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FISCAL IMPACT ANALYSIS AND ECONOMIC IMPACT OF A PROPOSED LEDA PROJECT

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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:

0

Description of the Project:



Fiscal Impact of Existing and Expanded Operations Over the Next Ten Years													
		Cumulative Net Benefits											
					Exi	sting & Expanded	Pr	esent Value of Net					
	Exist	ing Operations		Expansion		Operations		Benefits*					
State of New Mexico	\$	-	\$	2,266,371	\$	2,266,371	\$	1,810,908					
County	\$	-	\$	509,060	\$	509,060	\$	415,671					
City	\$	-	\$	899,940	\$	899,940	\$	739,476					
School District	\$	-	\$	238,801	\$	238,801	\$	193,435					
Special Taxing District	\$	-	\$	219,315	\$	219,315	\$	177,651					
Total	\$	-	\$	4,133,488	\$	4,133,488	\$	3,337,141					

* 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 Economic Impact							
		Total					
Estimated Economic Impact Over 10 Years:	\$	50,963,417					
Combined Total Incentive Over 10 Years:	\$	900,000					
Economic Impact Rate of Return:		5,563%					



Workers and New Residents over 10 years

	Direct	Indirect and Induced
Number of Jobs Created:		60 69
Estimated Number of Construction Workers:	:	32
Estimated Number of New Residents to the State:		0
Estimated Number of New Residents to the County:		0
Estimated Number of New Residents to the City:		0

State Impacts





Incentive	es		
Total State Incentive:	\$	900,000	
State Incentive Per Job:	\$	15,000	

Combined	Pay	/back	and	Return
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	4.58 rears
State Rate of Return Combined:	101%

Expansion Only Payback and Return

State Payback Period Expansion:	4.58 Years
State Rate of Return Expansion:	101%

						Cumulative
Year	Benefits	Costs		١	Vet Benefits	Net Benefits
1	\$ -	\$	-	\$	-	\$ -
2	\$ -	\$	-	\$	-	\$ -
3	\$ -	\$	-	\$	-	\$ -
4	\$ -	\$	-	\$	-	\$ -
5	\$ -	\$	-	\$	-	\$ -
6	\$ -	\$	-	\$	-	\$ -
7	\$ -	\$	-	\$	-	\$ -
8	\$ -	\$	-	\$	-	\$ -
9	\$ -	\$	-	\$	-	\$ -
10	\$ -	\$	-	\$	-	\$ -

State Net Benefits Of Current Operations

State Net Benefits Of Expansion											
									Cumulative		
Year		Benefits		Costs		١	Vet Benefits		Net Benefits		
 1	\$	285,745	\$		-	\$	285,745	\$	285,745		
2	\$	120,717	\$		-	\$	120,717	\$	406,462		
3	\$	158,389	\$		-	\$	158,389	\$	564,851		
4	\$	197,518	\$		-	\$	197,518	\$	762,368		
5	\$	238,146	\$		-	\$	238,146	\$	1,000,514		
6	\$	243,022	\$		-	\$	243,022	\$	1,243,537		
7	\$	247,996	\$		-	\$	247,996	\$	1,491,533		
8	\$	253,070	\$		-	\$	253,070	\$	1,744,603		
9	\$	258,245	\$		-	\$	258,245	\$	2,002,848		
10	\$	263,524	\$		-	\$	263,524	\$	2,266,371		

State Combined Net Benefits

							Cur	mulative
Year	Benefits		Costs		Net Benefits		Net Benefits	
1	\$ 285,745	\$		-	\$	285,745	\$	285,745
2	\$ 120,717	\$		-	\$	120,717	\$	406,462
3	\$ 158,389	\$		-	\$	158,389	\$	564,851
4	\$ 197,518	\$		-	\$	197,518	\$	762,368
5	\$ 238,146	\$		-	\$	238,146	\$	1,000,514
6	\$ 243,022	\$		-	\$	243,022	\$	1,243,537
7	\$ 247,996	\$		-	\$	247,996	\$	1,491,533
8	\$ 253,070	\$		-	\$	253,070	\$	1,744,603
9	\$ 258,245	\$		-	\$	258,245	\$	2,002,848
10	\$ 263,524	\$		-	\$	263,524	\$	2,266,371

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

Taxes and Reven	ue	
	Gross Receipt Taxes	\$ 798,941
	Personal Income Taxes	\$ 1,122,974
	Corporate Income Taxes	\$ 344,456
	Misc. Taxes and Revenue	\$ -
	Subtotal of Benefits	\$ 2,266,371
Costs		
	Costs	\$ -
	Subtotal of Costs	\$ -
Net Benefits		
	Net Benefits	\$ 2,266,371
	Present Value	\$ 1,810,908

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

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

County Net Benefits Of Expansion													
Cumulative													
Yea	ar	Benefits		Costs		Net Benefits		Net Benefits					
1	\$	77,406	\$	-	\$	77,406	\$	77,406					
2	\$	39,115	\$	-	\$	39,115	\$	116,521					
3	\$	44,312	\$	-	\$	44,312	\$	160,833					
4	\$	47,305	\$	-	\$	47,305	\$	208,138					
5	\$	50,377	\$	-	\$	50,377	\$	258,515					
6	\$	50,275	\$	-	\$	50,275	\$	308,791					
7	\$	50,209	\$	-	\$	50,209	\$	358,999					
8	\$	50,097	\$	-	\$	50,097	\$	409,096					
9	\$	50,001	\$	-	\$	50,001	\$	459,097					
10	\$	49,963	\$	-	\$	49,963	\$	509,060					

County Combined Net Benefits

						Cumulative
Year	B	lenefits	Costs		Net Benefits	Net Benefits
1	\$	77,406	\$	-	\$ 77,406	\$ 77,406
2	\$	39,115	\$	-	\$ 39,115	\$ 116,521
3	\$	44,312	\$	-	\$ 44,312	\$ 160,833
4	\$	47,305	\$	-	\$ 47,305	\$ 208,138
5	\$	50,377	\$	-	\$ 50,377	\$ 258,515
6	\$	50,275	\$	-	\$ 50,275	\$ 308,791
7	\$	50,209	\$	-	\$ 50,209	\$ 358,999
8	\$	50,097	\$	-	\$ 50,097	\$ 409,096
9	\$	50,001	\$	-	\$ 50,001	\$ 459,097
10	\$	49,963	\$	-	\$ 49,963	\$ 509,060

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

e		
Gross Receipt Taxes	\$	251,323
Misc. Taxes and Revenue	\$	-
Property Taxes	\$	257,738
Subtotal of Benefits	\$	509,060
Costs	\$	-
Subtotal of Costs	\$	-
Net Benefits	\$	509,060
Present Value	\$	415,671
	e Gross Receipt Taxes Misc. Taxes and Revenue Property Taxes Subtotal of Benefits Costs Costs Net Benefits Present Value	e Gross Receipt Taxes \$ Misc. Taxes and Revenue \$ Property Taxes \$ Subtotal of Benefits \$ Costs \$ Subtotal of Costs \$ Net Benefits \$ Present Value \$

City Impacts





- 1	n	\sim	n	t١	IN.	
- 1	11	\sim		L	ı٧	601

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		

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

City Net Benefits Of Current Operations

City Net Benefits Of Expansion														
Cumulative														
Year		Benefits		Costs		Net Benefits		Net Benefits						
1	\$	171,033	\$	(3,331)	\$	174,365	\$	174,365						
2	\$	55,470	\$	(3,493)	\$	58,963	\$	233,327						
3	\$	65,208	\$	(3,563)	\$	68,771	\$	302,099						
4	\$	73,064	\$	(3,634)	\$	76,698	\$	378,797						
5	\$	81,200	\$	(3,707)	\$	84,906	\$	463,703						
6	\$	81,833	\$	(3,781)	\$	85,614	\$	549,317						
7	\$	82,536	\$	(3,857)	\$	86,393	\$	635,710						
8	\$	83,241	\$	(3,934)	\$	87,175	\$	722,885						
9	\$	84,020	\$	(4,012)	\$	88,032	\$	810,917						
10	\$	84,931	\$	(4,093)	\$	89,024	\$	899,940						

City Combined Net Benefits

				Cumulative
Year	Benefits	Costs	Net Benefits	Net Benefits
1	\$ 171,033	\$ (3,331)	\$ 174,365	\$ 174,365
2	\$ 55,470	\$ (3,493)	\$ 58,963	\$ 233,327
3	\$ 65,208	\$ (3,563)	\$ 68,771	\$ 302,099
4	\$ 73,064	\$ (3,634)	\$ 76,698	\$ 378,797
5	\$ 81,200	\$ (3,707)	\$ 84,906	\$ 463,703
6	\$ 81,833	\$ (3,781)	\$ 85,614	\$ 549,317
7	\$ 82,536	\$ (3,857)	\$ 86,393	\$ 635,710
8	\$ 83,241	\$ (3,934)	\$ 87,175	\$ 722,885
9	\$ 84,020	\$ (4,012)	\$ 88,032	\$ 810,917
10	\$ 84,931	\$ (4,093)	\$ 89,024	\$ 899,940

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

Taxes and Revenue		
	Gross Receipt Taxes	\$ 591,620
	Misc. Taxes and Revenue	\$ 27,982
	Property Taxes	\$ 242,934
	Subtotal of Benefits	\$ 862,536
Costs		
	Costs	\$ (37,404)
	Subtotal of Costs	\$ (37,404)
Net Benefits		
	Net Benefits	\$ 899,940
	Present Value	\$ 739,476

Special Taxing District and Public Schools



Special Taxing District

Special Taxing District Net Benefits of Current Operations Cumulative Year Benefits Costs Net Benefits Net Benefits \$ 1 \$ \$ \$ -2 \$ \$ \$ \$ 3 \$ \$ \$ \$ \$ \$ 4 \$ \$ 5 \$ \$ \$ \$ \$ \$ 6 \$ -\$ \$ 7 -\$ \$ _ \$ \$ 8 \$ -\$ \$ 9 \$ -\$ \$ -\$ _ 10 \$ \$ \$ \$

Special District Net Benefits of Expansion

						Cumulative
 Year	E	Benefits	Costs		Net Benefits	Net Benefits
1	\$	17,333	\$	-	\$ 17,333	\$ 17,333
2	\$	22,620	\$	-	\$ 22,620	\$ 39,953
3	\$	24,133	\$	-	\$ 24,133	\$ 64,086
4	\$	23,657	\$	-	\$ 23,657	\$ 87,744
5	\$	23,135	\$	-	\$ 23,135	\$ 110,878
6	\$	22,652	\$	-	\$ 22,652	\$ 133,531
7	\$	22,192	\$	-	\$ 22,192	\$ 155,723
8	\$	21,685	\$	-	\$ 21,685	\$ 177,408
9	\$	21,184	\$	-	\$ 21,184	\$ 198,592
10	\$	20,723	\$	-	\$ 20,723	\$ 219,315

Special District Combined Net Benefits

						Cumulative
Year	r	Benefits	Costs		Net Benefits	Net Benefits
1	\$	17,333	\$	-	\$ 17,333	\$ 17,333
2	\$	22,620	\$	-	\$ 22,620	\$ 39,953
3	\$	24,133	\$	-	\$ 24,133	\$ 64,086
4	\$	23,657	\$	-	\$ 23,657	\$ 87,744
5	\$	23,135	\$	-	\$ 23,135	\$ 110,878
6	\$	22,652	\$	-	\$ 22,652	\$ 133,531
7	\$	22,192	\$	-	\$ 22,192	\$ 155,723
8	\$	21,685	\$	-	\$ 21,685	\$ 177,408
9	\$	21,184	\$	-	\$ 21,184	\$ 198,592
10	\$	20,723	\$	-	\$ 20,723	\$ 219,315

Public Schools

Public Schools Net Benefits of Current Operations

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

Public Schools Net Benefits of Expansion

						Cumulative
 Year	E	Benefits	Costs		Net Benefits	Net Benefits
 1	\$	18,873	\$	-	\$ 18,873	\$ 18,873
2	\$	24,630	\$	-	\$ 24,630	\$ 43,503
3	\$	26,277	\$	-	\$ 26,277	\$ 69,780
4	\$	25,759	\$	-	\$ 25,759	\$ 95,539
5	\$	25,190	\$	-	\$ 25,190	\$ 120,729
6	\$	24,665	\$	-	\$ 24,665	\$ 145,394
7	\$	24,164	\$	-	\$ 24,164	\$ 169,558
8	\$	23,612	\$	-	\$ 23,612	\$ 193,170
9	\$	23,066	\$	-	\$ 23,066	\$ 216,236
10	\$	22,564	\$	-	\$ 22,564	\$ 238,801

Public Schools Combined Net Benefits

						Cumulative
 Year	E	Benefits	Costs		Net Benefits	Net Benefits
 1	\$	18,873	\$	-	\$ 18,873	\$ 18,873
2	\$	24,630	\$	-	\$ 24,630	\$ 43,503
3	\$	26,277	\$	-	\$ 26,277	\$ 69,780
4	\$	25,759	\$	-	\$ 25,759	\$ 95,539
5	\$	25,190	\$	-	\$ 25,190	\$ 120,729
6	\$	24,665	\$	-	\$ 24,665	\$ 145,394
7	\$	24,164	\$	-	\$ 24,164	\$ 169,558
8	\$	23,612	\$	-	\$ 23,612	\$ 193,170
9	\$	23,066	\$	-	\$ 23,066	\$ 216,236
10	\$	22,564	\$	-	\$ 22,564	\$ 238,801

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

No

No

- Building and Property Improvements:
 - Furniture, Fixtures and Equipment:

Property Tax Percentage Exemptions On Land and Building

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

Property Tax Percentage Exemptions On Furniture, Fixtures and Equipment

							,				
	a ,			0.1					S	pecial Taxi	ng
	 County			City			Schools			District	
		0%)		0%	, D		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.

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%						
/alue of Exemption									
Through 10 Years: \$	- \$	- \$	-						

Percentage of Gross Receipt Taxes Foregone on Newly Purchased Eurniture, Eixtures and Equipment Over 10 Years