

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

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

(575) 776-8220 (575) 776-1145 Fax

**Chairperson:** Neal King

**Vice-Chair:** Rick Lopez, Department of Finance and Administration, Local Government Division, Director

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

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

**Clerk:** Ann M. Wooldridge, CMC

**VILLAGE OF TAOS SKI VALLEY  
TAX INCREMENT DEVELOPMENT DISTRICT BOARD  
DRAFT SPECIAL MEETING MINUTES  
SNAKEDANCE CONDOMINIUMS HONDO RESTAURANT  
TAOS SKI VALLEY, NEW MEXICO  
TUESDAY, FEBRUARY 6, 2018, 3:00 P.M.**

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**1. CALL TO ORDER**

The special meeting of the Village of Taos Ski Valley Tax Increment Development District (TIDD) Board of Directors was called to order by Chairperson King at 3:00 p.m. The notice of the special meeting was properly posted, as required.

**ROLL CALL**

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

**TIDD Board Members Present**

Chairperson Neal King

Board Member Richard Duffy

Board Member Chaz Rockey, Co-Treasurer

Board Member Tom Wittman

**TIDD Board Members Absent**

Board Member Rick Lopez

**TIDD Board Staff Present**

TIDD Clerk Ann Wooldridge

TIDD Co-Treasurer Nancy Grabowski

TIDD Attorney Dennis Romero

TIDD Bond Counsel Kurt Kaufmann

**2. APPROVAL OF THE AGENDA**

Board Member Wittman asked to move item 4. D. to before item 4. A.

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

**Motion: Board Member Wittman**

**Second: Board Member Duffy**

**Passed: 4-0**

Homeowner Jeff Kern asked about item 4. B., Resolution No. 2018-18 authorizing the issuance of a senior lien taxable draw-down tax increment revenue bond with net proceeds not to exceed \$44,000,000. His question centered on why the initial vote to form the TIDD was based on the issuance of \$40,000,000 in bonds, and now the intent was to issue \$44,000,000 in bonds. Mr. Kern also asked for clarification on the increase allowed for inflation. Attorney for the developer Peter Franklin answered that the application to the State Board of Finance (SBOF) in 2015 requested the \$44 million maximum bonding capacity. That amount was approved by the SBOF and the application was then sent to the Legislature for approval. The election to form the TIDD had already occurred, in January 2015. It was necessary for the election to occur before anything could be presented to the State. The property tax increment bonds were based on the \$40 million figure, but after Taos County voted to dedicate 35% of its property tax increment and the State of New Mexico voted to dedicate 50% of its GRT increment, the new number of \$44 million was supported. Mr. Franklin said that an election is only required for a change in the Village's property tax increment. In other words, he explained, the property tax increment supported \$40 million in bonds, but the additional GRT tax increment dedications support \$44 million in bonds. Mr. Franklin explained that in no way would this affect individual property taxes, except in that with the new development occurring, the Village of Taos Ski Valley might become more desirable which might increase the value of properties.

Administrator Fratrack explained that if construction costs for the infrastructure were to increase, the developer would bear the entire burden of this increase. The total bond amount is subject to increases for inflation.

**3. Consideration to Approve the Minutes of the November 14, 2017 Special Meeting of the Board of Directors of the Village of Taos Ski Valley Tax Increment Development District**

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

**Motion: Board Member Wittman**

**Second: Board Member Duffy**

**Passed: 4-0**

4. Other Business

**D. Review and approval of final Audit for Fiscal Year 2017**

Mr. Christopher Schmitz, with Burt & Company, auditors for the TIDD, reported that the TIDD audit for FY 2017 had been completed and released by the Office of the State Auditor. The audit was given an unmodified, or clean, opinion which is the best rating possible. All of the revenue is from the various tax increments, while the minor expenditures have been only for some small legal and administrative costs. The one finding was for the fact that the Board members did not have documents on file listing their other employment, which is required for all public boards. As soon as the TIDD was informed of the requirement, the forms were filed immediately.

Some questions were asked about any exchanges between the Village and the Developer, and it was explained that the Village and the Developer are not related parties. Board Member Rockey explained that the Master Development Agreement associated with the TIDD documents outlines the relationship. Board Member Rockey explained that in no way would this imply that there had been any wrongdoing.

**MOTION: To approve of the final Audit for Fiscal Year 2017**

**Motion: Board Member Wittman**

**Second: Board Member Duffy**

**Passed: 4-0**

**A. Consideration to Approve Resolution No. 2018-17 Concerning Board of Directors Meetings and Public Notice Required** Required annually by the State of New Mexico, this is the open meetings act that governs when and how meetings will be conducted.

**MOTION: To approve Resolution No. 2018-17 Concerning Board of Directors Meetings and Public Notice Required**

**Motion: Board Member Wittman**

**Second: Board Member Duffy**

**Passed: 4-0**

**B. Consideration to Approve Resolution No. 2018-18 A RESOLUTION OF THE BOARD OF DIRECTORS OF THE VILLAGE OF TAOS SKI VALLEY TAX INCREMENT DEVELOPMENT DISTRICT AUTHORIZING THE ISSUANCE OF A SENIOR LIEN TAXABLE DRAW-DOWN TAX INCREMENT REVENUE BOND, SERIES 2018 WITH NET PROCEEDS NOT TO EXCEED \$44,000,000, SUBJECT TO INCREASE BASED ON A SPECIFIED CONSTRUCTION COST INDEX, TO FINANCE THE ACQUISITION OF AND REIMBURSEMENT FOR CERTAIN PUBLIC INFRASTRUCTURE IMPROVEMENTS, TO BE SECURED BY GROSS RECEIPTS TAX INCREMENT REVENUES AND PROPERTY TAX INCREMENT REVENUES GENERATED WITHIN THE DISTRICT; APPROVING THE FORMS OF A MASTER INDENTURE OF TRUST, SUPPLEMENTAL INDENTURE NO. 1 AND A BOND PURCHASE AGREEMENT; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; RATIFYING PRIOR CONSISTENT ACTION; AND REPEALING PRIOR INCONSISTENT ACTION.**

Attorney Kurt Kaufmann with Sherman & Howard, bond attorneys for the TIDD, explained that since the previous TIDD meeting in November 2017, the Master Indenture Agreement and the Supplemental Indenture Agreement had been approved by the State Board of Finance. The bonds could now be issued pursuant to these two documents. There will be one bond in the maximum amount with draw downs in increments, based on revenues of the TIDD. Belvedere LLC will be the purchaser of the bond, which has a maximum time frame of 30 years. The plan is to close on the bond in the next few weeks, after which time a reimbursement request would be made by the developer.

**MOTION: To approve Resolution No. 2018-18 A RESOLUTION OF THE BOARD OF DIRECTORS OF THE VILLAGE OF TAOS SKI VALLEY TAX INCREMENT DEVELOPMENT DISTRICT AUTHORIZING THE ISSUANCE OF A SENIOR LIEN TAXABLE DRAW-DOWN TAX INCREMENT REVENUE BOND, SERIES 2018 WITH NET PROCEEDS NOT TO EXCEED \$44,000,000, SUBJECT TO INCREASE BASED ON A SPECIFIED CONSTRUCTION COST INDEX, TO FINANCE THE ACQUISITION OF AND REIMBURSEMENT FOR CERTAIN PUBLIC INFRASTRUCTURE IMPROVEMENTS, TO BE SECURED BY GROSS RECEIPTS TAX INCREMENT REVENUES AND PROPERTY TAX INCREMENT REVENUES GENERATED WITHIN THE DISTRICT; APPROVING THE FORMS OF A MASTER INDENTURE OF TRUST, SUPPLEMENTAL INDENTURE NO. 1 AND A BOND PURCHASE AGREEMENT; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; RATIFYING PRIOR CONSISTENT ACTION; AND REPEALING PRIOR INCONSISTENT ACTION.**

**Motion: Board Member Wittman**

**Second: Board Member Duffy**

**Passed: 4-0**

**C. Consideration to Approve Resolution No. 2018-19, Approving the FY2018 2nd Quarter Financial Report**

Co-Treasurer Grabowski reported that the second quarter report had been submitted to the Department of Finance Local Government Division in January according to the requirement to report quarterly financial information no later than 30 days following the close of each quarter. Staff requested that the Board review and acknowledge the financial status of the TIDD as of December 31, 2017.

**MOTION: To Approve Resolution No. 2018-19, Approving the FY2018 2nd Quarter Financial Report**  
**Motion: Board Member Wittman                      Second: Board Member Duffy                      Passed: 4-0**

E. Request for the Board to Acknowledge and Approve Payment to the Village of Taos Ski Valley for Compensation of Clerk and Accounting Services from July 2017 - December 2017  
Co-Treasurer Grabowski presented invoices from the Village for work done by the Clerk and the Finance Director for the TIDD from July to December 2017.

**MOTION: To Approve Payment to the Village of Taos Ski Valley for Compensation of Clerk and Accounting Services from July 2017 - December 2017**  
**Motion: Board Member Wittman                      Second: Board Member Duffy                      Passed: 4-0**

F. Discussion of Procedure for Future Election of TIDD Board Members  
TIDD Attorney Dennis Romero explained that an election for Board Members of the TIDD Board would need to be conducted in the same manner as the TIDD formation election, by a majority vote of the TIDD Boundary property owners. The terms of Board Members Duffy and King will expire in 2019.

G. Developer Update  
Board Member Rockey reported that the developer will be requesting \$3,500,000 in reimbursements from the TIDD bond issuance, to pay down the TIDD formation costs, as well as to reimburse for infrastructure that has been dedicated to the Village. These improvements include Sutton Place, wayfinding signs, lighting, landscaping and the retention pond. Board Member Rockey said that summer 2017 project costs have been sorted out for the Strawberry Hill utilities including water and sewer lines, electric lines, and natural gas lines. Other summer 2017 projects included the Ernie Blake Road crossing, the paving in Armadillo lot, the Strawberry Hill River crossing, and landscaping around the retention pond. Rockey said that there were also costs associated with the planning of summer 2018 projects, such as upgrades to Thunderbird and Ernie Blake Roads. Board Member Rockey will have updates on the TIDD finance plan list of projects and construction schedule at the next meeting.

5. Miscellaneous  
A. Citizen Christof Brownell asked Co-Treasurer Grabowski what Village funds were being used to pay the \$50,000 annual maintenance fee to TSVI for upkeep of the Plaza. Grabowski answered that the money came from the General Fund. The 25% GRT increment comes to the Village with the other GRT. Brownell asked what would happen if the Village didn't have enough funds to pay for maintenance of the TIDD projects dedicated to the Village. Grabowski explained that the Village would budget for this. If there were not enough money, funds would be drawn from other projects. Board Member Rockey explained that the \$50,000 mostly funds the snow removal and the snowmelt, but the total cost is in the vicinity of \$80,000. The Plaza was not dedicated to the Village, Rockey explained, because of citizen's concerns. The Plaza is a dedicated easement from TSVI to the Village. Attorney Romero explained that the Village accepted the easement because there is a public benefit for public use of the Plaza. The Plaza improvements are public property. The easement is for public access, ingress and egress. The Village's easement is for surface use only. TSVI is responsible for liability issues.
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 April 10, 2018 at 10:00 a.m. at the Edelweiss Lodge Club Room. (Note: A special meeting of the TIDD Board was set for March 2, 2018 at 3:00 p.m. to adopt the bond resolution with a few administrative details taken care of.)

5. **ADJOURNMENT**

**MOTION: To Adjourn**  
**Motion: Board Member Wittman                      Second: Board Member Duffy                      Passed: 4-0**  
The meeting was adjourned at 4:30 p.m.

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Neal King, Chair

ATTEST:

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Ann M. Wooldridge, Clerk