="height: 40px;"></td> <td></td> <td></td> </tr> </table>		1ST MTH.	2ND MTH.	3RD MTH.			
1ST MTH.	2ND MTH.	3RD MTH.							
10. EMPLOYEE SOCIAL SECURITY NUMBER		11. NAME OF EMPLOYEE							
12. GROSS WAGES FOR THIS QUARTER		13. THIS QUARTER'S EXCESS WAGES							
14. STATE INCOME TAX WITHHELD		15. WC FEE DUE							

SANTA FE COUNTY FISCAL IMPACT REPORT (FIR)

This Fiscal Impact Report (FIR) shall be completed for each proposed ordinance or resolution as to its direct impact upon the County's operating budget and is intended for use by staff of the Human Resources and Finance Divisions, the County Manager and the governing body of Santa Fe County. Ordinances/resolutions with a fiscal impact must be reviewed by the Finance Division Director or the Budget Administrator. Ordinances/resolutions with proposed staffing increases must be reviewed and approved by the Human Resources staff and approved by the County Manager before presentation to the Board of County Commissioners (BCC).

Please refer to the instructions on how to complete this form.

Section A. General Information

☒ Ordinance ☐ Resolution ☐ Other

A single FIR may be used for related ordinances and/or resolutions.

Short Title(s):

Santa Fe Brewing Company LEDA Project Ordinance

Reviewing Division(s):

Person Completing FIR:

David Griscom

Date: 11/10/2014

Phone: 2728

Section B. Summary

Briefly explain the purpose and major provisions of the ordinance/resolution.

The Santa Fe Brewing Company Local Economic Development Act (LEDA) Project will enable SFBC to use \$250k from NM Economic Development Department to plan, design, and construct an on-site wastewater treatment system for SFBC's wastewater; additionally, the Ordinance will allow Santa Fe County to waive all Master Plan permit fees, totaling \$2,350.

Section C. Fiscal Impact

NOTE: Financial information on this FIR does not directly translate into a Santa Fe County budget increase.

- The item must be presented to the Finance Division for analysis and recommendation as a potential request to increase the existing budget for the county.
- Detailed budget information must be included, such as funding source, amounts and justification.

EXHIBIT

C

- c. Detailed salary and benefit for new full-time equivalents (FTE's) must be included. The request must be approved by the staff of the Human Resources Division for each new FTE request.

1. Projected Expenditures:

- Indicate Fiscal Year(s) affected – the current fiscal year and the following three fiscal years, where applicable
- Indicate: "A" if current budget and level of staffing will absorb the costs
"N" if new, additional, or increased budget or staffing will be required
- Indicate: "R" if recurring annual costs
Indicate: "NR" if one-time, non-recurring costs, such as start-up, contract or equipment costs
- Attach additional projection schedules if four years does not adequately project revenue and costs patterns
- Costs may be netted or show as an offset if some cost savings are projected (please explain further in Section 3 Narrative)
- Please provide additional fiscal impact information for years 3 and 4 in the Expenditure/Revenue Narrative.
- This form allows for information related to two fiscal years. Please note *info* relation to other fiscal years in narrative 3.

Exp. Classification	FY 15	"A" or "N"	"R" or "NR"	FY	"A" or "N"	"R" or "NR"	Funds affected
Salary and Benefits							Select or type...
Maintenance							Select or type...
Other Operating	\$14,860		NR				Select or type...
Contractual Services	\$50						Select or type...
Capital Requirements							Select or type...
Total	\$14,910						

*Any indication that additional staffing would be required must be reviewed and approved in advance by the County Manager by attached memo before release of FIR to the Board of County Commissioners (BCC).

** For salary and benefit information contact the Finance Division, or attach the New FTE Request form to provide necessary information.

2. Revenue Sources:

- To indicate new revenues and/or
- Required for costs for which new expenditure budget is proposed above in item 1.
- Please provide additional fiscal impact information for years 3 and 4 in the Expenditure/Revenue Narrative.

Type of Revenue	FY <input type="text"/>	"R" or "NR"	FY <input type="text"/>	"R" or "NR"	Funds Affected
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	Select..	Select or type...
Total	\$0		\$0		

3. Expenditure/Revenue Narrative:

Explain expenditures, grant match requirements, justify salary and benefit costs for new FTE request, detail capital and operating uses, etc. Explain revenue source(s). Include revenue calculations, grant(s) available, anticipated date of receipt of revenues/grants, etc. (Attach supplemental page, if necessary). Also, provide expanded information for fiscal year three and four impact for both revenue and expenditures.

By waiving Santa Fe County's building development permit fees as part of the LEDA project, Santa Fe Brewing Company will save \$14,860 in permit fees and expenses related to the planned Brewery expansion. This would be SF County's financial contribution to the LEDA project.

Section D. General Narrative**1. Conflicts:**

Does this proposed ordinance/resolution duplicate/conflict with/companion to/relate to any County code, approved ordinance or resolution, other adopted policies and legislation? Include details of county adopted ordinances/resolutions and dates. Summarize the relationships, conflicts or overlaps.

Waiving the permit fees will conflict with the County's Permit and Review Fee Ordinance, 2008-12, which details all permit fees to be charged for development projects.

2. Consequences of Not Enacting This Ordinance/Resolution:

Are there consequences of not enacting this ordinance/resolution? If so, describe.

The Brewing Company may not receive the LEDA support from NM EDD of \$250k, and thus be unable to proceed on construction of the new wastewater facility.

3. Technical Issues:

Are there incorrect citations of law, drafting errors or other problems? Are there any amendments that should be considered? Are there any other alternatives which should be considered? If so, describe.

N/A

4. Community Impact:

Briefly describe the major positive or negative effects the ordinance/resolution might have on the community including, but not limited to, businesses, neighborhoods, families, children and youth, social service providers and other institutions such as schools, churches, etc.

This ordinance will facilitate the creation of jobs- the Brewing Company is planning on having 105 employees on its payroll by Jan 1. 2020

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