

**Village of Taos Ski Valley Tax Increment Development District**

PO Box 100, 7 Firehouse Road, Taos Ski Valley, NM 87525

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**Chairperson:** Neal King

**Vice-Chair:** Stephanie Schardin Clarke, Deputy Secretary, DFA

**Board Members:** Richard Duffy, Chaz Rockey, Tom Wittman

**Co-Treasurers:** Nancy Grabowski, Chaz Rockey

**Clerk:** Ann M. Wooldridge

**VILLAGE OF TAOS SKI VALLEY  
TAX INCREMENT DEVELOPMENT DISTRICT BOARD  
DRAFT REGULAR MEETING MINUTES  
SNAKEDANCE CONDOMINIUMS HONDO RESTAURANT  
TAOS SKI VALLEY, NEW MEXICO  
THURSDAY, JULY 27, 2017, 1:00 P.M.**

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**1. CALL TO ORDER**

The regular meeting of the Village of Taos Ski Valley Tax Increment Development District (TIDD) Board of Directors was called to order by Chairperson King at 2:00 p.m. The notice of the regular meeting was properly posted.

**ROLL CALL**

Ann Wooldridge, TIDD Clerk, called the role and a quorum was present.

**TIDD Board Members Present**

Chairperson Neal King

Vice-Chair Stephanie Schardin Clarke (by phone)

Board Member Richard Duffy

Board Member Chaz Rockey

Board Member Tom Wittman

**TIDD Board Staff Present**

TIDD Clerk Ann Wooldridge

TIDD Co-Treasurer Nancy Grabowski

TIDD Attorney Dennis Romero

**2. APPROVAL OF THE AGENDA**

**MOTION: To approve the agenda as presented**

**Motion: Board Member Wittman      Second: Board Member Duffy      Passed: 5-0**

**3. Consideration to Approve the Minutes of the April 12, 2017 Regular Meeting of the Board of Directors of the Village of Taos Ski Valley Tax Increment Development District**

**MOTION: To Approve the Minutes of the April 12, 2017 Regular Meeting of the Board of Directors of the Village of Taos Ski Valley Tax Increment Development District**

**Motion: Board Member Wittman      Second: Board Member Duffy      Passed: 5-0**

**4. Other Business**

**A. Consideration to Approve Resolution No. 2018-12 Approving the FY2017 4<sup>th</sup> Quarter Financial Report**

As per State Statute, the TIDD is required to submit the final fiscal year 2017 quarterly report no later than July 31, 2017 to the Department of Finance and Administration Local Government Division. This report is a recap of the financial events of fiscal 2017 and verifies the ending fund balance for the TIDD. The accurate ending fund balance is an integral part of the next fiscal year budget.

**MOTION: To Approve Resolution No. 2018-12 Approving the FY2017 4<sup>th</sup> Quarter Financial Report**

**Motion: Board Member Wittman      Second: Board Member Duffy      Passed: 5-0**

**B. Consideration to Approve Resolution No. 2018-13 Approving the FY2018 Budget**

The TIDD is required to submit the fiscal year 2018 budget no later than July 31, 2017 to the Department of Finance and Administration Local Government Division. The revenue estimates presented are based on the construction schedule for the next fiscal year, which propels the gross receipts tax revenues, and the completion of the new hotel which has triggered an increment in the county tax collection estimates. Projected revenue is \$813,000, \$645,000 of which is expected to be gross receipts tax increments. The Village anticipates that infrastructure projects which are eligible for reimbursement through the TIDD will be completed this fiscal year, so costs for the reimbursements have been added to the budgeted expenses, at

\$4,186,000. Only four disbursements per year are allowed according to the rules for a TIDD. One twelfth of projected annual revenues must remain in the bank. The Parcel D construction project will begin in April 2018.

**MOTION: To Approve Resolution No. 2018-13 Approving the FY2018 Budget**

**Motion: Board Member Duffy**

**Second: Board Member Wittman**

**Passed: 5-0**

**C. Request for The Board to acknowledge and approve payment to the Village of Taos Ski Valley compensation for Clerk and Accounting services from January 2017-June 2017**

The Village of Taos Ski Valley entered into an agreement for the Village of Taos Ski Valley TIDD special district in January 2015. Since that time the staff including the Public Works Director and his staff, the Village administrator, the Building Department, the Clerk and Finance Director have all dedicated many hours to service this new district. In previous Board meetings, reimbursing the Village had been suggested but a method of payment was not agreed upon. Therefore in 2015 and 2016, the time that Village staff dedicated to the TIDD was never reimbursed. The Village is now requesting reimbursement for the Clerk's and Finance Director's time for specific, identifiable tasks which they have been performing from January-June 2017. Monthly invoices for these services, along with a summary recap are provided for the board to review. The total is \$1,528.29. The Village has not requested any reimbursement for reviewing of documents such as the MDA and maintenance agreements, although these tasks have taken many hours and would not be necessary if the TIDD did not exist. At this time the Village is not requesting reimbursement for any other staff time, but may in the future. The Clerk and Finance Director will continue to track their hours through the end of 2017. The Village requests that once the calendar year is completed that an amount be determined and agreed upon for reimbursement on an annual basis for accounting and clerk services.

**MOTION: To Acknowledge and Approve Payment to the Village of Taos Ski Valley for Compensation for Clerk and Accounting services from January 2017-June 2017**

**Motion: Board Member Wittman**

**Second: Board Member Duffy**

**Passed: 5-0**

Board Member Rockey thanked Director Grabowski and Clerk Wooldridge for their work, and, as Co-Treasurer, authorized the TIDD to write a check to the Village. He asked again about how the staff could pursue getting businesses to file their CRS with NM Tax and Revenue using the correct tax location code for the TIDD (20-430) instead of for the Village (20-414). Clerk Wooldridge said that staff would make phone calls to local businesses.

**D. Review of Costs of Recently Dedicated Infrastructure**

Board Member Rockey presented a Public Improvement Cost Schedule table, as well back-up on the Route 150 Joint Underground Utility Project, and the Plaza, Signage, Sutton Road Crossing, and Retention Pond projects. Board Member Rockey also presented a table and back-up on the TIDD Administrative Cost Summary for costs incurred by TSVI since formation of the TIDD.

The three categories of costs that have been completed and which are eligible for TIDD reimbursement are: the formation costs, the Route 150 Trench, and Sutton Place and the Plaza. The natural gas line dedication, bill of sale, assignment of permit rights and agreement, from TSV Inc. to the Village, was approved at the April 11, 2017 Council meeting. Subsequently, at the same meeting, the Council approved the assignment of infrastructure and permit rights from the Village to NM Gas Company. At the June 13, 2017 Council meeting, the Council approved an easement agreement for a nonexclusive easement for public use of the Plaza improvements. At that same meeting, the Council approved the dedication and bill of sale from TSVI to the Village of Sutton Place Road and crossing, the water retention pond, core Village utility lines, wayfinding signage, and stream restoration.

The formation costs were estimated at \$1,000,000 and ended up at \$1,356,461. The trench costs totaled \$13,219,590, but only the natural gas portion is currently active, and is being requested for reimbursement at a cost of \$4,825,000. Rockey said that he has met with Luis Reyes and the Kit Carson Board about their monetary contribution to the trench, as well as about installing the conductor for electricity. He said that the fiber optic cable may be privatized. Rockey suggested that the TIDD Board either write letters or make phone calls to Kit Carson Electric urging Kit Carson to move forward with installing the conductor.

The Sutton Place and Plaza infrastructure totaled \$9,931,262 in reimbursable costs. There were two letters from Russell Engineering about the difficulty of the design and construction of river restoration for the Lake Fork, North Fork and Rio Hondo river segments on either side of the new Sutton Place crossing. Rockey said that this was the most complicated public improvement that would be made. TSVI is now working on the Ernie Blake Road and Strawberry Hill river crossings. The retention pond will be a part of the overall drainage program for the Village. Since the retention pond sits on U.S. Forest Service property, only the improvement gets dedicated, not the underlying land. Rockey said that 15% of overall expenditures went to public improvements, so items such as insurance were pro-rated. When other items are completed, landscaping for example, they will be presented for reimbursement. Rockey said that the majority of landscaping will be completed next year along with work on the riverwalk.

**E. Developer Update on 2017 Projects**

**1. Status of Infrastructure Development**

A Public Improvements Finance Plan, identifying the various public improvements with original cost estimates and current cost estimates, and identifying the funding source for each project, was discussed by the Board at length. If costs are higher on some projects, then either the capacity of the TIDD could be increased, by going to the State Board of Finance, or fewer

projects may get completed, or some sort of private arrangement could be made with TSVI, Rockey said. Board Member Wittman suggested strongly making sure that either paving Twining Road, or using some sort of stabilization or dust control measures on the road, be included in the plan. Board Member Rockey said that the plan is fluid.

Interest accrues on the principal of the cost of dedicated projects. Rockey said that TSVI would like to get repaid the principal, not earn a lot of interest. The interest rate is variable, based on the U.S. 10-Year Treasury note rate of 2.2%, plus 1%, and adjusted quarterly or semi-annually. This is for the capital exposure of the developer, and could be higher, up to an allowable 5%.

## 2. Proposed Reimbursement Bond Structure

There is no allowance for a TIDD to reimburse a developer directly; the statute requires that there must be issuance of a bond. The proceeds from the issuance of the bond are used to reimburse the developer for public infrastructure which has been dedicated to the Village. TSVI is proposing that, because construction of infrastructure will be on-going for several more years, the TIDD issue a single \$44,000,000 maximum net proceeds draw-down tax increment revenue bond. Attorney Peter Franklin explained that the draw-down structure is modeled in part on New Mexico industrial revenue bonds, which are issued in a maximum principal amount that is drawn down over a multi-year period. The purpose of the draw-down structure is fundamentally to reduce transaction costs by issuing a single bond rather than multiple bonds during the course of project development and thereafter. This could save the TIDD in the range of \$600,000 over the life of the TIDD. Each request for advances would need review and approval by the New Mexico Finance Authority, as well as the TIDD Board.

This item is for discussion only at this time.

## F. Consideration to approve **Resolution No. 2018-14** Requiring TIDD Board Members Sign Outside Employment Disclosure for Elected Officials

The Village of Taos Ski Valley TIDD received a letter from the New Mexico State Auditor's office stating that the board was out of compliance with State statute. According to Section 10-16-4.2 NMSA Governmental Conduct Act, Village of Taos Ski Valley TIDD Board Members will be required to sign the Outside Employment Disclosure Form if they are engaged in employment in addition to being members on the Village of Taos Ski Valley TIDD Board.

### **MOTION: To Approve Resolution No. 2018-14 Requiring TIDD Board Members to Sign Outside Employment Disclosure for Elected Officials**

**Motion: Board Member Wittman**

**Second: Board Member Duffy**

**Passed: 5-0**

## 5. Miscellaneous

### 6. Announcement of the Date, Time, & Place of the Next Meeting of the TIDD Board

The next regular meeting of the Village of Taos Ski Valley Tax Increment Development District (TIDD) Board will take place on Tuesday, October 10, 2017 at 10:00 a.m. at the Snakedance Condominiums Hondo Restaurant.

## 5. ADJOURNMENT

### **MOTION: To Adjourn**

**Motion: Board Member Duffy**

**Second: Board Member Wittman**

**Passed: 5-0**

The meeting was adjourned at 3:25 p.m.

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Neal King, Chair

ATTEST:

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Ann M. Wooldridge, Clerk