



DATE: July 23, 2020
TO: EDAC, Finance Committee and City Council
VIA: Rich Brown, Director, Office of Economic Development *RB*
FROM: Fabian Trujillo, Manager, Office for Business Growth
RE: Savant X, Inc. – PPA – Munis Org #2122800.510400

Background:

Savant X, Inc. was found in 2015 and are headquartered in Jackson, WY. They are a leader in quantum computing. Savant X is a software developer with expertise in artificial intelligence and machine learning. Their software is used to solve complex problems by the nuclear power industry, by transportation hubs, healthcare and the US Department of Defense. Savant X also deployed a no-cost Artificial Intelligence-enabled web application to help medical and research professionals search and analyze COVID-19 datasets.

Savant X located their Corporate Research Center to 504 Jose Street in Santa Fe after an exhaustive site search in Idaho, Utah, Oregon and California. They will be utilizing their expertise in quantum computing to develop software tools for commercial and public entities. Savant X will employ 128 people over ten years with an average wage of 97,000 per year.

Item and Issue:

Savant X requests \$500,000 from LEDA grant monies from the State of New Mexico and the City of Santa Fe. The State will provide \$450,000 with a \$50,000 match over a ten year period. The monies will be utilized for lease payments and tenant improvements to their current facility on 504 Jose St and an expanded facility tentatively scheduled within five years. The city will be the fiscal agent for the project. As fiscal agent, the City administers the disbursement of the monies, and monitors the economic goals in accordance with the Project Participation Agreement (PPA). In return for the grant, Savant X will create 128 new jobs with an average annual wage of \$97,000. Additionally, Savant X will invest \$2.4 million in lease payments, tenant improvements, equipment and infrastructure improvements to the facility.

Over the next ten years, Savant X total fiscal impact to the State, City, County, SF Community College and Public Schools is estimated to generate approximately \$28,471,361 in net benefits. Of the net benefits, Descartes Labs is estimated to generate \$5,062,736 of this fiscal impact to the City of Santa Fe.

Action:

The project outcomes will continue to align with the objectives and goals of the Economic Development Implementation Strategy adopted by the City Council in 2008. The project will create high-wage career path employment, diversity Santa Fe's economy and bolster Santa Fe's innovative entrepreneurial ecosystem.

Staff recommends approval of both project participation agreements, intergovernmental agreements, budget adjustment request and supporting documents for \$500,000 in grant monies from the State of NM LEDA Fund and the City LEDA Fund. Once the project participation and intergovernmental agreements are approved and executed, the NM Economic Development Department will transfer \$450,000 to the City of Santa Fe's LEDA fund. The Munis Org Number for is 2122800.510400 for this project.