



## CITY OF HOBBS

### QUALIFYING PROJECT APPLICATION

The purpose of the City of Hobbs Economic Development Strategic Plan Ordinance (“EDSP Ordinance”) is to allow public support of economic projects to foster, promote, and enhance local economic development efforts while continuing to protect against unauthorized use of public money and other resources. As such, the City of Hobbs reserves the right to take any and all measures deemed necessary to ensure the contents of this application are accurately stated. Thank you for your interest in contributing to the local economy of Hobbs, New Mexico!

**Please Note:** Changes to the City of Hobbs’ EDSP Ordinance were approved by the voters of Hobbs, New Mexico, during the regular municipal election in March of 2022. To be eligible for consideration, the proposed qualifying project must have started after April 1, 2022. Applicant businesses will have ninety (90) days from start of the qualifying project, or from their first gross receipts tax filing after start of qualifying project, whichever is later, to file their application for public funding of their qualifying project under the City of Hobbs’ EDSP Ordinance.

**Applicant (name of business/entity):** [Text Box Here]

#### **Section One – Economic Development Goals**

Having encouraged the support of the community and its leadership through public meetings and interviews, the City of Hobbs’ EDSP Ordinance declares certain desired goals. Please mark all of the City’s desired economic development goals that your proposed project meets:

- [ ] To diversify the local economy by the creation of additional jobs with the attraction of new business.
- [ ] To work with existing businesses to improve the general business climate in order that they may be successful in retaining employees and creating new jobs through expansion.
- [ ] To support the development of industrial/business park(s) that will be attractive to new and expanding businesses.
- [ ] To, when feasible and within the provisions of the New Mexico Local Economic Development Act, use public funds to assist in the development of new jobs.
- [ ] To encourage cooperation between the public and private sectors as they assist in the creation of new jobs.
- [ ] To help develop within the community’s resources the best possible vocational and other skill training to prepare the local populace to enter the work force.
- [ ] To increase gross receipts taxes for the City of Hobbs.

## **Section Two – General Target Industry**

Types of businesses that meet the community's goals: Businesses that fit most or all of these criteria will be given consideration for assistance under the City of Hobbs' EDSP Ordinance. This list is not necessarily all inclusive, and should an industry fall outside of this preferred list, individual consideration may be given.

City of Hobbs considers certain types of businesses to be those that are preferred or meet the community goals. Please mark below all of the criteria specific to Hobbs, New Mexico, that your proposed project will be able to meet.

Industry that is able to take advantage of the following of Hobbs, New Mexico's comparative advantages:

- Availability of natural resources.
- Favorable climate.
- Ample, low-cost land available for development.
- Affordable housing.
- Ample availability of a skilled workforce and access to substantial infrastructure of work force development within the secondary and post-secondary level.
- Significant secondary and post-secondary educational and healthcare institutional resources.
- A positive business climate within the private and public sectors.
- Affordable and readily available energy resources.

Industry that provides exceptional benefits to the workforce of Hobbs, New Mexico:

- Pay comparative wages
- Provide benefits to foster a positive work/life balance
- Help improve the local per capita income (household income)
- Help diversify the local labor market

## **Section Three – Specifically Identified Target Industries**

The City of Hobbs' EDSP Ordinance specifically identifies certain industries that are desirable for potential development. Please mark all of the target industries that your proposed project meets:

- The dairy industry and related businesses
- Value-added agricultural production, dairy processing, or food processing and the manufacturer of food products.

- Service firms or institutions, especially in the educational, health care, information technology, and professional service sectors.
- Relatively labor-intensive processing and assembling businesses in the manufacturing sector.
- The construction trade sector.
- Data, IT, and telecommunications enterprises.
- Nuclear waste, hazardous waste, and related opportunities.
- Energy related industry.
- Retail related industry.
- Cultural facilities.
- Warehousing, logistics, distribution, and transportation.
- Retention and expansion of business and industry.

**Section Four – Possible Community Assistance**

The City of Hobbs’ EDSP Ordinance allows for “public support,” as that term is defined by NMSA 1978, § 5-10-3(K), of qualifying projects. Please mark the specific forms of public support your proposed project is seeking at this time:

- land, buildings or other infrastructure.
- the placement of new broadband telecommunications network facilities.
- rights-of-way infrastructure, including trenching and conduit, for the placement of new broadband telecommunications network facilities.
- public works improvements essential to the location or expansion of the proposed project.
- payments for professional services contracts necessary to implement a plan or provide public support for the proposed project.
- direct loans or grants for land, buildings or infrastructure.
- technical assistance to cultural facilities.
- loan guarantees securing the cost of land, buildings or infrastructure in an amount not to exceed the revenue that may be derived from an increment of the municipal gross receipts tax imposed at a rate not to exceed one-fourth percent and dedicated by the ordinance imposing the increment for projects.
- grants for public works infrastructure improvements essential to the location or expansion of the proposed project or subsidies to cultural facilities.

land for a publicly held industrial park or a publicly owned cultural facility, by purchase.

the construction of a building for use by the proposed project.

**NOTE:** The term “public support” does not include the purchase, lease, grant or other acquisition or conveyance of water or mineral rights.

### **Section Five – Criteria for Community Assistance**

In deciding the eligibility for community assistance, the City of Hobbs may enlist the services of an agent, such as the Economic Development Corporation of Lea County or another agent, as needed or recommended to be the City’s agent in dealing with projects and formulating recommendations to the City Commission.

For an applicant to be considered for assistance, the application may include, but is not limited to, the information outlined below (check all information that has been included in your application).

Identification information:

Complete name and address of entity

Organizational documentation

List of board of directors and principal officers, with copy of the entity’s organizational chart including names and titles of all principals.

Evidence of financial solvency:

Company financial history

If the company has a previous business history, audited financial statement (income statement and balance sheet) for the past three years

Federal tax number, New Mexico State Taxation and Revenue number and City business license

Projected income statement for at least three years

The City has previously communicated with me that the following information has been deemed pertinent by the City and is included in my application packet:

**[Insert Text Box here]**

Evidence of organizational capacity:

Brief history of the entity

Organizational chart of entity

Economic Development Project Plan (Qualifying Project):

Preliminary description of proposed project

- [ ] Preliminary proposal of assistance requested
- [ ] The number of jobs to be created
- [ ] The types of business and jobs including a business plan
- [ ] Job training and career development plan for employees
- [ ] Compatibility with City's economic development goals including, but not limited to, gross receipts generation and/or job creation
- [ ] List of other funding resources researched by the applicant
- [ ] Financial and marketing projections
- [ ] The City has previously communicated with me that the following information has been deemed pertinent by the City and is included in my application packet:  
[Insert Text Box here]

Cost benefit analysis (Complete on this form and provide supporting documentation in packet) :

- [ ] The number and type of jobs to be created, both temporary construction jobs and permanent jobs (by New Mexico Department of Labor category) [Insert Text Box Here]
- [ ] Pay scale of jobs [Insert Text Box here]
- [ ] Determination of which jobs are expected to be filled locally and which will be filled by transfer from other facilities or recruited from outside the Hobbs area [Insert Text Box here]
- [ ] Total payroll expected at start-up and after one year [Insert Text Box here]
- [ ] Anticipated impact on local tax base [Insert Text Box here]
- [ ] Anticipated impact on local school systems [Insert Text Box here]
- [ ] Anticipated impact on infrastructure [Insert Text Box here]

Analysis of other benefits to the Community (besides those listed above, what will your project bring to the Community):  
[Insert Text Box here]

Analysis of substantive contributions to the Community. For purposes of this section “substantive contributions” shall be of value and may include money, in-kind services, jobs, expanded tax base, property or other thing or service of value for the expansion or improvement of the economy.

[Insert Text Box here]

### **Section Six – Review Criteria for Applications**

[ ] By checking this box, I, the undersigned, acknowledge and agree that the City of Hobbs and/or its agent, will use due diligence to verify all facts about the applicant seeking assistance including but not limited to:

- A. Requiring financial statements and appropriate tax records made available by the business to be reviewed in detail. This review shall be consistent with the review required of Industrial Revenue Bond applications.
- B. Investigation to determine the validity of any claims to patent rights, trade secrets, etc.
- C. Verification of financial data including requesting data from banks and other financial institutions that may have had previous dealings with the business seeking assistance or its principals.
- D. Review of information pertaining to any other borrowing by the business or its principals that might affect the business’s ability to repay debt or fulfill other obligations, if any, owed to the City of Hobbs.
- E. Review of the business’s plans and marketing plans proposed by the applicant including, if deemed necessary, outside professional review of technical data.
- F. Review of the environmental and community impacts of the proposed project. Special attention will be given to the job training and career advancement programs and policies. Level of commitment of business to provide career opportunities for Hobbs area residents will be reviewed.

[ ] By checking this box, I, the undersigned, acknowledge and agree that I shall at all times be required to cooperate fully with City in City’s due diligence verification efforts. I further understand that any failure on my part to cooperate with City’s verification efforts may result in my application being summarily denied at the discretion of the City. Failure to cooperate includes, but is not limited to, refusal to sign any authorizations necessary to obtain the referenced material.

### **Section Seven – Project Participation Agreement**

[ ] By checking this box, I, the undersigned, acknowledge and agree that in order to receive public support for my qualifying project, I shall work with the City to prepare a project participation agreement. This agreement is the formal document, which states the contribution and obligation of all parties in the economic development project. The agreement must state the following:

- A. The economic development goals of the project.
- B. The contribution of the City and the qualifying entity.

- C. The specific measurable objectives upon which the performance review will be read.
- D. A schedule for project development and goal attainment.
- E. The security being offered for the City's investment.
- F. The procedures by which a project may be terminated and the City's investment recovered.
- G. 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.

By checking this box, I, the undersigned, acknowledge and agree that the project participation agreement and any other pertinent information will be reviewed for formal approval by the City Commission at a public meeting. I understand that I will be required to appear at the public hearing and respond to any inquiries related to my application and/or proposed project.

By checking this box, I, the undersigned, acknowledge and agree that I shall operate in accordance with the project participation agreement for a period of time specified in the project participation agreement.

### **Section Eight – Investment Protection**

By checking this box, I, the undersigned, understand that the City of Hobbs will provide adequate safeguards to ensure that its rights and financial commitments listed in the project participation agreement are adequately protected and recoverable in the event of default.

By checking this box, I, the undersigned, understand and agree that all investments will be made in compliance with the City of Hobbs' EDSP Ordinance and protections may include:

- A. Security provided for the City of Hobbs may be in the form of a lien, mortgage, or other indenture and pledge of the qualifying business's financial and material participation and personal cooperation to guarantee the applicant's performance pursuant to the project's goals.
- B. Any investment in streets, utilities or other public works will be made in accordance with City policy that provides security for any City investment made pursuant to the attraction of a business under the City of Hobbs' EDSP Ordinance.
- C. Provision for performance review will be established to ensure that the business is operating in accordance with its agreements with the City of Hobbs. This may include milestones, measurable goals and time limits on project development and completion. Provisions for performance review may include penalties for unsatisfactory performance.
- D. The contribution made by each party and its participation in the project will be clearly stated in the project participation agreement.
- E. There will be separate accounts for all financial dealings.
- F. An annual independent audit of the fund/account shall be required.
- G. Should a qualifying entity move, sell, lease or transfer a majority interest in the economic development project before the expiration of the project participation agreement, the City retains the right to deny any and all assignments, sales, leases or transfers of any interests in the economic development project until adequate assurances are made that the transferee, assignee or lessee is a qualifying entity and that the terms of the agreement will be satisfied by the transferee, assignee or lessee. At its discretion, the City may choose to deny said assignment, lease or transfer or may negotiate a new agreement with the new operator, or the City may reclaim its investment and enter into an agreement with the new qualifying entity.

**Section Nine – Project Termination**

[ ] By checking this box, I, the undersigned, acknowledge and agree that the City of Hobbs may by ordinance terminate or revise the City of Hobbs' EDSP Ordinance. The City of Hobbs may also terminate projects developed under this plan provided the terms of any existing project participation agreements are satisfied. Any remaining monies left in the account or funds for a terminated project shall be transferred to the general fund.

[Signature Page on Next Page]



I affirm that all information contained in this City of Hobbs qualifying business application is true and accurate to the best of my knowledge. I voluntarily agree to be bound by the contents of this application along with any other documents completed in anticipation of receiving "public support" for my proposed project. I understand that the provision of "public support" is a discretionary function of the City of Hobbs City Commission and I am not guaranteed any public support for my proposed project.

**[Textbox Applicant]**

\_\_\_\_\_  
**[TEXT BOX HERE]**

\_\_\_\_\_  
Date Submitted

Title: [TEXT BOX HERE]  
Address: [TEXT BOX HERE]  
[TEXT BOX HERE]  
Phone: [TEXT BOX HERE]  
Fax: [TEXT BOX HERE]  
Email: [TEXT BOX HERE]

PLEASE BE SURE YOU HAVE ATTACHED ALL DOCUMENTS TO THIS APPLICATION. MISSING OR OMITTED DOCUMENTS MAY RESULT IN A DENIAL OF YOUR APPLICATION. ALL DOCUMENTS SUBMITTED WITH THIS APPLICATION SHALL BE DEEMED PART OF THIS APPLICATION. THANK YOU AGAIN.

\*\*\*\*\*For use by the City of Hobbs or its agent only\*\*\*\*\*

Received by: \_\_\_\_\_ Date: \_\_\_\_\_ Time: \_\_\_\_\_

Reviewed by: \_\_\_\_\_ Date: \_\_\_\_\_ Time: \_\_\_\_\_

Approved: \_\_\_\_\_ Denied: \_\_\_\_\_ More Information Needed: \_\_\_\_\_

Project Score: \_\_\_\_\_

Notes Re Proposed Project:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- \_\_\_\_\_ Contacted City to place on Commission agenda omitted?
- \_\_\_\_\_ Received agenda date?
- \_\_\_\_\_ Informed project manager of agenda date and time?
- \_\_\_\_\_ Review model project participation agreement with project manager?

Signed: \_\_\_\_\_ Date: \_\_\_\_\_