

**ALBUQUERQUE DEVELOPMENT COMMISSION  
Local Economic Development Act Hearing**

**December 19, 2019**

Case #2019-11

**LEDA-19-3:** Faneuil Inc. Project

**REQUEST:** Approval of \$100,000 in City Local Economic Development Act (LEDA) funds is requested.

**PROJECT SUMMARY:** Faneuil Inc. a Virginia-based company providing a wide array of back-office and other support services for governments and private sector clients, is requesting \$100,000 to help offset and partially reimburse some lease costs for their 47,800 square foot customer service center in the North I-25 corridor in Albuquerque. (The Company also is requesting assistance from the State for LEDA funds in the amount of \$400,000, for which the City would act as fiscal agent, but that transaction is not under review as part of this process.)

Faneuil Inc. will create 700 economic base jobs, and occupy a building that is currently vacant. The property is located at the northwest intersection of I-25 and Jefferson. The site has been successfully redeveloped and repurposed as a mixed use center, with offices, restaurants and hotels. The proposed use of the facility by the Company would not require a change in zoning. There are no particular environmental impacts associated with this Project.

The company serves multiple business sectors including municipal governments, transportation authorities, medical (payer, provider, and pharma), government healthcare, social programs, and utilities.

The majority of the 700 new positions will be customer service representatives, with initial wages of \$12.50-\$16/hour, and a \$1.00/hour increase once training is completed and initial work has begun. All these 700 jobs are considered full time positions, and come with full employee benefits. Employee benefits offered by the Company include competitive medical, dental, vision; disability insurance; 401K savings plan; paid time off; and paid holidays.

The Company intends to provide training to all new employees and to avail itself of the State's Job Training Incentive Program in connection with the training of its employees

The Company expects to spend approximately \$1.25 million on tenant improvements and expects to work with the landlord to have the work done by local contractors. The Company expects to continue to spend at least \$250,000 on local goods and services annually.

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

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

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

**B. A telecommunications sales enterprise that makes the majority of its sales to persons outside New Mexico**

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

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

This project includes a fiscal impact analysis prepared by the University of New Mexico’s Bureau of Business and Economic Research (BBER). The fiscal impact determination of the Project is from information the Company provided. The analysis shows that the company will be making a substantive contribution to the community, and that the City could realize more than \$1 million in additional tax revenues from the direct and indirect spending associated with this project over the next ten years..

The project plan as shown in Exhibit 1 provides details of the project.

### **FINDINGS:**

1. LEDA 19-3 is a qualified project as defined by the State’s Local Economic Development Act and the City enabling legislation (F/S O-04-10); and
2. LEDA 19-3 would make positive substantive contributions to the local economy and community by creating 700 economic base jobs; and
3. Subject to the development of acceptable Security documents, LEDA 19-3 would comply with the adopted City plans and policies, and meet community economic development priorities and objectives, including remaining in operation for ten years; and
5. Subject to the development of acceptable Security documents, LEDA 19-3 would adequately meet the evaluation criteria established by the City for Local Economic Development Act projects, including the requirement that the City recoup the value of its investment within ten years.

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

## **I. PROJECT ELIGIBILITY**

### **1. QUALIFYING ENTITY**

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

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

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

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

**B. A telecommunications sales enterprise that makes the majority of its sales to persons outside New Mexico**

### **2. ECONOMIC DEVELOPMENT POLICIES AND OBJECTIVES**

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

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

**(4) Projects in industry clusters listed above are particularly encouraged,**

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

### **1. PLAN & ZONING:**

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The proposed project is located at 4420 The 25 Way NE, Albuquerque, NM 87109. The site is more particularly described as Tract G-1 Plat of Tracts B1-A, B2-A, C-1, E-1, F-1 & G-1 containing approximately 4.477 acres.

The site is zoned for NR-BP (Non-Residential Business Park) under the new Integrated Development Ordinance (zoning code). No changes are anticipated to the external character of the facility. In fact, Faneuil will be replacing the former Sitel customer service center, which operated successfully at that location for many years.

As stated in the IDO, "The purpose of the NR-BP zoning district is to accommodate a wide variety of non-residential uses in a campus like setting, to buffer potential impacts from surrounding uses and adjacent areas. Allowable uses include a wide variety of office, commercial research, light industrial, office, distribution, showroom, processing, and institutional uses." Faneuil does not have any surrounding residential areas, and has, in fact, few other impacts (more fully described in other sections).

### 2. LAND USE:

The Project will occupy approximately 47,800 square feet of an existing office facility. The site has been successfully redeveloped and repurposed after the closure of a former manufacturing facility years ago. The area developed positively with core office tenants such as RAA/High Resolution (X-Ray) Imaging, Boeing, Eye Associates of New Mexico, and until recently, Sitel. Surrounding the office buildings are numerous mixed-use developments, restaurants and hotels, such as Hampton Inn, Drury Inn, P.F. Changs, Ghengis Grill, and others. The general site is currently used for Offices Low Rise and also has a two-story office building of approximately 52,000 square feet.

The facility itself is directly adjacent to I-25 and Jefferson offramp, providing easy access for employees.

The impact on existing industry and commerce after construction is anticipated to be favorable. Since the facility was used previously for a customer service center, additional improvements are modest. Approximately \$1.25 million will be spent on tenant improvements, and about \$200,000 to connect telephone and other purchases. Existing lease improvements are included in the lease rate. The project is expected to be done by local construction companies, infusing capital into the local economy. More detail is provided in the fiscal impact analysis.

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

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supports the economic development priorities and objectives of the City's Local Economic Development Act.

The Faneuil Project further supports the Economic Development Department's criteria for the use of incentives with by Implementing Place-Based Strategies (by occupying a large existing vacant office building), Supporting Focused and Positive ROI Projects, and creating 700 Economic Base jobs.

### 3. INFILL:

The project involves an existing building, which was previously operated as a customer service center. Infrastructure, parking and utilities are already developed. A map of the area is included. As mentioned above, no extension or relocation of utility or road systems is anticipated. There are adequate utilities and roads to the facility.

### 4. DESIGN AND CONSERVATION:

The facility is an existing facility with suitable mature landscaping. It has been kept in exceptionally good condition and repair over the years as it has undergone a number of renovations and improvements, to maintain its high-quality appearance.

The company has stated that the water usage for the site should be that expected for any average office project.

No historic properties are involved.

No individuals, families, or businesses will be displaced by the activities outlined in this plan. The project is to be located within an existing manufacturing facility.

### 5. RENEWABLE ENERGY:

The Company will not create or produce renewable energy from the facility.

## III. ECONOMIC BENEFITS

### 6. COMPETITION:

There does not appear to be any local competition for the customers/clients that Faneuil services. The only company might be one like Carenet, which provides third party support to the healthcare industry, however they also received City LEDA funding.

### 7. JOBS:

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The salaries for the jobs profiled meet or exceed the average for similar positions within the community.

All these 700 jobs are considered full time positions, and come with employee benefits. Benefits include health, dental, vision, life and disability insurance, and a 401-K Plan. The company pays at least 60% of the health insurance premiums for employees who opt for their coverage.

**NOTE: These are starting level wages and all customer service employees that complete training and initial employment receive an increase of \$1.00/hour. Annual increases are estimated at 2% per year**

These employment classifications, salaries, and benefits are more fully detailed below and attached as an exhibit to the Application. The Company intends to provide training to all new employees and to avail itself of the State's Job Training Incentive Program in connection with the training of its employees.

| <u>Position</u>                              | <u>2020 Per Hour</u> | <u>2020</u> |
|----------------------------------------------|----------------------|-------------|
| Client A Customer Service Rep (Tier II): 200 | \$ 14.00             | 29,120      |
| Client A Customer Service Rep (Tier I): 125  | \$ 12.50             | 26,000      |
| Client B Customer Service Rep: 20            | \$ 13.50             | 28,080      |
| Client B Pharm Tech: 155                     | \$ 16.00             | 33,280      |
| Client C Customer Service Rep: 110           | \$ 13.50             | 28,080      |
| Client C Licensed Agent: 25                  | \$ 16.00             | 33,280      |
| Operations Support (IT, HR): 30              | \$ 19.50             | 40,560      |
| Operations Management: 34                    | \$ 21.50             | 44,720      |
| Site Director: 1                             | \$ 33.50             | 69,680      |

- 1) Faneuil estimates close to 100% of the new permanent jobs to be filled by current Albuquerque residents. No jobs will be relocated from another location.

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- 2) As the majority of the anticipated new jobs will be Customer Service Representatives with wages ranging from \$12 – 17/hr., there will be a significant benefit to low and moderate income residents.
- 3) Yes, the jobs will exceed the median wages for the industry within the community.
- 4) Faneuil's new jobs will match the skills of current city residents.
- 5) All of Faneuil's employees go through an extensive training of approximately 3 – 6 months upon beginning of employment.
- 6) Faneuil provides extensive training to encourage employees to remain with their team and improve their skills. Faneuil offers its employees opportunities to expand their skills through lateral movements into different programs, as well as advancement into supervisory and higher-skilled positions.
- 7) Faneuil has submitted an application for the Job Training Incentive Program.
- 8) Yes, Faneuil offers several health insurance options to their employees and covers 60%+ of the premiums for employees. Faneuil provides benefits valued at 20-25% of employee salary.

The Company anticipates an annual payroll of more than \$20 million by 2021.

### 8. LOCAL PURCHASES

The Company anticipates spending \$1.25 on tenant improvements, and an additional \$250,000 on telephone and other set-up expenditures. Annual expenditures are estimated at \$250,000 per year and the Company anticipates about 10 out-of-town visitors per month with an average of 120 hotel room nights per year and an additional \$60 per day in spending per visitor above the hotel expense..

All project costs will be funded internally by Faneuil Inc., a national corporation with more than 5,500 employees nationwide. Additional information on the company is contained as an appendix to the Application.

## IV. PROJECT FEASIBILITY

### 9. COST/ FEASIBILITY/ FINANCING:

As stated above, the Company intends to spend approximately \$1.25 million in facility upgrades and renovations with completion and occupancy planned in early 2020.

Upon completion of the project, the estimated appraised value of the facility is anticipated to be approximately the same as the current assessment, since the new tenant will be operating the same functions as the previous tenant. The present assessed value is \$1,526,147. Personal property (such as computers, furniture, etc.), will have a new assessment.

Funding is subject to City Council approval. Faneuil intends to self-fund the improvements through their own working capital, and they are responsible for their own and the City's fees related to the LEDA applications and associated legal or other administrative fees, including the fiscal impact analysis.

10. DEVELOPER'S RECORD:

Faneuil Inc. was founded in 1994, and is headquartered in Hampton, Virginia. Faneuil, Inc. provides business processing solutions to outside clients. The Company offers broad outsourcing support, customer care centers, back office operations, medical device tracking, violation processing, and information technology services. The company employs more than 5,000 across multiple states in the U.S.

The company serves multiple business sectors including municipal governments, transportation authorities, medical (payer, provider, and pharma), government healthcare, social programs, and utilities.

Additional information is available on [www.faneuil.com](http://www.faneuil.com).

11. EQUITY:

The City funds will be used to reimburse 65% of the monthly lease costs (in conjunction with the State funding) of \$70,000 per month. The City's monthly portion will be \$9,100. The Project will be wholly financed by the Company or an affiliate/subsidiary.

Based on financial information provided, the Company appears capable of managing and completing the Project.

12. MANAGEMENT:

Faneuil will develop their management team for the site. The Company's President and CEO is Anna Van Buren. According to their application:

"Anna became President and Chief Executive Officer of Faneuil in 2009 after having served as its President and Chief Operating Officer; Senior Vice President and Managing Director, Government Services Division; and, beginning in 2004, Vice President of Business Development. She brings more than 35 years of management experience to a leadership role that includes ultimate responsibility for the company's business operations nationwide, more than 5,000 employees, and revenue generation of more than \$150 million annually. Anna is also deeply involved in the development of strategies to recruit, hire, train, develop, retain and motivate essential talent. To foster a culture in which customer service and integrity shape every interaction, Anna personally communicates Faneuil's vision and values throughout the organization. "

Biographies of other Company senior personnel are attached in the Application.

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



### 13. FISCAL IMPACT ANALYSIS

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

The fiscal impact analysis demonstrates that the City will recoup the value of its investment, with a projected tax revenue increase of more than \$1 million above the \$100,000 initial City contribution to the project.

### V. PROJECT PARTICIPATION AGREEMENT

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

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

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

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

### 1. COMPANY CONTRIBUTION

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The PPA states that, in exchange for certain LEDA assistance described below, Faneuil will undertake and complete a certain project defined and includes the following elements (the "Project"):

The rehabilitation, occupancy and operation of approximately 47,806 square feet of commercial rental office space located in Albuquerque at 4420 The 25 Way NE, Albuquerque, New Mexico (the "Facility") that will be leased by Faneuil;

Occupy and operate the facility for customer service contact operations and customer experience center for its business process outsourcing services;

Commitment to operate the Project for a minimum of ten (10) years;

Employment as measured as of the close of business on December 31, 2021 of at least 700 full-time employees, at an average salary of \$30,160 plus benefits, and maintenance of at least 630 full-time employees (90% of total) through December 31, 2029 (as measured for the preceding year on an annual basis beginning December 31, 2022); and

The Faneuil Application clearly demonstrates that the Company, by completing the Project, will be making many substantive contributions to the community, as required by the LEDA Ordinance.

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

Company Contribution. Faneuil will complete certain renovations and improvements to the Facility; will occupy and operate the Facility and will use the Facility for its customer service contact center; and will hire and retain employees as contemplated by this Agreement, all in accordance with the schedule and other terms and conditions set forth in this Agreement. Faneuil will maintain the Project's operations in Albuquerque for a minimum of ten (10) years as required by the City's LEDA Ordinance. Faneuil will comply with all applicable laws in connection with the operation of the Facility and will timely pay all personal property taxes with respect thereto

The State Contributions; Procedure for Disbursement of the State Contributions. The City anticipates that the State Contribution of \$400,000 will be delivered to the City for subsequent disbursement to Faneuil, following enactment of the Faneuil LEDA ordinance and execution of this Agreement and an intergovernmental agreement between the State and the City. The City will

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submit an invoice to the State and request transfer of the State funds. Upon receipt, the City will place the State Contribution into a separate account established in connection with the Project, as required by law. If, and only if, the City receives the State Contribution, the City will disburse the State Contribution to Faneuil in the manner described in this Agreement. The State Contribution will be distributed to Faneuil upon completion of the tenant improvements and Faneuil taking occupancy of the Facility, hiring personnel and beginning and maintaining operations for allowable expenditures incurred and paid for by Faneuil. The State Contribution will be distributed to Faneuil, along with the City contribution, to reimburse 65% of lease costs for allowable expenditures incurred and paid for by Faneuil. This will amount to a proportionate share of the reimbursements at \$36,400 per month of state funds, until they run out. Pursuant to Section 11, reimbursement requests shall include a copy of the Company's most recent quarterly Department of Workforce Solutions 903A, or its equivalent, to substantiate current employment levels. Payments may be withheld if Company is not in good standing with City, State, or Federal agencies.

The City Contribution. Pursuant to the Project Ordinance and the LEDA Ordinance, the City has committed the amount of \$100,000 to be used in connection with the Project. These funds will be disbursed as reimbursements as follows: 20% of the total monthly lease reimbursements, or \$9,100 per month upon Certificate of Occupancy and commencement of operations, with submission of acceptable documentation until all funds are distributed, The total City and State reimbursement of 65% of \$70,000 amounts to \$45,500 per month.

Time Commitment. Faneuil is expected to complete certain renovations and improvements to the Facility by December 31, 1919. Continued expansions of hiring and operations at the Facility to begin following adoption of the City legislation or as soon thereafter as possible. Faneuil will continue to occupy the Facility and diligently conduct operations in the Facility in the manner contemplated by this Agreement at least through December 31, 2029.

Use of Public Contributions. Faneuil will be eligible for reimbursement of up to \$500,000 of lease expenses actually incurred after the date hereof and paid for, subject to the receipt by the City of the State Contribution. The City will make payment to Faneuil following submission to the City of documentation satisfactory to the City evidencing payment of tenant improvements with respect to the Project. No Project funds will be used to reimburse expenses from any individuals or a company that has a financial interest in Faneuil or its employees.

#### Job Commitment and Clawbacks.

A. Number of Jobs. Faneuil will employ at least 700 full-time employees by December 31, 2021, at an average salary of \$14.50 per hour plus benefits, and maintains at least 630 full-time employees (90% of total) through December 31, 2029 (the "Jobs"). A Job will represent an employment position for a person for at least one pay period consisting of at least 32 hours of work per week and offering the employee the full range of benefits offered to other similarly situated Faneuil employees from time to time. Positions filled by contract, part-time and temporary workers will not be considered Jobs. All references herein to "employees" mean employees in Jobs as contemplated by this Section 7.A.

B. Wages and Benefits. Faneuil anticipates that the Jobs will fall within the wage ranges and will come with the benefits shown on Exhibit B. However, failure to meet the wage

and benefit projections shown on Exhibit B shall not constitute an Event of Default (defined below) or form the basis for any clawback payment.

C. Performance Clawbacks. If Faneuil does not employ 90% of the required number of full-time employees as set forth in Section 7.A herein, then subject to the remainder of this Section 7.C, Faneuil will repay to the City, within sixty (60) days of the due date of the annual report referred to in Section 11 below, ten percent (10%) of the total amount of the City Contribution and State Contribution paid on behalf of Faneuil pursuant to this Agreement to the date of repayment (the “Performance Clawback”). A Performance Clawback would be due to the City annually for any year up to December 31, 2029, for both the State and City Contribution that Faneuil fails to maintain at least 90% of the required number of full-time employees.

Notwithstanding the foregoing, if Faneuil fails to employ the required full-time employees as identified in Section 7.A herein, and believes Business Climate Changes were the cause for its failure to meet such requirements, Faneuil will so advise the City in writing describing the Business Climate Changes in detail. “Business Climate Changes” mean substantial changes outside of the control of Faneuil, in the segment of the business management and support industry in which Faneuil operates, that cause a significant decrease in the amount of sales Faneuil is able to achieve. The shifting of Faneuil operations to another Project, whether within or outside of Albuquerque, will not constitute a Business Climate Change.

If the City determines that Business Climate Changes affect the ability of Faneuil to maintain employment levels, it may waive or modify the Performance Clawback, but only related to the City Contribution and the City shall consult with the State EDD as to any potential waiver of the Performance Clawback or a portion thereof related to the State Contribution. Any Performance Clawback due will be paid within 15 days after the City notifies Faneuil of its decision or the decision of the State EDD. If Faneuil does not attribute the failure to meet employment requirements to Business Climate Changes, the payment of any Performance Clawback due will be submitted to the City within ten (10) days after the due date of the annual report reflecting the failure to maintain the required employment level.

D. Project Closure Clawback. Should Faneuil cease operation, or notify the City of its intent to cease operation, of the Project (i.e., cease to conduct operations at the Project) before December 31, 2028, Faneuil shall, within ninety (90) days of the cessation of operations, pay to the City, in cash, an amount equal to a specified percentage of the amount of the City Contribution and State Contribution paid pursuant to this Agreement, with the specific percentage based on the date of cessation of operations in accordance with the following table:

| Date of Cessation of Operations | Percent of Public<br>Contributions to be Repaid |
|---------------------------------|-------------------------------------------------|
|                                 |                                                 |

|                                                                                                                                          |      |
|------------------------------------------------------------------------------------------------------------------------------------------|------|
| Years 1-5 (Year 1 shall commence on the date of signing the lease. All subsequent years are based on anniversary dates of that signing.) | 100% |
| Years 6-8                                                                                                                                | 60%  |
| Years 9-10                                                                                                                               | 25%  |

Winding down of the Company's operations at the Project in preparation for a cessation of operations may be considered a cessation of operations, and any such determination will be made by the City in its sole reasonable discretion.

E. Maximum Clawback; Unpaid Payments. Notwithstanding anything herein to the contrary, the maximum aggregate clawback payable hereunder will be \$500,000, not including interest. Any clawbacks not paid when due shall bear interest at the Prime Rate plus 2% per annum from the due date until paid. "Prime Rate" means the U.S. prime rate as reported from time to time in *The Wall Street Journal* in its Bonds, Rates and Yields table, or successor table.

F. Security. To secure the performance of its obligations under this Agreement, Faneuil has provided the City an acceptable form of security in favor of the City.

#### Events of Default and Remedies.

A. Failure to Comply With Obligations. Failure by Faneuil to comply with any obligation under this Agreement, including without limitation, the failure to make timely payment of any clawback payment due hereunder, shall be an Event of Default. Notwithstanding the foregoing, failure to meet employment projections or failure to meet wage and benefit projections shall not be considered an Event of Default; however, the failure to make timely payment of any clawback payment due as a result thereof shall be an Event of Default.

B. Notice of Event of Default. If any Event of Default occurs, the City shall notify Faneuil in writing, and Faneuil shall have thirty (30) days in which to cure such Event of Default. If the Event of Default is not cured within such thirty-day period, the City shall have and may exercise any remedies available at law or in equity.

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

D. Annual Reporting Requirement, Performance Review and Termination. Annually, on or before March 1 or other date specified by the City, Faneuil will provide to the City data for the previous calendar year regarding its workforce and such other information necessary for the City or its independent contractor to determine whether Faneuil has met its obligations under this Agreement. As required by the LEDA Ordinance, the Project will be subject to an annual performance review conducted by City staff, which will evaluate whether the Project is attaining the goals and objectives set forth in Section 1 of this Agreement. This review shall be presented to the City administration and the City Council. If the goals and objectives are not being attained, the City Council at a public hearing may terminate assistance to the Project by passage of an ordinance which terminates this Agreement and specifies the disposition of all assets and obligations of the Project, after satisfying this Agreement and all rights of the parties arising under this Agreement through the date of such termination. In addition, pursuant to LEDA, the City may enact an ordinance terminating the LEDA Ordinance and dissolving or terminating any or all projects. In the event that the City terminates the LEDA Ordinance or this Agreement, the City will specify the disposition of all assets and obligations of the Project after satisfying this Agreement and all rights of the parties arising under this Agreement through the date of such termination.

Additionally, the Project will submit employment information quarterly in a form as required by the State Economic Development Department.

#### **FINDINGS:**

1. Faneuil Inc. is a qualified entity as defined by the State's Local Economic Development Act and the City enabling legislation (F/S O-14-10; and
- 2 LEDA 19-3 would make positive substantive contributions to the local economy and community by creating 700 economic base jobs; and
3. Subject to the development of acceptable security documents, LEDA 19-3 would comply with the adopted City plans and policies, and meet community economic development priorities and objectives, including the requirement to operate for at least ten years; and
4. Subject to the development of acceptable security documents, LEDA 19-3 would adequately meets the evaluation criteria established by the City for Local Economic Development Act projects, including the requirement that the City recoup the value of its investment within 10 years.

#### **STAFF RECOMMENDATION:**

Based on the above findings, staff recommends approval of LEDA 19-3 as proposed in the project plan application.

Deirdre M. Firth, Deputy Director  
Economic Development Department

**Project Participation Agreement**  
**City of Albuquerque and Faneuil, Inc.**  
**Local Economic Development Act Project 19-3**

This Project Participation Agreement is made as of this \_\_\_\_\_ day of \_\_\_\_\_, 2020 by and between the CITY OF ALBUQUERQUE, NEW MEXICO (the "City"), and FANEUIL, INC., a \_\_\_\_\_ corporation with a place of business at 2 Eaton Street, Suite 1002, Hampton, Virginia 23669 ("Faneuil" or "Company").

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

WHEREAS, pursuant to the Local Economic Development Act, Sections 5-10-1 to 5-10-13 NMSA 1978 ("LEDA"), the City has adopted Ordinance No. F/S O-04-10 (the "LEDA Ordinance"), approving an economic development plan for the City and authorizing the City to consider applications for economic development assistance; and

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

The rehabilitation, occupancy and operation of approximately 47,806 square feet of commercial rental office space located in Albuquerque at 4420 The 25 Way NE, Albuquerque, New Mexico (the "Facility") that will be leased by Faneuil;

Occupy and operate the facility for customer service contact operations and customer experience center for its business process outsourcing services;

Commitment to operate the Project for a minimum of ten (10) years;

Employment as measured as of the close of business on December 31, 2021 of at least 700 full-time employees, at an average salary of \$30,160 plus benefits, and maintenance of at least 630 full-time employees (90% of total) through December 31, 2029 (as measured for the preceding year on an annual basis beginning December 31, 2022); and

WHEREAS, the State Economic Development Department (the "State EDD") has committed up to \$400,000 in State LEDA funds (the "State Contribution") for partial lease

reimbursements and the City has committed up to \$100,000 in City LEDA funds (the “City Contribution”) to be used for partial lease reimbursements; and

WHEREAS, the LEDA Project was approved on January 6, 2020 and the lease term is to begin on or about January 31, 2020; and

WHEREAS, Faneuil estimates a total investment of approximately \$10 million in lease payments over the ten year term of the lease, \$1,200,000 in tenant improvements, and \$200,000 in equipment; and

WHEREAS, the Faneuil Application proposes that in exchange for Faneuil undertaking and completing the Project, the City funds obtained from the State EDD, pursuant to LEDA, in addition to local City LEDA funds, will be used to reimburse a portion of Faneuil lease expenses related to the Project, on the terms set forth herein; and

WHEREAS, the City has reviewed the cost-benefit analysis conducted by the University of New Mexico’s Bureau of Business and Economic Research with respect to the Project, which shows that the City will recoup the value of its contribution within ten (10) years; and

WHEREAS, the Faneuil Application clearly demonstrates that the Company, by completing the Project, will be making a substantive contribution to the community, as required by the LEDA Ordinance; and

WHEREAS, the City Council has determined that these benefits and community contributions adequately meet the intent of having the City recoup the value of its investment; and

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

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

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

WHEREAS, the City adopted Ordinance No. O-20-\_\_ on January 6, 2020 (the “Project Ordinance”) (i) finding that Faneuil is a qualifying entity as defined in Section 5-10-3(G) NMSA, (ii) approving the Faneuil Application for assistance with the Project pursuant to the LEDA Ordinance, which Application proposed that the City direct \$400,000 in funds to be received from the State EDD as the State Contribution and \$100,000 in funds to be committed by the City as the City Contribution, all to finance certain statutorily eligible expenses of the Project, including leasehold improvements and lease reimbursements, and (iii) approving this Agreement;



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

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

2. Company Contribution. Faneuil shall undertake certain renovations and improvements to the Facility; and will occupy and operate the Project and, commencing on or about January 30, 2020; will use the Project as a technical operations and customer support center for its business process outsourcing services; and will hire and retain employees as contemplated by this Agreement, all in accordance with the schedule and other terms and conditions set forth in this Agreement. Faneuil will maintain the Project's operations in Albuquerque for a minimum of ten (10) years. Faneuil will comply with all applicable laws in connection with the operation of the Project and will timely pay all personal property taxes with respect thereto.

3. The State Contributions; Procedure for Disbursement of the State Contributions. The City anticipates that the State Contribution of \$400,000 will be delivered to the City for subsequent disbursement to Faneuil, following enactment of the Faneuil LEDA ordinance and execution of this Agreement and an intergovernmental agreement between the State and the City. The City will submit an invoice to the State and request transfer of the State funds. Upon receipt, the City will place the State Contribution into a separate account established in connection with the Project, as required by law. If, and only if, the City receives the State Contribution, the City will disburse the State Contribution to Faneuil in the manner described in this Agreement. The State Contribution will be distributed to Faneuil upon completion of the tenant improvements and Faneuil taking occupancy of the Facility, hiring personnel and beginning and maintaining operations for allowable expenditures incurred and paid for by Faneuil. The State Contribution will be distributed to Faneuil, along with the City contribution, to reimburse 65% of lease costs for allowable expenditures incurred and paid for by Faneuil. This will amount to a proportionate share of the reimbursements at \$36,400 per month of state funds, until they run out. Pursuant to Section 10, reimbursement requests shall include a copy of the Company's most recent quarterly Department of Workforce Solutions 903A, or its equivalent, to substantiate current employment levels. Payments may be withheld if Company is not in good standing with City, State, or Federal agencies.

4. The City Contribution. Pursuant to the Project Ordinance and the LEDA Ordinance, the City has committed the amount of \$100,000 to be used in connection with the Project. These funds will be disbursed as reimbursements as follows: 20% of the total monthly lease reimbursements, or \$9,100 per month upon Certificate of Occupancy and commencement of operations, with submission of acceptable documentation until all funds are distributed, The total City and State reimbursement of 65% of \$70,000 amounts to \$45,500.

5. LEDA Account. As required by the LEDA Ordinance, the City will deposit the proceeds of the City Contribution into a clearly identified separate account, which account will be subject to an annual independent audit.

6. Time Commitment. Faneuil and its landlord will commence certain renovations and improvements to the Facility and Faneuil intends to begin lease commencement on or about January 31, 2020. Operations at the Facility to begin following completion of improvements and renovations or as soon thereafter as possible. Faneuil will continue to occupy the Facility and diligently conduct operations in the Facility in the manner contemplated by this Agreement at least through December 31, 2029.

7. Use of Public Contributions. Faneuil will be eligible for reimbursement of up to \$500,000 for reimbursements of lease payments actually incurred after the date hereof and paid for by Faneuil, subject to the receipt by the City of the State Contribution. The City will make payment to Faneuil following submission to the City of documentation satisfactory to the City evidencing payment of eligible expenses related to tenant improvements with respect to the Project.

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

8. Job Commitment and Clawbacks.

A. Number of Jobs. Faneuil will employ at least 700 full-time employees by December 31, 2021, at an average salary of \$14.50 per hour plus benefits, and maintains at least 630 full-time employees (90% of total) through December 31, 2029 (the "Jobs"). A Job will represent an employment position for a person for at least one pay period consisting of at least 32 hours of work per week and offering the employee the full range of benefits offered to other similarly situated Faneuil employees from time to time. Positions filled by contract, part-time and temporary workers will not be considered Jobs. All references herein to "employees" mean employees in Jobs as contemplated by this Section 8.A.

B. Wages and Benefits. Faneuil anticipates that the Jobs will fall within the wage ranges and will come with the benefits shown on Exhibit B. However, failure to meet the wage and benefit projections shown on Exhibit B shall not constitute an Event of Default (defined below) or form the basis for any clawback payment.

C. Performance Clawbacks. If Faneuil does not employ 90% of the required number of full-time employees as set forth in Section 7.A herein, then subject to the remainder of this Section 8.C, Faneuil will repay to the City, within sixty (60) days of the due date of the annual report referred to in Section 10 below, ten percent (10%) of the total amount of the City Contribution and State Contribution paid on behalf of Faneuil pursuant to this Agreement to the date of repayment (the "Performance Clawback"). A Performance Clawback would be due to the City annually for any year up to December 31, 2029, for both the State and City Contribution that Faneuil fails to maintain at least 90% of the required number of full-time employees.

Notwithstanding the foregoing, if Faneuil fails to employ the required full-time employees as identified in Section 8.A herein, and believes Business Climate Changes were the cause for its failure to meet such requirements, Faneuil will so advise the City in writing describing the Business Climate Changes in detail. "Business Climate Changes" mean substantial changes outside of the control of Faneuil, in the segment of the business management and support industry in which Faneuil operates, that cause a significant decrease in the amount of sales Faneuil is able to achieve. The shifting of Faneuil operations to another Project, whether within or outside of Albuquerque, will not constitute a Business Climate Change.

If the City determines that Business Climate Changes affect the ability of Faneuil to maintain employment levels, it may waive or modify the Performance Clawback, but only related to the City Contribution and the City shall consult with the State EDD as to any potential waiver of the Performance Clawback or a portion thereof related to the State Contribution. Any Performance Clawback due will be paid within 15 days after the City notifies Faneuil of its decision or the decision of the State EDD. If Faneuil does not attribute the failure to meet employment requirements to Business Climate Changes, the payment of any Performance Clawback due will be submitted to the City within ten (10) days after the due date of the annual report reflecting the failure to maintain the required employment level.

D. Project Closure Clawback. Should Faneuil cease operation, or notify the City of its intent to cease operation, of the Project (i.e., cease to conduct operations at the Project) before December 31, 2029, Faneuil shall, within ninety (90) days of the cessation of operations, pay to the City, in cash, an amount equal to a specified percentage of the amount of the City Contribution and State Contribution paid pursuant to this Agreement, with the specific percentage based on the date of cessation of operations in accordance with the following table:

| Date of Cessation of Operations                                                                                                          | Percent of Public Contributions to be Repaid |
|------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|
| Years 1-5 (Year 1 shall commence on the date of signing the lease. All subsequent years are based on anniversary dates of that signing.) | 100%                                         |
| Years 6-8                                                                                                                                | 60%                                          |
| Years 9-10                                                                                                                               | 25%                                          |

Winding down of the Company's operations at the Project in preparation for a cessation of operations may be considered a cessation of operations, and any such determination will be made by the City in its sole reasonable discretion.

E. Maximum Clawback; Unpaid Payments. Notwithstanding anything herein to the contrary, the maximum aggregate clawback payable hereunder will be \$500,000, not

including interest. Any clawbacks not paid when due shall bear interest at the Prime Rate plus 2% per annum from the due date until paid. "Prime Rate" means the U.S. prime rate as reported from time to time in *The Wall Street Journal* in its Bonds, Rates and Yields table, or successor table.

7. Security. To secure the performance of its obligations under this Agreement, Faneuil has provided the City an acceptable form of security in favor of the City.

8. Events of Default and Remedies.

A. Failure to Comply With Obligations. Failure by Faneuil to comply with any obligation under this Agreement, including without limitation, the failure to make timely payment of any clawback payment due hereunder, shall be an Event of Default. Notwithstanding the foregoing, failure to meet employment projections or failure to meet wage and benefit projections shall not be considered an Event of Default; however, the failure to make timely payment of any clawback payment due as a result thereof shall be an Event of Default.

B. Notice of Event of Default. If any Event of Default occurs, the City shall notify Faneuil in writing, and Faneuil shall have thirty (30) days in which to cure such Event of Default. If the Event of Default is not cured within such thirty-day period, the City shall have and may exercise any remedies available at law or in equity.

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

10. Annual Reporting Requirement, Performance Review and Termination. Annually, on or before March 1 or other date specified by the City, Faneuil will provide to the City data for the previous calendar year regarding its workforce and such other information necessary for the City or its independent contractor to determine whether Faneuil has met its obligations under this Agreement. As required by the LEDA Ordinance, the Project will be subject to an annual performance review conducted by City staff, which will evaluate whether the Project is attaining the goals and objectives set forth in Section 1 of this Agreement. This review shall be presented to the City administration and the City Council. If the goals and objectives are not being attained, the City Council at a public hearing may terminate assistance to the Project by passage of an ordinance which terminates this Agreement and specifies the disposition of all assets and obligations of the Project, after satisfying this Agreement and all rights of the parties arising under this Agreement through the date of such termination. In addition, pursuant to LEDA, the City may enact an ordinance terminating the LEDA Ordinance and dissolving or terminating any or all projects. In the event that the City terminates the LEDA

Ordinance or this Agreement, the City will specify the disposition of all assets and obligations of the Project after satisfying this Agreement and all rights of the parties arising under this Agreement through the date of such termination.

Additionally, Faneuil will provide to the State of New Mexico Economic Development Department their most recent quarterly Department of Workforce Solutions 903A Report or its equivalent on a quarterly basis beginning with April 30, 2020 and continuing on July 31, October 31 and January 31 of each year until the completion of this agreement.

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

12. Force Majeure. Neither party shall be liable to the other party for any failure to perform any provisions or obligations of this Agreement if such failure to perform is caused by or results directly or indirectly from Force Majeure. "Force Majeure" means any cause beyond the reasonable control of a party affected, including but not limited to, any acts of God, fire, flood, storm, strike, riot or civil disturbance, war, earthquake, lightning, epidemic, labor disturbance, sabotage, or restraint by court or public authority, or any other cause beyond the reasonable control of a party affected whether similar or dissimilar to the ones listed, which makes it impossible or unreasonably difficult for a party to perform its obligations under this Agreement. Nothing contained in this paragraph shall be construed to require either party to prevent or settle a strike against its will. The party unable to perform its obligations due to Force Majeure will provide notice to the other party within five (5) days of its becoming aware of the Force Majeure of its inability to perform and its expectations as to when, if ever, it will be able to resume its obligations.

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

14. Assignment by the Company. Should Faneuil move, sell, lease or transfer its leasehold or operation duties in the Project before the expiration of this Agreement, the City retains the right to deny any and all assignments, sales, leases or transfers of any interests in the Project until adequate assurances are made that the transferee, assignee or lessee is a qualifying entity and that the terms of this Agreement shall 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.

15. Miscellaneous. This Agreement binds and inures to the benefit of the City and Faneuil and their respective successors and permitted assigns. This Agreement may not be assigned without the written consent of the non-assigning party. This Agreement, [together with the Letter or Credit/Surety Bond], represents the entire agreement of the parties on the subject hereof and supersedes all prior agreements or understandings between the parties, whether written or verbal. This Agreement may be amended or modified, and the performance by any party of its obligations under this Agreement may be waived, only in a written instrument duly executed by both parties. This Agreement may be executed in any number of counterparts, each of which is an original and all of which taken together constitute one instrument. This Agreement is governed by and is to be construed in accordance with the laws of New Mexico applicable to agreements made and to be performed in New Mexico.

16. Effective Date. This Agreement will be effective on \_\_\_\_\_, 2020 (the "Effective Date").

CITY OF ALBUQUERQUE,  
NEW MEXICO

By \_\_\_\_\_  
Name: Sarita Nair, JD, MCRP  
Title: Chief Administrative Officer  
Date: \_\_\_\_\_

Address for notice:  
One Civic Plaza NW  
Albuquerque, NM 87102  
Attention: Economic Development Director  
Tel: (505)768-3000  
Email: \_\_\_\_\_

With a copy to:  
City Attorney  
One Civic Plaza NW  
Albuquerque, NM 87102  
Tel: (505)768-3000  
Email: \_\_\_\_\_

Mailing Address:

P.O. Box 1293  
Albuquerque, NM 87103

FANEUIL, INC.,  
a \_\_\_\_\_ corporation

By \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Address for notice:  
Attention: \_\_\_\_\_  
Faneuil, Inc.  
2 Eaton Street, Suite 1002  
Hampton, Virginia 23669  
Tel: \_\_\_\_\_  
Email: \_\_\_\_\_

Exhibits

|            |                                 |
|------------|---------------------------------|
| Exhibit A  | Application for LEDA Assistance |
| Exhibit B  | Wages and Benefits              |
| [Exhibit C | Letter of Credit/Surety Bond]   |





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APPLICATION  
for  
LOCAL ECONOMIC DEVELOPMENT ACT (LEDA)  
Project Approval

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## I. General Description

Faneuil is planning to sign a 10-and-a-half-year lease of 47,806 square feet at the existing office building located at 4420 The 25 Way NE, Albuquerque, NM 87109. The project is very fast moving, and Faneuil intends to have the space operational by December 2019/January 2020. Faneuil will be servicing various clients in this space, including a major healthcare company. Faneuil will be bringing employment opportunity for 700+ employees to the local community, as well as occupying a previously vacant office space.

Faneuil is requesting \$100,000 in LEDA funds from the City of Albuquerque and \$400,000 from the State of New Mexico to help offset their rent payments.

## II. Site and Existing Conditions

### A. Legal Description

The proposed project is located at 4420 The 25 Way NE, Albuquerque, NM 87109. The site is more particularly described as Tract G-1 Plat of Tracts B1-A, B2-A, C-1, E-1, F-1 & G-1 containing approximately 4.477 acres.

### B. Prevailing Site Conditions

The site is currently used for Offices Low Rise (1-4 story) and has a two-story office building of approximately 52,000 square feet. Faneuil will have staggered double shifts Monday – Friday with a small amount of work on Saturdays. There will be no night or Sunday shifts.

### C. Present Assessed Value

The present assessed value for the building for tax year 2019 is \$1,526,147.00.

### D. Present and Proposed Zoning

The present zoning for 4420 The Way 25 NE, Albuquerque, NM 87109 is non-residential business park.

### E. Renewable Energy

This project will not create or produce renewable energy.

## III. Project Plan

### A. Information Concerning Applicant

Faneuil, Inc. provides a broad array of business process outsourcing solutions, from customer care to technical support, and currently employs more than 5,500 professionals nationwide. Count on Faneuil to represent their clients in the very best light, exactly as it should be. The employees they deploy across all channels are rigorously trained to not only deliver the right answer, but to be fierce guardians of their client's brand. Faneuil takes pride in their ability to rapidly scale to meet client's program requirements—geography and existing space have not been impediments to Faneuil's ability to bring fully operational spaces online within days of contract award. Please see attached presentation for more information regarding Faneuil and its project.

### **Faneuil Leadership**

*Anna Van Buren, President and Chief Executive Officer*

Anna became President and Chief Executive Officer of Faneuil in 2009 after having served as its President and Chief Operating Officer; Senior Vice President and Managing Director, Government Services Division; and, beginning in 2004, Vice President of Business Development. She brings more than 35 years of management experience to a leadership role that includes ultimate responsibility for the company's business operations nationwide, more than 5,000 employees, and revenue generation of more than \$150 million annually. Anna is also deeply involved in the development of strategies to recruit, hire, train, develop, retain and motivate essential talent. To foster a culture in which customer service and integrity shape every interaction, Anna personally communicates Faneuil's vision and values throughout the organization.

*Robert Nash, Chief Operating Officer*

Having led the delivery of outsourced business processing services for government and commercial clients for more than 17 years, Robert Nash offers extensive expertise in developing and implementing best-in-class customer care and other business processing solutions to transform the consumer experience. A veteran BPO executive, Robert serves as Faneuil's Chief Operating Officer. In that capacity, he ensures the effectiveness of the strategic approach developed for processing multiple work streams, including multichannel frontline customer service and customer account management, as well as back-office operations such as document management, fulfillment, inbound and outbound mailing services and inventory management. Robert also ensures that technology deployments enhance the experiences of clients and their customers.

*Steve Czirjak, Chief Financial Officer*

Steve's career spans more than 25 years of experience in public accounting and private sectors, including 20 years of experience in the business process outsourcing industry. Steve oversees all financial functions at Faneuil, inclusive of accounting, budgeting, credit, insurance, tax, PCI compliance initiatives, and contract pricing. Steve's background includes contact center management, receivables management, insurance subrogation and direct oversight of corporate human resources, information technology, compliance and facilities management functions. Czirjak holds an accounting degree from Illinois Wesleyan University and is also a Certified Public Accountant.

*Nick Mannella, Chief Revenue Officer*

Prior to joining Faneuil in 2017, Nick Mannella served in similar capacities with other providers of outsourced business processing, where he led sales and marketing initiatives for the companies' government, commercial retail, healthcare, hospitality travel and insurance practice areas. His responsibilities also included oversight of teams providing consulting, business process and tech solutions to clients throughout North America, South America and Europe. In his current role with Faneuil as CRO, he leads a team accountable for identifying opportunities in which Faneuil's customer-facing, consulting, technology and back-office capabilities can be applied to add value to our current clients and develop effective business solutions for prospective new clients. He holds a Bachelor's degree from Ohio University, with concentrations of study in healthcare, business and communication.

*Tarsha Leherr, Executive Vice President, Business Solutions*

Tarsha is responsible for translating and prioritizing business requirements into short to mid-range service needs and coordinating the service delivery of new client engagements, as well as changes to

current programs and contracts. Since joining Faneuil in 2000, Tarsha has held progressively responsible leadership positions focusing on performance management, process optimization, and project management for complex frontline and back office operations. A veteran customer care professional with more than 19 years of leadership experience, Tarsha collaborates closely with Faneuil's operational teams to achieve corporate and client objectives for performance, cost-effectiveness, and exemplary customer service.

*Alden Eldredge, Executive Vice President, Administration and General Counsel*

Alden is responsible for oversight of all client programs, including staffing and program management for multichannel contact center operations supporting clients in the utilities, healthcare, transportation, government services and commercial services industries. He has more than 11 years of corporate law experience ensuring compliance with local, state and federal requirements applicable to business enterprises. An accomplished attorney, Alden has extensive experience in law firms based in Virginia and West Virginia.

*Arlin Ohmes, Executive Vice President, Technology Solutions and Solution Engineering*

Arlin is vital to Faneuil's highly successful launch of contractual projects for health and human services, utilities, transportation/tolling, and government and commercial programs. A twelve-year Faneuil veteran, he is responsible for the design and deployment of state-of-the-art solutions encompassing facility planning and design, and technology systems and infrastructure. With his demonstrated strengths in project management, performance analysis, quality control, and strategic planning, blended with his results-driven orientation, Arlin has led Faneuil to flawless implementation and expansion of an array services and projects.

*Nanette Harrell, Senior Vice President, Transportation | Digital Principal*

Nanette joins Faneuil with more than 20 years of experience across the global transportation industry, including Rail, Port, & Road, with relationships at the Commercial, Federal, State and Municipality level. She is an accomplished leader in the transportation space with proven success in creating and applying both services and digital solutions to improve logistics support and network organization. She has been instrumental in leading growth and driving modernization within some of the industry's largest and most innovative providers. Nanette is responsible for Faneuil's Transportation delivery team and heading Faneuil's digital services strategy.

*Lee Harris, Senior Vice President, Government & Public Utilities | Customer Care Operations Principal*

Lee is responsible for leading Faneuil's team in delivering best in class contact center operations. He plays a key role in operational excellence and in the continuous improvement initiatives across Faneuil while also ensuring key relationships are developed with each of our partners. Lee brings more than 20 years of operational leadership and business process outsourcing experience to Faneuil. He has worked with multiple Fortune 500 companies in the span of his career, including some of the largest healthcare payers, wireless companies, and retailers in the world. Lee's unique approach to leadership and team building combines WFM and a culture of coaching and development, which drives efficiency and delivers a high level of customer engagement.

## B. Tax Issues

Faneuil has no outstanding substantive federal, state or local tax issues.

## C. Information Concerning Products and Process

Faneuil will provide customer care and back office operations that have been outsourced to them by their clients. The facility will primarily function as a call center operation. There will be minimal improvements made to the existing facility. As such, the project will not generate air, noise or waste pollution.

## D. Competition

Faneuil is unaware of any direct competition within their industry in the immediate area. Additionally, there are few employers with Faneuil's reputation of customer service.

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

This project will bring approximately 700 permanent jobs to the City of Albuquerque over the next 2-3 years. Faneuil is going to sign a 10.5-year lease.

## F. Property Acquisition

LEDA funds will be used by Faneuil towards their rent payments. The facility is not presently owned by Faneuil but is expected to begin its lease by the beginning of 2020.

## G. Description of Proposed Development

Faneuil will be leasing an existing vacant facility. The set-up of the space was already in the condition needed by Faneuil which will limit their need to undertake any significant leasehold improvements. There will be minimal updates made to incorporate Faneuil's required computer and telephone equipment into the space. Faneuil estimates spending about \$1,750,000 to outfit the space.

## H. Infrastructure

The project will not require any extension or relocation of utility or road system.

## I. Area Enhancement

The existing space that Faneuil is moving their operations into has been abandoned by another company. Faneuil's project can provide employment opportunities for individuals laid off by another company.

## J. Local Purchasing

Faneuil estimates that it will have approximately \$250,000 in taxable purchases in the local community on an annual basis. Additionally, Faneuil anticipates having about 10 out-of-town visitors per month with approximately 150 hotel nights/year in the 1<sup>st</sup> year and 120 hotel nights/year in years thereafter. These visitors will generate about \$60 in taxable spending per day per visitor, in addition to their hotel rate.

## K. Water Consumption

Consistent with normal office usage.

## L. Relocation of Individuals or Businesses

This project will not result in the displacement of any individuals, families or businesses.

### M. Number and Types of Jobs Created

Faneuil will be creating about 700 new permanent jobs in Albuquerque as a result of this project. The majority of the project jobs will be Customer Service Representatives, along with Operations Support (IT, HR), Operations Management and a Site Director.

Job Creation worksheet is attached.

- 1) Faneuil estimates close to 100% of the new permanent jobs to be filled by current Albuquerque residents. No jobs will be relocated from another location.
- 2) As the majority of the anticipated new jobs will be Customer Service Representatives with wages ranging from \$12 – 17/hr., there will be a significant benefit to low and moderate income residents.
- 3) Yes, the jobs will exceed the median wages for the industry within the community.
- 4) Faneuil's new jobs will match the skills of current city residents.
- 5) All of Faneuil's employees go through an extensive training of approximately 3 – 6 months upon beginning of employment.
- 6) Faneuil provides extensive training to encourage employees to remain with their team and improve their skills. Faneuil offers its employees opportunities to expand their skills through lateral movements into different programs, as well as advancement into supervisory and higher-skilled positions.
- 7) Faneuil has submitted an application for the Job Training Incentive Program.
- 8) Yes, Faneuil offers several health insurance options to their employees and covers 60%+ of the premiums for employees. Faneuil provides benefits valued at 20-25% of employee salary.

### N. Corporate Citizenship Policy/Plan

Faneuil participates in various Charitable/Community Contributions including Adopt-a-Student, blood drives, a Festival of Hope that supports cancer fundraising, Holiday Spirit gift donations, food, water and supply drives for victims of hurricanes.

### O. Positive Contributions

- Provide employment for near area residents.
- Provide training to improve skill sets.
- Fill a currently unoccupied space.
- Provide taxable value to the community.

### P. Management

Faneuil will manage their own business and property in the prospective location. Faneuil has hired Savills, Inc. to implement its incentive award from both New Mexico and Albuquerque.

## IV. Project Financing

### A. Cost of Project, LEDA Funding Amount and Private Financing

Faneuil is investing \$1,750,000 towards the project. Of this, \$1,250,000 will be capital investment needed for leasehold improvements to bring the site up, \$200,000 to connect telephony and the remainder in other purchases. Existing lease improvements are financed in the lease rate.

Faneuil will be financing this project through its own working capital; no private financing will be involved in this project. The start date of their lease is TBD. The lease will be for \$70,000 per month with a 2% annual rent escalation.

#### B. Estimated Value After Completion

Since there will be no significant improvements made to the existing space, there is no estimated increase to the appraised value after completion of the project.

#### C. Feasibility

Faneuil's 10-year pro forma is attached. Faneuil has been in a high growth mode with a very robust customer base and in 10 years has only lost 1 client. It has won the JD Power Award for its excellence in customer service.

#### D. Construction Schedule

Any leasehold improvements are expected to be complete by January 2020 with the space already being functional for the start of operations by year-end 2019.

#### Attachments:

1. Job Creation worksheet
  2. 10-year pro forma
  3. Map location of the project.
  4. Faneuil Presentation
-



**Faneuil, Inc.**

| Job Title or Type                       | Estimated Pay Scale       | At Start-up | Number of Jobs Created    |                           |
|-----------------------------------------|---------------------------|-------------|---------------------------|---------------------------|
|                                         |                           |             | Beginning Year 2          | Beginning Year 3          |
| Client A Customer Service Rep (Tier II) | \$13 - 15/hr.             | 100         | 225                       | 200                       |
| Client A Customer Service Rep (Tier I)  | \$12 - 13/hr.             | 0           | 75                        | 125                       |
| Cleint B Customer Service Rep           | \$12 - 15/hr.             | 65          | 55                        | 20                        |
| Client B Pharm Tech                     | \$15 - 17/hr.             | 0           | 70                        | 155                       |
| Cleint C Customer Service Rep           | \$12 - 15/hr.             | 50          | 55                        | 110                       |
| Client C Licensed Agent                 | \$14.50 - 17.50/hr.       | 0           | 20                        | 25                        |
| Operations Support (IT, HR)             | \$19 - 20/hr.             | 6           | 29                        | 30                        |
| Operations Management                   | \$21 - 22/hr.             | 6           | 34                        | 34                        |
| Site Director                           | \$33 - 34/hr.             | 1           | 1                         | 1                         |
|                                         |                           |             |                           |                           |
|                                         | Total No. of Jobs Created |             | 564                       | 700                       |
|                                         | Total Estimated Payroll   |             | \$16,186,976 - 18,514,496 | \$20,102,160 - 22,941,360 |

Please indicate in the above chart which jobs will be:

- Fill locally (L)
- Fill by transfer from other facilities or recruit from outside the COMMUNITY (T) or (R)

All jobs are intended to be filled locally (L). If Faneuil is unable to fill locally they will recruit (R) from outside of the community. No jobs will be transferred from another facility (T).

Employees receive a \$1-2 per hour raise after the completion of 3-6 months of training.

|                                    | CY 2020   | CY 2021    | CY 2022    | CY 2023    | CY 2024    | CY 2025    | CY 2026    | CY 2027    | CY 2028    | CY 2029    |
|------------------------------------|-----------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| <b>Headcount Assumptions:</b>      |           |            |            |            |            |            |            |            |            |            |
| beginning FTE                      | -         | 700        | 700        | 700        | 700        | 700        | 700        | 700        | 700        | 700        |
| ending FTE                         | 700       | 700        | 700        | 700        | 700        | 700        | 700        | 700        | 700        | 700        |
| average FTE                        | 350       | 700        | 700        | 700        | 700        | 700        | 700        | 700        | 700        | 700        |
| seat capacity                      | 700       | 700        | 700        | 700        | 700        | 700        | 700        | 700        | 700        | 700        |
| capital investment                 | 1,750,000 |            |            |            |            |            |            |            |            |            |
| <b>Pro-forma income statement:</b> |           |            |            |            |            |            |            |            |            |            |
| Revenue                            | 8,750,000 | 35,000,000 | 35,000,000 | 35,000,000 | 35,000,000 | 35,000,000 | 35,000,000 | 35,000,000 | 35,000,000 | 35,000,000 |
| Cost of revenue                    | 7,000,000 | 28,000,000 | 28,000,000 | 28,000,000 | 28,000,000 | 28,000,000 | 28,000,000 | 28,000,000 | 28,000,000 | 28,000,000 |
| Gross margin                       | 1,750,000 | 7,000,000  | 7,000,000  | 7,000,000  | 7,000,000  | 7,000,000  | 7,000,000  | 7,000,000  | 7,000,000  | 7,000,000  |
| GM %                               | 20.0%     | 20.0%      | 20.0%      | 20.0%      | 20.0%      | 20.0%      | 20.0%      | 20.0%      | 20.0%      | 20.0%      |
| SG&A                               | 656,250   | 2,625,000  | 2,625,000  | 2,625,000  | 2,625,000  | 2,625,000  | 2,625,000  | 2,625,000  | 2,625,000  | 2,625,000  |
| Depreciation exp                   | 291,667   | 583,333    | 583,333    | 291,667    | -          | -          | -          | -          | -          | -          |
| Corporate apportionment            | -         | -          | -          | -          | -          | -          | -          | -          | -          | -          |
| OI                                 | 802,083   | 3,791,667  | 3,791,667  | 4,083,333  | 4,375,000  | 4,375,000  | 4,375,000  | 4,375,000  | 4,375,000  | 4,375,000  |
|                                    | 9.2%      | 10.8%      | 10.8%      | 11.7%      | 12.5%      | 12.5%      | 12.5%      | 12.5%      | 12.5%      | 12.5%      |

Faneuil Inc.  
State of New Mexico

|                                    | CY 2020   | CY 2021    | CY 2022    | CY 2023    | CY 2024    | CY 2025    | CY 2026    | CY 2027    | CY 2028    | CY 2029    |
|------------------------------------|-----------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| <b>Headcount Assumptions:</b>      |           |            |            |            |            |            |            |            |            |            |
| beginning FTE                      | -         | 700        | 700        | 700        | 700        | 700        | 700        | 700        | 700        | 700        |
| ending FTE                         | 700       | 700        | 700        | 700        | 700        | 700        | 700        | 700        | 700        | 700        |
| average FTE                        | 350       | 700        | 700        | 700        | 700        | 700        | 700        | 700        | 700        | 700        |
| seat capacity                      | 700       | 700        | 700        | 700        | 700        | 700        | 700        | 700        | 700        | 700        |
| capital investment                 | 1,750,000 |            |            |            | -          | -          | -          | -          | -          | -          |
| <b>Pro-forma income statement:</b> |           |            |            |            |            |            |            |            |            |            |
| Revenue                            | 8,750,000 | 35,000,000 | 35,000,000 | 35,000,000 | 35,000,000 | 35,000,000 | 35,000,000 | 35,000,000 | 35,000,000 | 35,000,000 |
| Cost of revenue                    | 7,000,000 | 28,000,000 | 28,000,000 | 28,000,000 | 28,000,000 | 28,000,000 | 28,000,000 | 28,000,000 | 28,000,000 | 28,000,000 |
| Gross margin                       | 1,750,000 | 7,000,000  | 7,000,000  | 7,000,000  | 7,000,000  | 7,000,000  | 7,000,000  | 7,000,000  | 7,000,000  | 7,000,000  |
| GM %                               | 20.0%     | 20.0%      | 20.0%      | 20.0%      | 20.0%      | 20.0%      | 20.0%      | 20.0%      | 20.0%      | 20.0%      |
| SG&A                               | 656,250   | 2,625,000  | 2,625,000  | 2,625,000  | 2,625,000  | 2,625,000  | 2,625,000  | 2,625,000  | 2,625,000  | 2,625,000  |
| Depreciation exp                   | 291,667   | 583,333    | 583,333    | 291,667    | -          | -          | -          | -          | -          | -          |
| Corporate apportionment            | -         | -          | -          | -          | -          | -          | -          | -          | -          | -          |
| OI                                 | 802,083   | 3,791,667  | 3,791,667  | 4,083,333  | 4,375,000  | 4,375,000  | 4,375,000  | 4,375,000  | 4,375,000  | 4,375,000  |
|                                    | 9.2%      | 10.8%      | 10.8%      | 11.7%      | 12.5%      | 12.5%      | 12.5%      | 12.5%      | 12.5%      | 12.5%      |

## Zone Atlas



City Zone Atlas Pages

600ft

Sanborn Mapping Company, MRCOG-NM, Atlantic Group, USDA FSA | City of Albuquerque, Esri, HERE, Garmin, IPC



## Kick-off Meeting for Faneuil

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Presented by: Savills

November 21, 2019



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Thank you for attending this Kick-Off Meeting for Faneuil. We are excited to discuss the details of this upcoming Project with you. As always, we would like to stress the importance of the confidential nature surrounding this Project.

Our kick-off meeting today, and the Project process as a whole, is meant to be highly interactive. Please feel free to reach out to our team with any questions or concerns that you might have throughout the process – we encourage feedback.

Faneuil and Savills welcome you today. We look forward to working with you on this exciting Project.

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# Project Team



## **Business & Economic Incentives Team**

**Ann Marie Woessner-Collins**  
Executive Vice President  
[acollins@savills.us](mailto:acollins@savills.us)  
D: +1 214 244 5442

**Brett Ittersagen**  
Associate Director  
[bittersagen@savills.us](mailto:bittersagen@savills.us)  
D: +1 813 514 2778

**Brittany Ward**  
Associate Director  
[bward@savills.us](mailto:bward@savills.us)  
D: + (813) 518-7323

## **Broker Team**

**Gabe Marans**  
Senior Managing Director  
[GMarans@savills.us](mailto:GMarans@savills.us)  
D: +1 (212) 326-8653



**Anna Van Buren**  
President and CEO  
Faneuil

**Steve Czirjak**  
CFO  
Faneuil

**Arlin Ohmes**  
EVP of Technology  
Faneuil

**Anna Lee McNider**  
Implementation Manager  
Faneuil

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# Company Overview

## About us

Faneuil provides a broad array of business process outsourcing solutions, from customer care to technical support, and currently employs more than 5,500 professionals nationwide. Count on Faneuil to represent you in the very best light, exactly as it should be. The employees we deploy across all channels are rigorously trained to not only deliver the right answer, but to be fierce guardians of your brand. We take pride in our ability to rapidly scale to meet your program's requirements—geography and existing space have not been impediments to Faneuil's ability to bring fully operational spaces online within days of contract award.

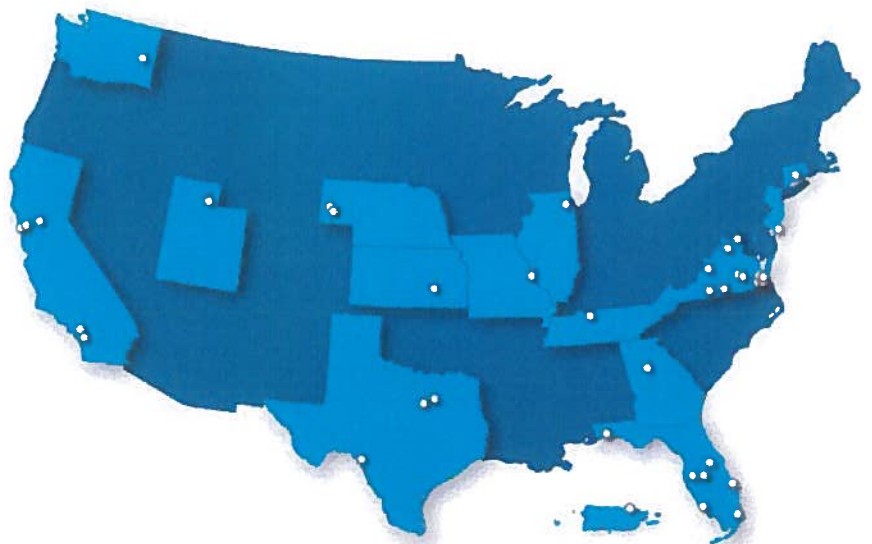
## Our name: its pronunciation and history

We were named long ago, when based in the Northeast, for Boston's Faneuil Hall. It's not an easy word to pronounce (FAN-yuhl) if you don't already know it. However, people who know us, like us—more than 80% of our customers do business with us beyond our initial engagement. And Faneuil is a familiar name to more than 5,500 current employees.

So when asked why our name is Faneuil, we simply refer to the building: a place where historic announcements were made, and which today is a marketplace. Or, in other words, the intersection of new ideas and commerce. An apt description, we think, of our firm.

## We employ more than 5,500 people nationwide

From coast to coast, we recruit, train and manage skilled professionals in both customer facilities and in locations we identify, secure and properly outfit at contract start.





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# BPO Services

When it makes sense to tap external expertise, it makes even greater sense to count on Faneuil. The professionals we deploy across all channels are rigorously trained to not only get the job done right, but to represent you in the very best light.



## **Customer Care**

For more than two decades, Faneuil customer care professionals have seamlessly presented the culture and personality of our clients to their customers.

## **Staffing**

While always making the most of our database of valuable Faneuil employees, we are also expert at the rapid recruitment and vetting of personnel with the right skill set for the job.

## **Back Office Operations**

From standard business needs such as data entry, billing, and processing payments to unique tasks such as identifying tollbooth violations and processing any pursuant fines, we provide quality back office support.

## **Eligibility, Enrollment & Case Management**

Well-trained personnel are the key when helping people find their way through programs that serve a diverse set of constituents with varying needs, both at the start of their journey and throughout their relationship to your service.

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# Sectors

## The industries and people we serve

For government agencies—from federal to state and local—and all types of private institutions, Faneuil provides flawless execution of unique programs. While no two solutions are ever alike, all share our dedication to going beyond the expected.



### Municipal

From being the helpful voice on the 311 line to enabling agencies within your local government to seamlessly exchange critical information, we have the people and management skills to exceed your expectations.



### Transportation

Faneuil helps keep traffic moving smoothly over toll roads in several states, providing personnel for manual toll collection, electronic toll collection and violation processing.



### Payer, Provider & Pharma

Answering questions about what's covered under different plans or on a recently received Explanation of Benefits, the “bedside manner” of your CSRs will go a long way toward helping people feel good about their choice in providers.



### Government Healthcare

Whether establishing new state health benefit exchanges or answering customer service questions on longstanding programs such as WIC and Medicaid, we understand the unique privacy and security inherent in the work.



### Social Programs

The acronyms are many—CHIP, SNAP, TANF—the need is the same: help these programs to run efficiently, whether supplementing back office operations or interfacing directly with your constituents.



### Utilities

Public Utility Commissions always want to hear what the citizens in their jurisdiction have to say about the service they're receiving. Outages, billing disputes and unforeseen emergencies are going to happen—make sure the first people customers speak to are both friendly and resourceful.

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## In The News

# Washington Health Benefit Exchange Selects Faneuil, Inc. to Operate Call Center in Spokane, WA

Call Center Will Provide Customer Support for Washington Healthplanfinder  
OLYMPIA, Wash.

For Immediate Release: March 7, 2013

The Washington Health Benefit Exchange today announced it selected Faneuil, Inc. to operate the call center for *Washington Healthplanfinder*, the state's new online health insurance marketplace launching this fall. Faneuil, a recognized leader in multi-channel customer care services, will open the call center in Spokane, Wash., in September 2013. They will begin enrolling residents on Oct. 1 for coverage that takes effect on Jan. 1, 2014.





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# In The News

## Metro ExpressLanes selects Faneuil Inc to provide ExpressLanes Customer Service and Operations

Faneuil awarded the Metro ExpressLanes Customer Service Center (CSC) Operations contract

APRIL 1, 2019

LOS ANGELES, Calif. – Faneuil, Inc. has been awarded the Metro ExpressLanes Customer Service Center (CSC) Operations contract by The Los Angeles County Metropolitan Transportation Authority (LACMTA, or LA Metro) to provide the management and day-to-day customer service operations for their ExpressLanes program.

LACMTA has been building, operating, and maintaining the ExpressLanes to best serve the travelers of Los Angeles and its surrounding areas since 2011. Designed to keep lanes free-flowing, LACMTA continues to expand and actively apply innovative solutions.

Faneuil will provide efficient, courteous and quality service while effectively managing operations for the expanding ExpressLanes. The CSC Operations contract is expected to be 8 years with 6 additional option years at an estimated \$169 million value. The contract includes customer service center operations, customer communications and account management, violation processing, FasTrak® transponder management and payment processing for the ExpressLanes – including the I-10 and I-110 corridor, a 25-mile toll network with 21 toll gantries. Faneuil will take over the operation of a customer service center in El Monte, CA, and create a new customer service operations/call center location near Torrance, CA.

"We welcome this opportunity to provide exceptional service to LA Metro and motorists in Southern California who depend on the ExpressLanes transportation network," said Faneuil's President and Chief Executive Officer, Anna Van Buren. "We intend to be a responsive, dedicated partner to LA Metro as we apply our many years of experience in electronic tolling environments to enhance customer care operations for the ExpressLanes."



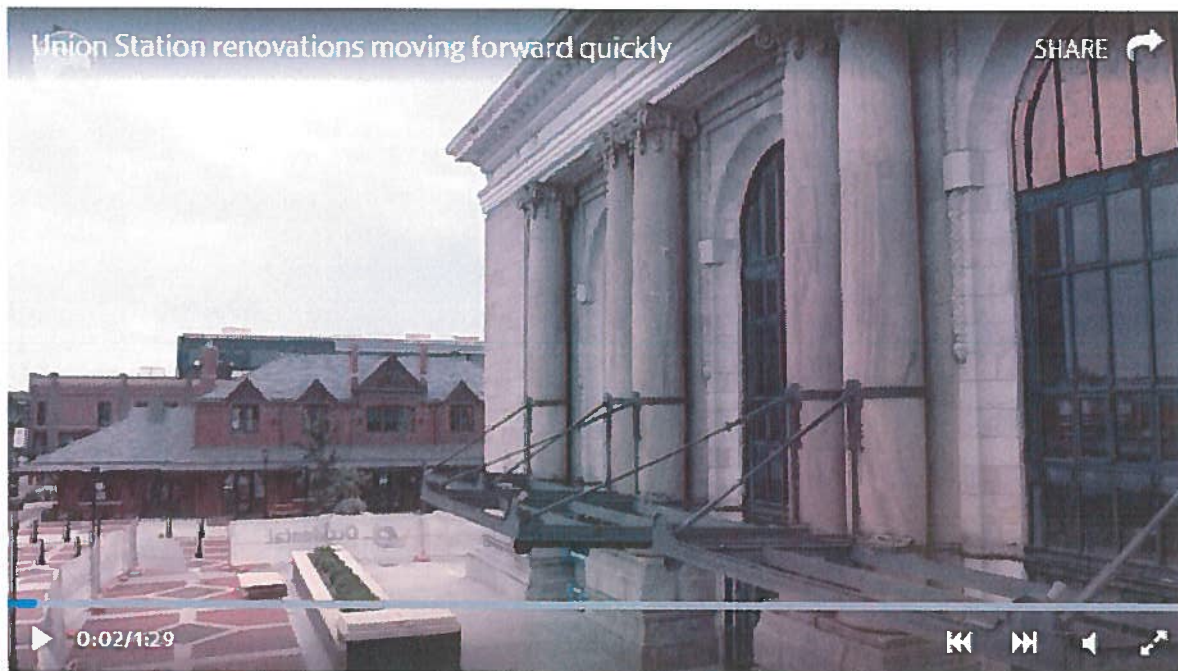
# In The News

## The Wichita Eagle:

### Company behind downtown Union Station's call center looking to add 250 more jobs

BY JERRY SIEDENMARK

OCTOBER 11, 2018 03:53 PM, UPDATED OCTOBER 12, 2018 04:45 AM



Occidental Management, which bought Wichita's historic Union Station building five years ago, has moved into the second phase of their renovation of the building.

By Travis Heyting

Sometime next spring Faneuil will move from East Harry to Union Station downtown, where the historic train station at 701 E. Douglas is being renovated to accommodate as many as 700 Faneuil employees.



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# In The News

**Del Rio News-Herald:**

## Toll booth to bring much-needed update

Rubén Cantú Dec 8, 2016 0



The Del Rio City Council selected a team headed by Faneuil Inc. to design and install a toll collection system for the new toll booth that is currently under construction for the tDel Rio international bridge.

Ruben Cantu

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## In The News

### **Tollroads News:**

# Transportation Corridor Agencies Select Faneuil, Inc. as New Customer Service Center Operator

*Orange County's 51-mile toll road network has 300,000 daily customers and nearly one million customer accounts*

IRVINE, Calif. – March 9, 2017 – The Boards of Directors of the Transportation Corridor Agencies (TCA), comprised of the San Joaquin Hills (SJHCTA) and Foothill/Eastern (F/ETCA) Transportation Corridor Agencies, today selected Faneuil, Inc. to provide the staffing and management for The Toll Roads' day-to-day customer service operations – a major milestone in TCA's effort to continue enhancing customer service for the 300,000 daily drivers of Orange County's 51-mile toll road system.

The Customer Service Center Operations contract is expected to be a ten-or-more-year agreement with an estimated \$100 million value. Faneuil, Inc.'s contract will include call center operations, customer communications and account management, violation processing, FasTrak® transponder management and payment processing.



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# In The News

**Daytona Beach News-Journal:**

## Volusia taps new beach toll-taker

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By Chris Graham / [chris.graham@news-jrnl.com](mailto:chris.graham@news-jrnl.com)

Posted Oct 1, 2015 at 12:59 PM

Updated Oct 1, 2015 at 12:59 PM

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Starting in January, it will be a little bit easier for people to pay to drive on Volusia County's beaches.

Without any discussion, the Volusia County Council unanimously approved a contract Thursday with Faneuil Inc. to provide toll-taking services at the county's 21 toll booths and two beachside parks. Faneuil, one of the nation's largest toll-taking companies, was chosen as the county's provider over Republic Parking Systems, which has been contracted with Volusia since 1997. The contract was approved by a 6-0 vote as part of the consent agenda, which is passed by an up-or-down vote.





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## In The News

### MNsure Retains Faneuil to Provide Contact Center Services

Faneuil will support MNsure customers by telephone on an overflow basis, supplementing MNsure's own contact center in St. Paul, Minn.

SEPTEMBER 29, 2017

HAMPTON, VIRGINIA – MNsure, the Minnesota-based health insurance marketplace established to serve state residents seeking healthcare coverage under the provisions of the Affordable Care Act (ACA), has selected Faneuil, Inc., to provide contact center services.

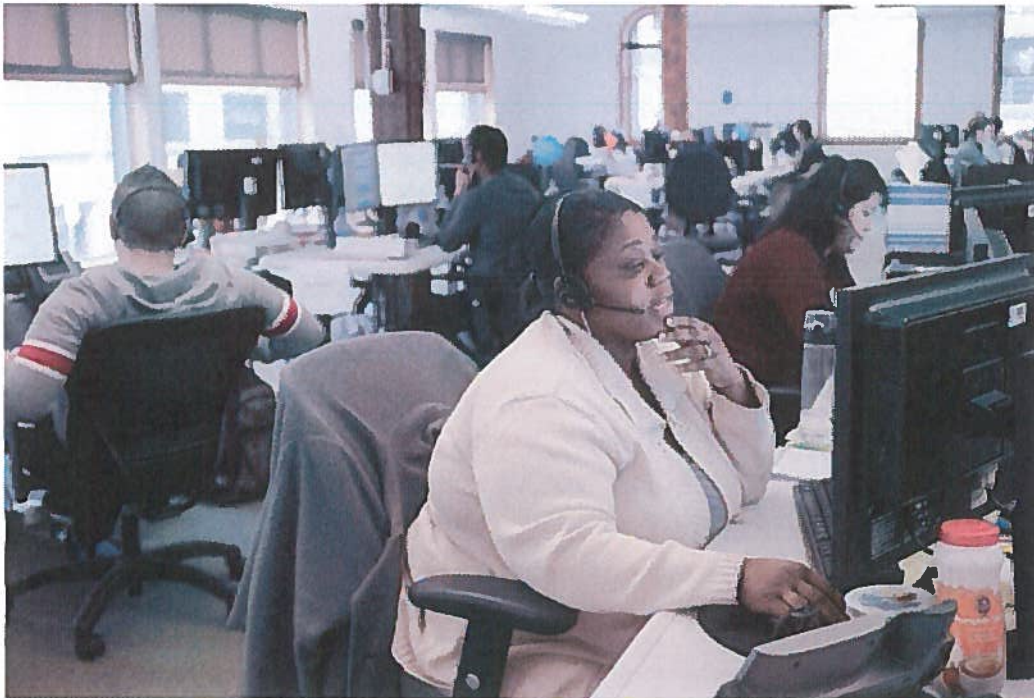


Photo source: [MPR News, "Demand strains MNsure phone system on signup deadline day"](#)

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## In The News

### Metropolitan Transportation Commission (MTC) Announces Award for Clipper Walk-In Customer Service Center

Metropolitan Transportation Commission Selects Faneuil to Operate the Clipper® Customer Service Center at San Francisco's Embarcadero BART/Muni Station

APRIL 25, 2017

**SAN FRANCISCO, CALIFORNIA** – The Metropolitan Transportation Commission (MTC) has retained Hampton, Va.-based Faneuil Inc. to operate a walk-in customer service center to help transit riders acquire and use Clipper cards – reloadable transit fare payment cards – throughout the nine-county San Francisco Bay Area. Nearly one million active card holders use the cards to pay their fares on 22 transit systems throughout the region each month. Faneuil will assume responsibility for operation of the center on July 1, 2017.



Photo source: [San Francisco Citizen](#), "OMG, the Embarcadero Station Clipper Customer Service Center is Up and Running!"

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## In The News

### Access Health CT Announces New Call Center Provider Faneuil, Inc.

Faneuil, Inc. wins competitive open-bid process to provide customer care service for Connecticut's health insurance exchange

SEPTEMBER 22, 2016

HARTFORD, Conn. (September 22, 2016) – Today, Access Health CT announced that it has executed a contract with Faneuil, Inc. to provide customer care and other business processing support. Faneuil was selected following an extensive open-bid process that included a review of the company's past experience in call center operations, prior client recommendations, in-person presentations, and an evaluation of the cost of services. In addition to its call center functions, Access Health CT plans to have Faneuil implement a new broker, or health insurance advisor, program to provide advice to consumers when selecting healthcare coverage through AHCT.



Connecticut's Health Insurance Marketplace



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# Community Engagement

**Adopt-a-student:** To kick off the 2017 school year, the Hampton, VA team donated backpacks overflowing with school supplies to students living in a facility dedicated to providing emergency housing for homeless families in order to help transform their hurt to hope. Faneuil was proud to break the previous year's record with a total of 30 backpacks - a backpack for every student living at the facility.



**Bristol Blood Drive:** Thirty employees from Faneuil's Bristol Connecticut facility signed up to donate blood in a drive in partnership with the Red Cross.



**Festival of Hope:** In our Scottsbluff Nebraska location, employees took part in a fundraising campaign to help the Festival of Hope exceed their fundraising goals for 2018. The Festival of Hope provides support to cancer patients in the area.

**Holiday Spirit:** Also at our Scottsbluff Nebraska location, employees raised \$1,194 in December to help families who could not afford gifts for their children.

# Community Engagement

**Florence:** Following Hurricane Florence, our two Hampton Virginia offices collected food, cleaning supplies, pet food and dry good to donate in the aftermath of Hurricane Florence in September.

**Martinsville Blood Drive:** In April, the Martinsville Virginia center held a blood drive in collaboration with the American Red Cross to collect 19 pints of blood.



**WAFF:** For a second year in a row, Faneuil sponsored and participated in the Washington Area Fuel Fund (WAFF) Ice House. WAFF Ice house raises awareness and funds during the winter to pay for all types of fuel to heat the homes of people in financial need.



**Water:** In the aftermath of Hurricane Maria, Faneuil employees united to collect goods and funds to help local residents as well as the residents of Puerto Rico. Faneuil employees at our Martinsville and Hampton locations collected supplies that were distributed to local homeless shelters for Thanksgiving while the company and corporate employees matched the cost of these donations with a monetary contribution toward the disaster relief efforts in Puerto Rico.



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# Company Overview

## *Company Results*

### Client Revenue

Faneuil's client portfolio includes both government and commercial entities nationwide, including several toll authorities, state agencies, municipalities, publicly-owned utilities, health benefit exchanges, one government agency that operates the major airports serving the Washington, D.C. area, and several other public and private entities.

The percentages of Faneuil revenue derived from its significant customers for the years ended September 30, 2018 and 2017 were as follows:

|          | Year Ended September 30, |       |
|----------|--------------------------|-------|
|          | 2018                     | 2017  |
| Client A | 15.4%                    | 17.7% |
| Client B | 11.2                     | 12.3  |
| Client C | 10.7                     | **    |
| Client D | **                       | 10.5  |



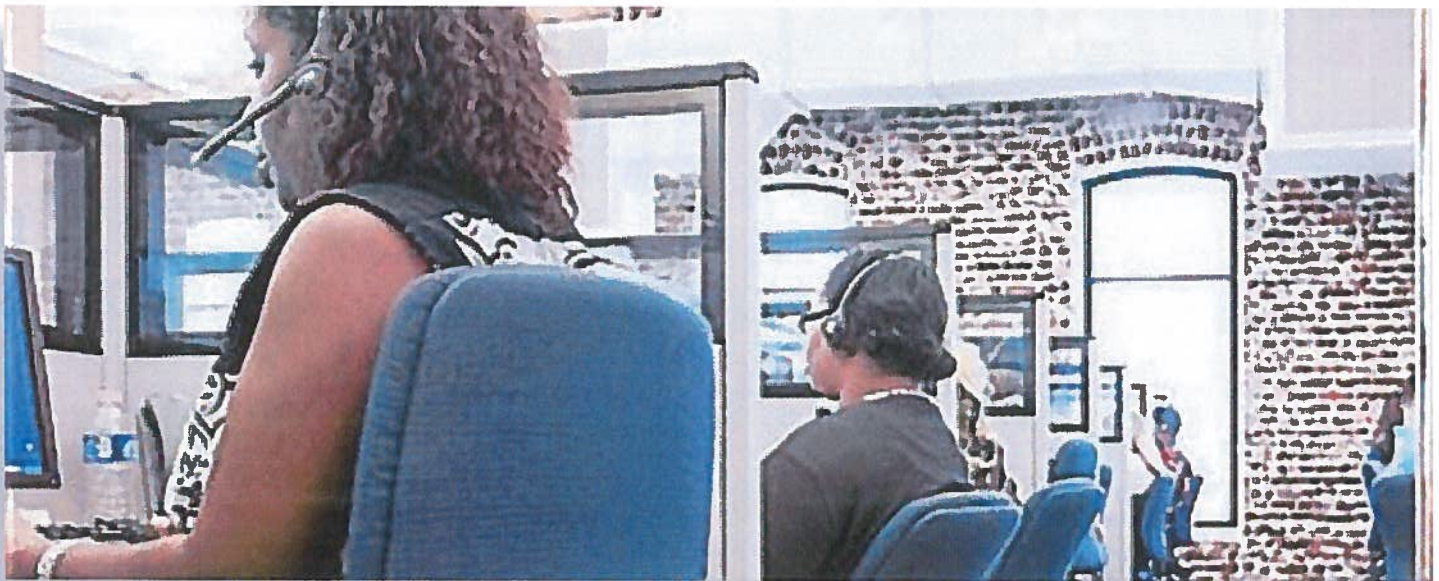
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# The Project

Faneuil is constantly exploring possible new support centers throughout the United States.

Currently evaluating the following states:

- Florida
- Georgia
- Iowa
- Kentucky
- Louisiana
- New Mexico





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# The Project

## *Full Time Equivalents*

### Employment Details

**Employment:** **700 FTE**

### Pro Forma Headcount

| Titles                          | Full Time Equivalent Employee Count | Rate           |
|---------------------------------|-------------------------------------|----------------|
| Site Director                   | 1                                   | \$33 - \$34/hr |
| Supervisors                     | 34                                  | \$21 - \$22/hr |
| Operational Support (IT, HR)    | 30                                  | \$19 - \$20/hr |
| Customer Service Representative | 635                                 | \$12-17.50/hr  |
| <b>Site Total</b>               | <b>700</b>                          |                |

\*Actual Employee Headcount will be higher, as seasonal employees are typically added during various times a year

The health and well-being of our employees and their loved ones are very important to us. Faneuil prides itself on offering a competitive benefits program to help maintain a healthy work/life balance.

We offer a range of valuable benefits which include\*:

- Medical
- Dental
- Vision
- Life
- Disability
- 401K Plan
- Telemedicine
- EAP Program
- Wellness
- Paid Time Off
- Holidays

\*Benefits may vary by program/location

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# The Project

## *Project Requirements*

### **Requirements:**

- Approximately 50,000 SF
- Plug & Play preferred but not absolute
- Available Parking for Employees
- Sustainable Labor Pool
- Potential for Incentives





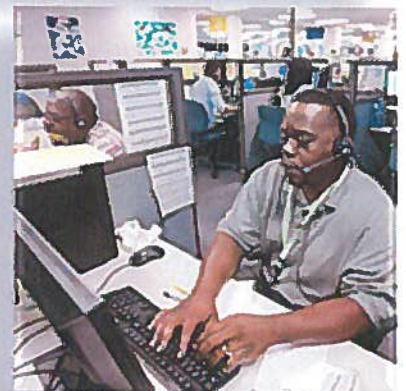
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# The Project

## *Capital Investment*

### **Personal and Real Property Capital Investment:**

- \$1.5M to \$2M over 2-3 period and will vary by site
- Potential future investments pending additional contracts and suitability of site



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# Business & Economic Incentives

## Why Our Partnership is Important

A new facility puts significant pressure on the company's Profit and Loss statement because depreciation, property taxes, sales taxes and labor training costs are at their highest at the beginning.

Faneuil needs help reducing the following:

- Upfront capital costs
- Start-up expenses
- Ongoing operating expenses



## Requests

- State and local grants to mitigate ongoing expenses
- Sales tax relief
- Tax abatements and/or rebates of real and personal property taxes
- Tax credits
- Sophisticated and comprehensive job training and recruitment
- Energy cost discounts / reduction

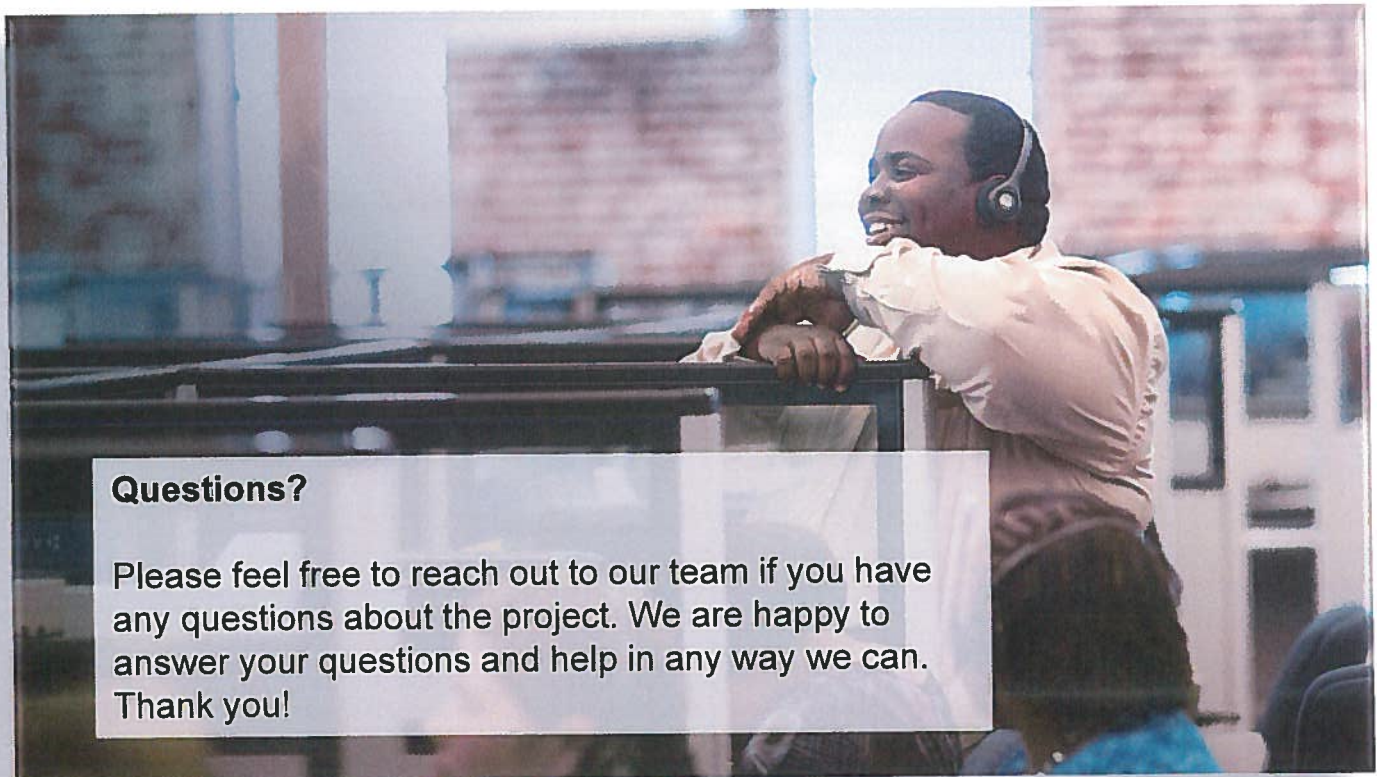


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# Timeline & Next Steps

## **Faneuil has an aggressive site selection timing:**

- Kick off to include state & local partners 11/21/2019
- Site selection announcement End of 4<sup>th</sup> Quarter 2019



### **Questions?**

Please feel free to reach out to our team if you have any questions about the project. We are happy to answer your questions and help in any way we can. Thank you!