



A G E N D A

City of Farmington
Metropolitan Redevelopment Agency
Board of Commissioners

July 18, 2013



A G E N D A

Thursday, July 18, 2013 - 4:00 p.m.
Executive Conference Room
Farmington City Hall, 800 Municipal Drive, Farmington, NM

1. Call to Order

2. Approval of the MRA May 16, 2013 Minutes 2

3. Approval of the MRA June 6, 2013 Minutes 7

4. Update on the proposal for a restaurant @119 W. Main Street in the MRA

5. Workshop with new PRCA Director Cory Styron with a focus being on the recreational development opportunities in the MRA 1

6. Business from:
 - a. Floor
 - b. Chair
 - c. Members
 - d. Staff

7. Adjournment

ATTENTION PERSONS WITH DISABILITIES:

The meeting room and facilities are fully accessible to persons with mobility disabilities. If you plan to attend a meeting and need an auxiliary aid or service, please contact the City Clerk's office at 599-1101 or 599-1106, prior to the meeting so arrangements can be made.

Recreation Development Opportunities in the MRA

Specific Projects in the MRA Plan:

- Expand the river walk from Boyd Park and the North Bank Animas Riverine Area west of Miller to the Animas Riverwalk area to the east.
- Provide north/south connections through the MRA from the Civic Center District to the North Bank Animas Riverine Area utilizing existing parks and trails:
 - U.S. West Park
 - Lions Park
 - Senior Center
 - E3 Children's Museum
 - Civic Center
 - Orchard Park
 - Farmington Intertribal Indian Center
 - Oscar Park
 - Boyd Park
 - Include Public Parking Lots, Irrigation Ditches
- Provide connections from San Juan Regional Medical Center to the river and to downtown.
- Encourage walking and bicycling through pedestrian and bikeway systems. Connections should provide street trees/landscaping, seating areas and public art.
- Develop downtown (MainStreet) with a festive atmosphere including gateway signage, plazas, patios, public art and wide sidewalks.
- Develop the North Bank Animas Riverine Area for entertainment venues:
 - Whitewater Park
 - Outdoor Amphitheatre
 - Entertainment Complex

M I N U T E S
Metropolitan Redevelopment Agency
Board of Commissioners – May 16, 2013

Commissioners Present	Chairman Carletta Thompson, M.D. Sara Kaynor Derald Polston
Commissioners Absent	Linda Barbeau
Staff Present	Fran Fillerup Dee Dee Moore
Others Present	Nona Beckstead John Beckstead Judy Castleberry Anthony Emerson Dr. Bob Lehmer Gloria Lehmer

1. CALL TO ORDER

The meeting was called to order at 4:02 p.m. by Chairman Thompson and there being a quorum, the following proceedings were duly had and taken.

2. APPROVAL OF THE APRIL 18, 2013 MEETING MINUTES

The approval of the minutes was moved to the end of the agenda to allow the Commissioners time to read them. After the discussion of Item 5, a motion was made by Commissioner Polston and seconded by Commissioner Kaynor to approve the minutes of the April 18, 2013 meeting. This motion passed unanimously by a 3-0 vote.

3. ADOPTION OF THE OPEN MEETING RESOLUTION

Commissioner Kaynor made a motion to adopt the Open Meeting Resolution with no changes as to the days, time or place the MRA Commission Meetings are held. Commissioner Polston seconded the motion. The motion passed unanimously by a 3-0 vote.

4. DISCUSSION OF THE PETITION ZC 13-04 - 508 W. ARRINGTON

Associate Planner Fran Fillerup presented the staff report for a zone change petition that was heard at the Planning and Zoning (P&Z) Commission meeting today at 2:00pm. He added that normally the petitions are heard by this commission first and then the P&Z, but the meetings occurred on the same day. Mr. Fillerup stated that the Commission's comments and action would be forwarded to City Council. He explained that the petitioner is trying to re-finance their home and that the LNC Local Neighborhood Commercial District does not allow single family homes, except on upper floors. This home currently has a non-conforming status, and to proceed with the re-financing, they are asking to rezone to MU Mixed-Use District with a Residential Preservation Overlay (RPO). This overlay requires that if a remodel or reconstruction is done, a special use permit type review process is required to ensure the residential neighborhood character. There are currently a large portion of residences in the MU/RPO Civic Center District of the MRA.

Mr. Fillerup stated that staff recommends approval as presented in the staff report. He added that the P&Z Commission recommended approval at the meeting today by a 7-0 vote. Commissioner Kaynor asked if there were any concerns by the neighbors. Mr. Fillerup stated that there was no one in attendance at the P&Z Commission meeting to speak either in favor or in opposition to the petition.

Commissioner Polston made a motion to approve Petition ZC 13-04 for a zone change from LNC to MU/RPO as recommended by staff. The motion was seconded by Commissioner Kaynor and passed with a 3-0 vote.

4. DISCUSSION OF DOCTOR AND MRS. LEHMER'S PROPOSAL FOR A RESTAURANT AT 119 W. MAIN STREET

Doctor Lehmer began with their vision to create a place that will encourage people to use the downtown area. He added that as stated at the previous MRA Meeting in April, that he has been working with Anthony Emerson, who owns the building next door. Mr. Emerson is looking to sell his building. Dr. Lehmer introduced Gloria Lehmer to the commission and stated she would share their proposal.

Mrs. Lehmer stated that they have been working with Architect Jim Dennis and Engineer Paul Martin on a visual concept for the combining of the two buildings, 119 and 121 W. Main Street, into a restaurant. The handouts showed how the interior of the building could be configured to house a restaurant, a bar, a conversational area and the kitchen area, along with a change to the outside facade. The concept is to provide a healthier option for dining, using local produce and to not plan to be open during breakfast, but to concentrate on the lunch and dinner crowd. They envision a nice comfortable restaurant, not too casual, with a bar and lounge area and a partially open patio. The upstairs area could be used for business meetings.

They have talked with other owners of restaurants and felt that they should have a full liquor license, not just beer and wine, which limits the clientele. She added that there are still a lot of details that they need time to work out and asked the Commission to allow them more time to complete their study. Commissioner Kaynor asked what their proposed time is and was confused with 2 competing concepts for the downtown. Chairman Thompson stated that if what is being proposed is in line with the direction the Commission is taking, then the Commission can promote more than one project. Other locations and alternatives might be available.

Mr. Jim Dennis followed up with handouts of proposed ideas for the space. He stated that this is a good project to stimulate more good projects in the downtown area. He added that the remodel to the front façade would include opening the glass doors in good weather and would provide interaction with Main Street. He identified that the upper areas could provide views to the bluffs south of the city, and is the right size for small parties (1200 square feet) or used during dinner for overflow seating. Mr. Dennis stated that the concept shows hard surfaces, similar to the nice restaurants in Durango.

Commissioner Polston stated that others have had to buy buildings at the current market rate, and questioned if the MRA would be subsidizing this project. Also he added that the San Juan College was also interested in that building.

Mr. Paul Martin of Sakura Engineering stated that his business is just two doors down from this location. He believes that the Lehmer's vision can start a change in the downtown and wondered if the City had other property that the College could use. He added that to move their vision forward may take 2-3 months to be able to come back with a final floor plan that can be provided to investors. He sees this concept as a place where you can take associates and discuss business. Mr. Martin explained that the front area of the building could be opened up to provide a patio area.

Mr. Anthony Emerson added that in his discussions with Mr. Martin they also discussed getting people to desire to be downtown and providing a pleasant walking atmosphere.

Commissioner Polston asked how wide the sidewalks are in this area. Mr. Fillerup stated they are approximately eight feet wide and that the design includes about one foot of that space for a little wrought iron fence to keep people away from the glass windows and doors.

Commissioner Kaynor stated that she is in agreement with the concept; however there is no building, no liquor license, no restaurateur and no investors. She added that those items would need to be in place for this to be a viable concept.

Dr. Lehmer stated that this is currently in the stages of exploratory information gathering but that the Bluff's Liquor License is available but has a high price tag on it. He added that not

having a liquor license could be a deal breaker. He added that there is an expense in doing it right, which also includes meeting ADA requirements and adding an elevator.

Commissioner Kaynor stated that this project is still just conceptual and that the Lehmers would need additional time to work out all the details including investors, to move this project forward. Commissioner Polston asked if they had spoken with Elizabeth Isenberg to see if there are other buildings available. He stated that he would like to see this project in the downtown. Judy Castleberry added that she also likes this project and she feels that two good projects are better than one. Mr. Emerson added that this restaurant project is in conjunction with the sale of his property in order to combine the two buildings into one. Mrs. Lehmer added that Mr. Emerson's building is in very good shape.

The Commission agreed to hear this proposal again in 1-2 months, after several more of the logistics is worked out. The Lehmers were in agreement with that decision.

5a. BUSINESS FROM THE FLOOR John and Nona Beckstead presented a request for assistance in reroofing their building located at 201 E. Main Street. Mr. Beckstead presented his request to the MRA Commission stating that he was directed to this Commission at the City Council Meeting. This site has 5 separate buildings including, what is believed to be, the first saloon in Farmington, built in 1876. This building has wood plank floors and stenciling on the abode walls. The other buildings are believed to have been the Post Office and the 1st National Bank between 1902 and 1907. In 1931 the five buildings were covered and combined into one building. This site is located at 201 E. Main Street.

Mr. Beckstead stated that they had missed out on the CDBG Façade program due to the illness of his father. They have an estimate of about \$13,000 to fix the roof. Because of the historic nature of this site, he and his mother, Nona, feel that it would be a benefit to the community to preserve it. One on his ideas is to have an eating establishment in the front with seating within the "Saloon", and to have history museum around the sides. He also stated that they would like to remove the pro-panel siding and return the exterior to stucco.

Mr. Fillerup explained to the Commission that during the Tuesday night City Council meeting there were eight presentations. Those that were in the MRA were informed to come to this agency and visit about their projects and see if it was something that the MRA wanted to provide funding to.

Ms. Beckstead stated that it was identified that uses for the CDBG funding tend to lean towards non-profit, with Childhaven and Four Corners Foundation.

Chairman Thompson stated that the Commission has talked about, in the past, their concerns about using the MRA funds to help individual businesses, and would rather use the funds for a

larger project that would benefit the MRA overall. She added that the CDBG Façade funds were not a renewable project each year.

Mr. Beckstead asked the board if he could return at the next month's meeting and present a project to this commission. Commissioner Polston stated that this property is located within the prime core area of the MRA. Chairman Thompson stated that the Commissioner would like to hear more about the concept of restoring the building, façade finishes and the concept of the museum. That is the type of project the MRA Commission is interested in discussing.

Mr. Beckstead stated that he would also like to use the side of the building, like Grandson Pawn has done. Commissioner Polston stated those signs were approve through a variance process. Mr. Beckstead stated that he was also considering a historic mural of early Farmington on the outside wall. Mr. Beckstead thanked the Commission for their input and will return with a more complete report.

5b. BUSINESS FROM THE CHAIR There was no business from the Chairman

5c. BUSINESS FROM THE MEMBERS There was no business from the members

5d. BUSINESS FROM STAFF Mr. Fillerup reminded the Commission that the Special Meeting with Dan Guimond will be held here, in the Executive Conference Room, on June 6, 2013 beginning at 5:00 pm. He added that Cory Styron, Director of Parks, Recreation and Cultural Affairs is scheduled to be available for questions during the next regularly scheduled MRA Commission meeting on June 20, 2013.

6. ADJOURNMENT

The Metropolitan Redevelopment Agency Board of Commissioners meeting was adjourned at 5:34 pm.

Carletta Thompson, M.D., Chairman

Dee Dee Moore, Office Manager

W O R K S H O P M I N U T E S
Metropolitan Redevelopment Agency
Board of Commissioners – June 6, 2013

Commissioners Present	Chairman Carletta Thompson, M.D. Linda Barbeau Sara Kaynor Derald Polston
Commissioners Absent	None
Staff Present	Fran Fillerup Mary Holton Cynthia Lopez Sam Montoia Dee Dee Moore
Others Present	Mayor Roberts Cory Styron

The workshop began at 5:00 p.m. Community Development Director Mary Holton introduced Mr. Dan Guimond of Economic & Planning Systems, Inc. Mr. Guimond’s firm, EPS, is an Economic Consulting Firm. The firm works with land economics, market and financial feasibility, fiscal evaluation, municipal client, land use policy, impact fees, revenue financing, public real restate projects, large scale redevelopment and assists cities with projects that start urban redevelopment. Ms. Holton stated that EPS was asked to look at public financing in New Mexico and what type of tools are available to assist with revenue sources for this workshop. (Mr. Guimond’s PowerPoint presentation is attached to and made a part of these minutes. Mr. Guimond encouraged questions during his presentation. The questions, answers and a reference to the page within the presentation will be included in each response.)

Mr. Guimond stated that he had reviewed the Farmington MRA Plan to understand what the Commission desires to accomplish and has accomplished. His presentation showed that there are three downtown neighborhoods in the MRA Plan area which covers 505 acres of the city. He added that this is a large area and some of the current activities are the Gateway Project, the Civic Center improvements, and the Proposed Complete Streets on Main and Broadway. Funding has been on a project-by-project basis and is recommended to City Council for approval.

There are different funding objectives shown on page four of the presentation. The goal is to have the increment that is over the established base to flow into the MRA. These funds could be used for the time of the tax district, for a Tax Increment Financing (TIF) it would be 20 years, for a Tax Increment Development District (TIDD) it is 25 years. They both have the same principle; the base continues to go to the taxing entity, and the increment to the MRA.

The purpose of the Metropolitan Redevelopment Act includes powers to acquire land, construct improvements and provide financing assistance for redevelopment projects. The Act also designates criteria needed to form a Metropolitan Redevelopment Area. These criteria are: designate area and establish a finding of blight; develop and approve a plan; adopt the plan; and create TIF project area districts.

Mayor Roberts asked if a custom structure within a TIF plan could have the increment above the base to the agency and the base continue to go to the city; or could you have a plan in place that used the GRT and also have a 50/50 split to the agency and the sponsoring entity or city. Mr. Guimond stated that with a TIF the answer is yes for GRT. Mayor Roberts asked if the split on GRT could be any amount. Mr. Guimond also answered yes, it could. The MRA TIF is limited, it is not usually district-wide financing, but on a project-by-project basis. It is a tool within the MRA toolbox that the City might want to use in the future. He added that the plan is already in place and that a district can be created at any time.

Moving on to Tax Increment Development Districts, Mr. Guimond shared slide nine. This slide shows that the Tax Increment for Development Act in New Mexico was approved in 2006. The purpose, powers, formation and requirements are listed on slide nine and ten. He provided an example, Mesa Del Sol, in Albuquerque where a district was created. Commissioner Kaynor asked if that project area was moving forward, because she had heard there were problems. Mr. Guimond stated that first they developed six major employers in 2008 with no residential areas; and this year they have started a 200 home residential village. Commissioner Kaynor stated she had heard that the homeowners had been assessed higher taxes to pay back the bond. Mr. Guimond stated that sounded like a Public Improvement District (PID) which can place additional assessments on the property if the bonds are not performing.

Mr. Guimond continued with his comments on a TIDD. He stated that most cities dedicate just the general funds part of it, sometimes the GRT. Mayor Roberts asked how much the maximum increment is. Mr. Guimond shared that most of the districts his firm have done, the percentage is set by economic and fiscal development. How much would the city have to pay is unknown for a TIDD as it applies to Farmington, how much of the State GRT could you get; the state criteria is more stringent. The State's analysis indicates that the TIDD should create new jobs, and the only way is through business or expansion of existing business, you can't just move the dollars around.

There are new review requirements which include notice to the Secretary of Taxation and Revenue, the Secretary of Finance and Administration and the Director of The Legislative Finance Committee.

Associate Planner Fran Fillerup asked if the base is set for the GRT, then how does the governing body know that they are getting the percentage agreed upon. Mr. Guimond stated that the agency would need to scrutinize the information and funds they receive.

There were several examples of established TIDD in New Mexico located on slides 13-16 of the presentation. Mayor Roberts asked if these cities sold bonds to finance the developments. Mr. Guimond stated that of the plan for Las Cruces, the parking garage and the Civic Center Plaza have not yet been built. If it is a significant project they could do bonds for 1 or 2 priority projects. Chairman Thompson asked if you can hold the increment until you do the project or if you have to spend the money when you receive it. Mr. Guimond stated that there is no specific limit, the plan identifies the projects and you start to collect the money for up to 25 years.

Chairman Thompson asked when to establish the district, because if there is no development when the district is created and no growth for a few years then would it be better to wait to establish the district. Mr. Guimond stated that some cities have created the district before they have enough growth. They do receive a small amount of money, but it took 10 years to get started on a project. You will want to pay attention to growth because your district time clock starts when it is created, not when you get enough money to start projects.

Mayor Roberts stated that it seemed odd that the State would give up 75% of revenue and allow those funds to sit in an account without any development happening. Mr. Guimond stated that the State had to react to the plan which shows which projects and the projected revenue, and that the State does not have project review. Mayor Roberts stated that it sounds like a good idea. Mr. Guimond said that he was very surprised that the state gave 75% to Las Cruces, but sometimes politics can play into it. The Las Cruces TIDD died in the legislature in 2009 and was finally signed in 2010. He suggested talking to the state economist and to ask how much GRT you could get from the state and the project you are promoting. This project could not be a new Wal-Mart, because you are just shuffling the dollars from one store to another.

The presentation continued on slide 17 with a description of a Public Improvement District (PID). Director Holton stated that the La Plata Ranch project is to be a PID. Also a description of a Business Improvement District (BID) is shown on slide 18 of the presentation.

Commissioner Polston asked what the cost would be if the MRA would pursue a TIDD. Mr. Guimond stated that he had read the plan and there are proposed projects but not a lot of feasibility work done. This is a reasonable plan for the MRA for the next 20 years. If you are creating the TIDD, projects to be included need to be more imminent and could be developed in the next 5-10 years, supported by market studies, and with identified developers. Commissioner Polston provided the five main projects in the MRA, including a new Civic Center and hotel, riverfront development, retail and residential area around the hospital with an off-site pharmacy. He picked the hotel/convention center project because it could generate new activity for the city. River improvements are geared to tourism with rafting available. Director Holton reminded everyone that adjacent to the hospital is the newly established mixed income neighborhood. Mr. Guimond stated that with enough purpose/leeway there is room within the criteria, like in a historic area redevelopment, for the local level to get the State GRT.

Commissioner Polston recapped that in order to do a TIDD this MRA would need to take those projects to the next step, perhaps to find a developer/partners for a couple of those projects. Commissioner Barbeau stated that it sounded like the cart is before the horse. Mr. Guimond agreed that that was a good observation. This MRA needs to find the highest priority projects and structure the TIDD around implementing those projects. Commissioner Polston asked for an opinion on the size of a convention

center (40,000 sq ft to 100,000 sq ft) for this area of the state. Mr. Guimond thought that the lower end of those sizes was appropriate for this area. He added that a convention center and hotel should be side by side. He stated some cases in which the city owned the properties but they were run by a major hotel company.

Director Holton reminded the Commissioners that this process for a TIDD could take up to two years. The MRA Plan is a long term plan and that the more immediate projects are what the city council are considering for approval or have approved, such as the improvements to the civic center. Commissioner Polston asked for a recommendation from Mr. Guimond, after taking a look at our downtown, for a viable project to go after. Mr. Guimond felt that an improvement in the business mix would help lead the downtown to what you want it to be. It is going to take something like the street improvements you are proposing to create the environment for business to want to be there. Commissioner Polston shared that the city is trying to revamp the downtown, and wondered if the MRA has missed their opportunity to establish the base for a TIF or TIDD. He stated that you ultimately would want to establish the TIDD before the market shows improvement. Mr. Guimond stated that this area has the potential for tourism and should identify ways to increase more interesting attraction for the tourist, especially along the river. The marketing target should be the 20-30 year olds. They are the ones doing the rock climbing, river rafting, kayaking, boating and mountain biking.

Commissioner Kaynor felt that the Commissioners need to decide what they want and felt that a meeting with the public was needed to find out their interest in the projects discussed here today. Why would they want to come to Farmington and what would they do when they get here. Director Holton stated that based on the MRA Plan there were a series of meetings with the public to prioritize the identified projects. She also added that the City Council is looking for short term projects and cost estimates. Mr. Guimond shared that the MRA Plan is a good plan as an overall 20 year plan. There are some short- and long-term projects identified. He added that things have changed since the plan was approved in 2009, so it is appropriate to look for additional public input. When the MRA has identified and the highest priority projects were established, then perhaps it is time to do the feasibility studies, such as the riverfront development. Mr. Guimond suggested that the Commission work with a consultant to project visitation numbers and financial feasibility, to understand the class of river, which could include a floating course, and to help understand what the uses are, where it flows best, and how to develop it.

Commissioner Kaynor felt that the City Council was not going to want to give up a percentage of the GRT. Director Holton stated that the feasibility study would provide scenarios to the City Council to review their options. Commissioner Kaynor stated that the MRA could do all these things and the City Council could still say no. Director Holton asked that the MRA decide and focus on a project, consider using MRA funds for a feasibility study, ask a lot of questions and be prepared when presenting the project to the City Council. Mr. Fillerup stated that the key to success to receive the GRT from the State, was to bring new business to the state and obviously whatever project you want it to act as an investment to receive the State's portion. Mr. Guimond added that a viable project, such as tourism is more eligible for state money, if the project is local enhancement, the state wants you to use just the local and county portion of the GRT dollars.

Mr. Guimond summarized that the MRA Commission must take the second step, not skip ahead to step three. There needs to be an overall plan for a specific shovel ready project which could take up to two

years. Chairman Thompson felt that the MRA was behind on capitalizing on the rise and the dip of the economy. Mr. Fillerup asked if there was anything wrong with the MRA setting the baseline now and setting the increase for the whole MRA Area. Some growth is happening such as daycares and CDBG projects and over time it's a lost opportunity. Mr. Guimond shared that a possible strategy would be to institute a TIF on the local property tax only, and collect just that increment to be used for feasibility studies, and not necessarily on a specific project. He added that an Impact Analysis would look at historical occurrences, how much revenue is generated and how big of an impact it would be on the City. Director Holton stated that staff could do that analysis. She asked if there was a draw back to the TIF and added that the MRA is looking for the highest level of flexibility when it comes to where the money could be spent. Commissioner Barbeau thought the money would need to be spent in the district it was received from. Mr. Guimond stated that it would have to be spent in the MRA Area.

Mr. Guimond asked that any follow-up questions be routed through Director Holton to him and that he is here to help move this process along.

The Metropolitan Redevelopment Agency Board of Commissioners meeting was adjourned at 6:55 pm.

Carletta Thompson, M.D., Chairman

Dee Dee Moore, Office Manager

New Mexico Public Financing Tools and Strategies

Presented to:

City of Farmington MRA

Presented by:

Daniel R. Guimond, Principal
Economic & Planning Systems, Inc.



Agenda

- Farmington MRA Status
- NM Public Financing Tools
 - Metropolitan Redevelopment Agency (MRA)
 - Tax Increment Development District (TIDD)
 - Public Improvement District (PID)
 - Business Improvement District (BID)
- Farmington Options and Strategies
- Discussion



FARMINGTON MRA

Farmington MRA Status

- MRA created – 2007
- MRA Plan – 2010
- Plan area
 - 3 DT neighborhoods
 - Downtown Core: 125 acres
 - Civic Center: 103 acres
 - Animas District: 277 acres
- MRA activities to date
 - Gateway project
 - Civic Center improvements
 - Main/Broadway complete streets in planning
- Funding has been project by project

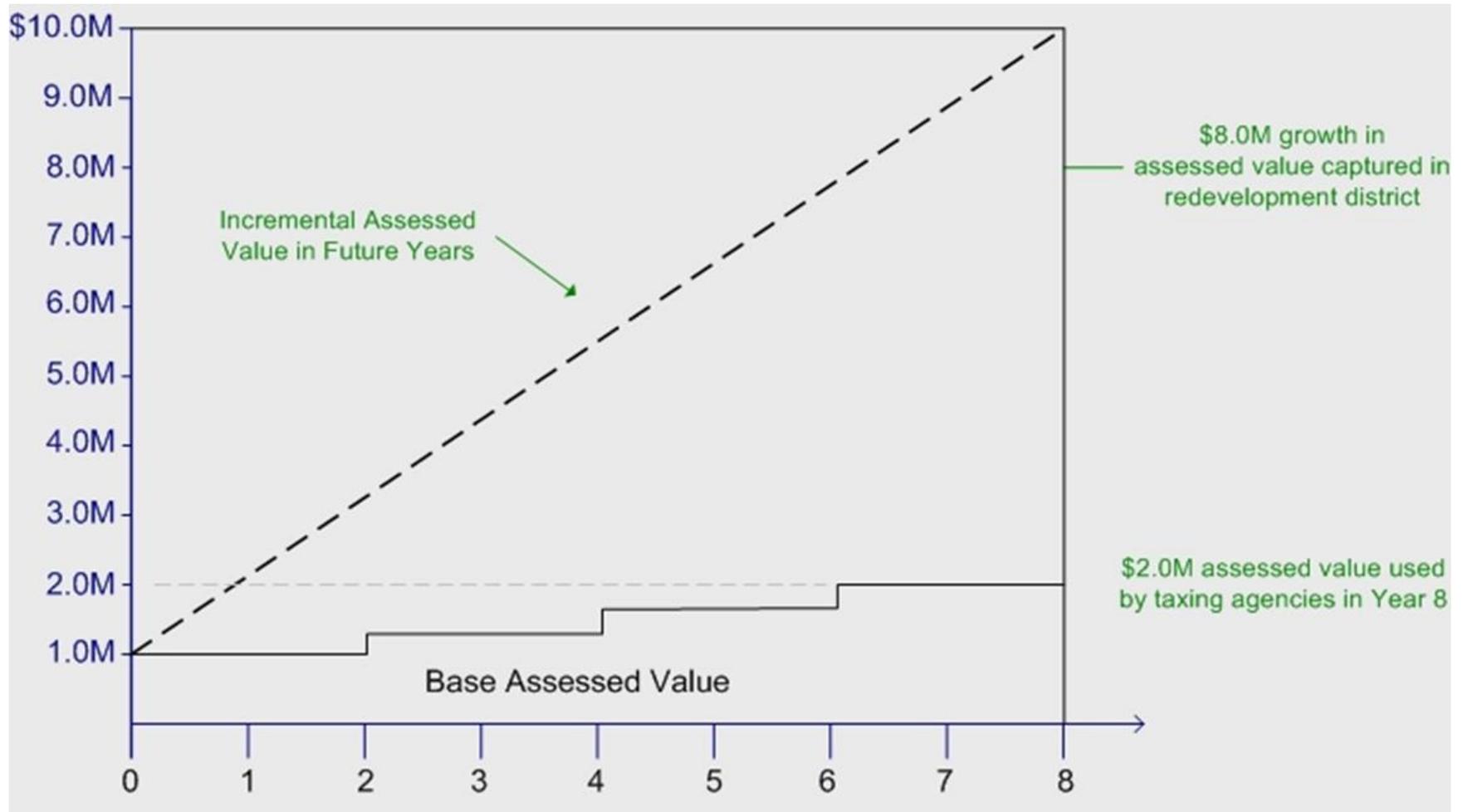


MRA Funding Objectives

- Develop dedicated funding sources to finance MRA projects
- Evaluate feasibility of Tax Increment Financing (TIF)
 - MRA based
 - TIDD based
- Other funding sources
 - PIDs
 - BIDs
- Potential strategies



Tax Increment Financing



NM FINANCING TOOLS

Metropolitan Redevelopment Act

- Purpose – Redevelopment
- Powers
 - Acquire land
 - Construct improvements
 - Financing assistance for redevelopment projects
- Formation
 - Designate area and establish blight
 - Develop and approve plan
 - Plan adoption
 - Create a TIF project area districts

MRA TIF Limitations

- TIF Financing
 - Pay as you go until 2000
 - Now authorized to issue tax increment bonds or notes
 - Payable by property tax increment
 - Municipal general purpose general fund property taxes only
 - Revenue bonds have maximum 20-year term
- MRA TIF is used for project specific funding
 - Designate a project area for a TIF district
 - Amend the MRA Plan
 - Notification process – County Assessor, Treasurer, State Treasury
 - Letter A - Establish the base
 - Letter B - Certificate of completion

Tax Increment Development District

- Tax Increment for Development Act approved in 2006
- Purpose
 - Support the city's efforts in job creation
 - Workforce housing
 - Public school facility creation
 - Undeveloped areas or historic area redevelopment
- Powers
 - Acquire land
 - Fund public improvements using TIF
 - GRT and property taxes
 - Local, county, and state levels
 - Can also levy a 5 mill tax for up to 4 years
 - Not limited to blighted land

Tax Increment Development District

- Formation
 - Approval of 50% of property owners, or
 - Local government initiation
 - Creation of a tax increment development plan
 - Public hearing
 - Local adoption
 - State GRT% as approved by Board of Finance
- TIF requirements
 - Up to 25 years for each district
 - Multiple districts can be created

Tax Increment Development District

- Financing
 - Municipal Local Option GRT
 - Municipal infrastructure and/or capital outlay GRT
 - County Option GRT
 - State GRT
 - Maximum of 75% of increment in all cases
- State approval process
 - Agreement of State Board of Finance
 - Requires approval of Legislature and Governor
- Criteria for State GRT is a “higher standard”
 - Net new jobs and economic activity
 - New businesses or expansion of existing businesses

Tax Increment Development District

- Limitations
 - State level review increased in 2009
 - Applies to both state and local projects
- New requirements
 - Notice must be given to
 - Secretary of Taxation and Revenue
 - Secretary of Finance and Administration
 - Director of Legislative Finance Committee
 - All resolution materials must be available to the public
 - Includes all fiscal and economic studies
 - One member of the 5-member TIDD Board is a DFA designee

Mesa del Sol - 2008

- 10,000-acre master planned community in ABQ
- Former State land parcel south of Sunport
- Formed five TDD districts
- Authorized up to \$500M in TIDD bonds
- Phase A \$129M: 3,200 acres
 - 75% of State GRT
 - 67% of City GRT
 - 100% of County GRT



Winrock / Quorum TIDD - 2009

- ABQ Uptown area
- Winrock – 70 acres
 - Goodman Development
 - Former Winrock Mall
 - Planned lifestyle center
- Quorum – 9 acres
 - Hunt development
 - Expansion of ABQ Uptown
- Winrock/Quorum TIDD
 - \$170M total
 - 57% of State GRT
 - 70% of City GRT
 - 67% of County GRT



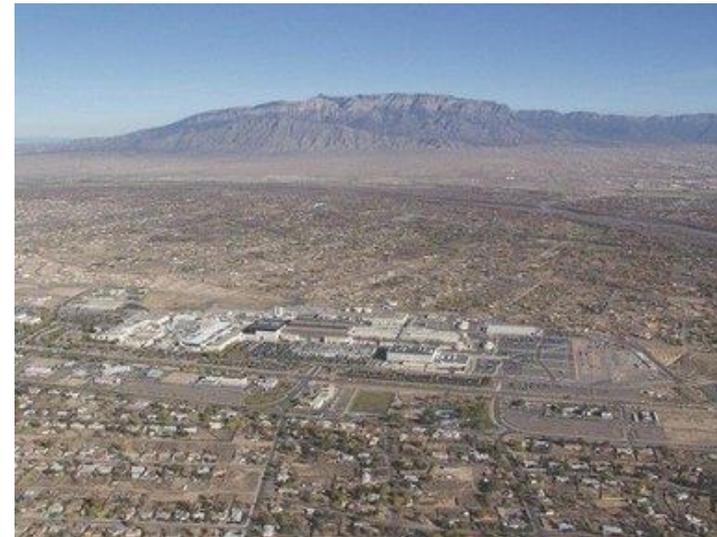
Downtown Las Cruces - 2010

- Downtown revitalization
 - Adopts MRA Plan
 - De-mall of Main Street
 - Removes one-way couplet on Church and Water Streets
 - Builds parking garage
 - Civic Center Plaza
- TIDD Components
 - 75% State GRT
 - 75% City GRT
 - 75% County GRT
 - 75% City/County property tax
 - \$2.5M total revenue in 2013



Village at Rio Rancho - 2010

- Project
 - 65-acre lifestyle center
 - Adjacent to Cabezon
 - Similar to ABQ Uptown
 - 350,000 SF Phase 1
 - Hotel
- TIDD Financing
 - \$14M in bonds
 - 0% of State GRT
 - 70% of City GRT
 - 0% of County GRT



Public Improvement District (PID)

- Purpose – Finance infrastructure
- Powers
 - Approved in 2001 as an improved special assessment district
 - Land secured infrastructure district
 - Typically developer initiated
 - Requires approval of majority of property owners
 - Utilities, streets, parks, public buildings and schools
- Financing
 - Property tax
 - Assessment
 - Charges for services
 - Property taxes limited to 10 mills

Business Improvement District

- Purpose
 - Special district to finance services and improvements
 - Clean and safe / small business support
 - For commercial business districts
- Financing
 - Can levy an assessment to finance improvements
 - Requires approval of 51% of property owners
 - Managed as a quasi-public agency
 - Residential (less than 4 units) and non profit properties exempt
 - Limits on the percent of total assessment paid by tenants

FARMINGTON OPTIONS & STRATEGIES

Financing Challenges

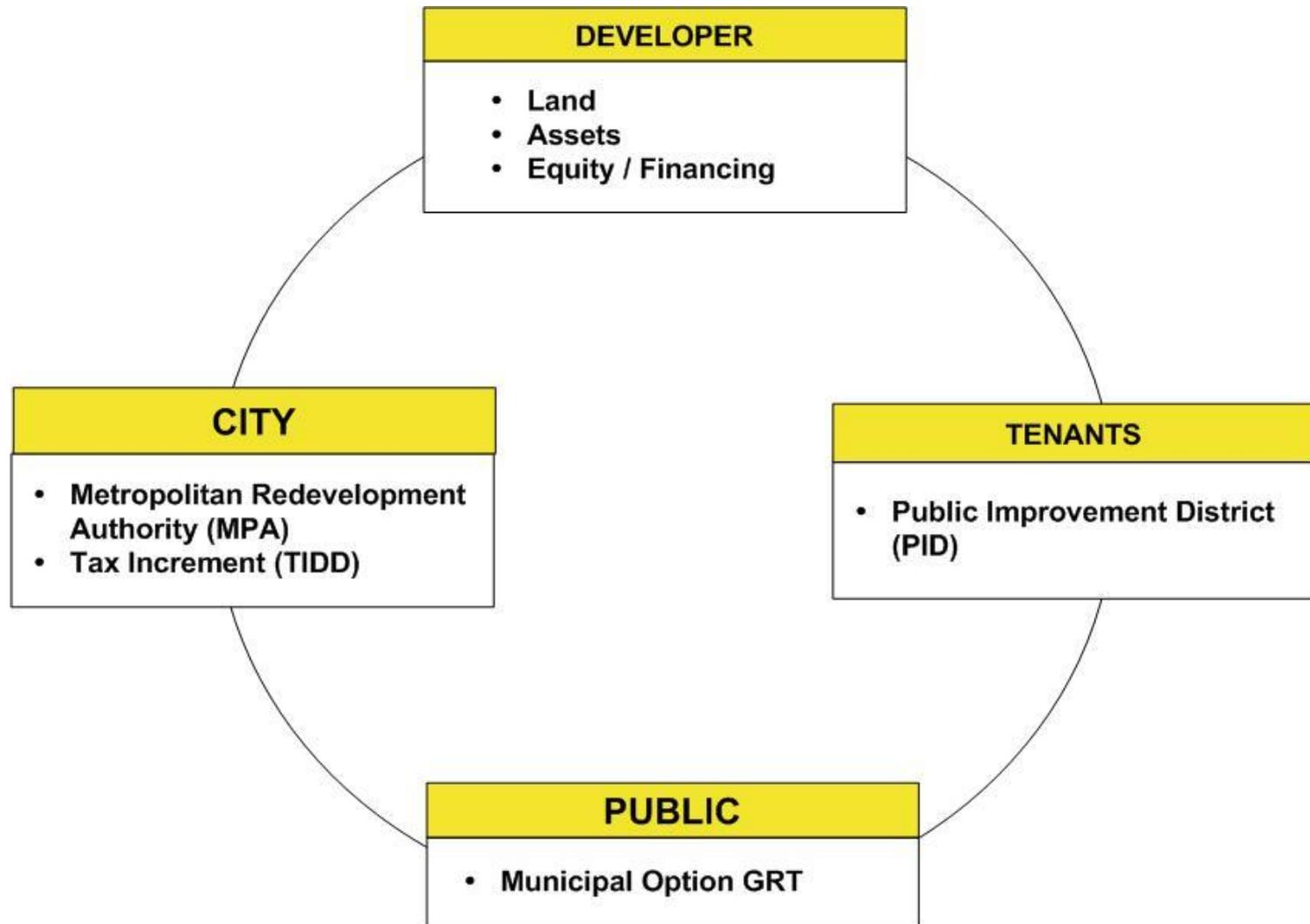
- MRA TIF
 - No major taxable project identified
 - Not a viable district wide revenues source
 - Low revenue potential – 2.26 mills only
- TIDD TIF
 - Significant GRT tax revenue potential
 - Needs positive market momentum to generate TIF
 - Could have major impact on City General Fund
 - Ability to tap State GRT revenue uncertain
- PID
 - Project specific: good revenue source for private development
- BID
 - Most applicable to downtown main street district
 - Can be difficult to gain property owner approval for assessment



Financing Options /Strategies

- TIDD is the most viable financing mechanism for area-wide public improvements
- The City is likely to be concerned that designating the entire MRA will take too large a portion of the tax base
- Evaluate feasibility of TIDD TIF for a more limited downtown project area
- The project area can be gerrymandered to include the primary areas of investment
- However, the district needs to include sufficient commercial development with GRT revenue potential in order to create increment

Public Private Partnership



DISCUSSION