



SunCal Companies

Mr. Thaddeus Lucero  
County Manager  
Bernalillo County  
One Civic Plaza  
Albuquerque, NM 87102

October 31, 2007

**RE: Application of Westland DevCo, LP for the formation of DevCo Tax Increment Development Districts 1 - 9.**

Dear Mr. Lucero:

Westland DevCo, LP ("DevCo") is pleased to submit this Application for the formation of tax increment development districts within a project known as the Upper Petroglyphs, pursuant to the Tax Increment for Development Act, Sections 5-15-1 through 5-15-28 NMSA 1978 (the "Act") and Bernalillo County Tax Increment Development Districts Policy Ordinance (the "Ordinance"). The Application is consistent with the requirements set forth in the Act and the Ordinance and requests dedication of gross receipts tax increment and property tax increment generated within the proposed tax increment districts for the purpose of constructing public improvements as that term is defined in Section 5-15-3 NMSA 1978.

DevCo is committed to working with the County to create quality communities that benefit, rather than burden, existing County services. As evidenced by our application materials, the proposed tax increment development districts will have a positive fiscal impact on the County on the County. The fiscal impact analysis included herein, is one of the most thorough analyses conducted in Bernalillo County to date. It calculates full future costs and revenues of development to the County, APS, and to the State of New Mexico and projects a full array of costs and revenues to determine fiscal impacts at buildout, during development, and after development, including operations and maintenance.

The fiscal results of the proposed development are extremely conservative. Yet, they project that the development will be fiscally positive to Bernalillo County throughout its buildout. As shown in the analysis, the development will have no negative fiscal impact on the County in any phase of its development.

The Upper Petroglyphs will produce at buildout an annual surplus of \$1.384 million to the County, which will grow incrementally as the TIDD bonds are being repaid. After full repayment of the TIDD bonds, the surplus will reach \$8.136 million annually thereafter to the County. These surpluses result even after all costs, including operation and maintenance, are taken into account.

Our application requests formation of tax increment development districts 1-9. The purpose of these many districts is to allow phasing of the project and its infrastructure, so that taxes are dedicated to infrastructure as and when the affected phase is ready to be developed. Prior to the issuance of each bond, the County will have the ability to review and approve construction of the identified infrastructure within the bond issuance. This allows maximum flexibility to the County and the Developer and is consistent with comprehensive planning goals embodied in the Westland Master Plan, which contemplates the planning and development of the Upper Petroglyphs as a comprehensive and unified community, instead of as piecemeal development. The continued planning, zoning, and funding of the Upper Petroglyphs will ensure that provision of public services occurs in an orderly and deliberate fashion.

The Master Development Agreement (MDA), which is submitted for approval as part of the Formation Resolution, is the framework that will govern the obligations of DevCo and the County with respect to each individual TIDD. The MDA lays out the process for construction of infrastructure and repayment of bonds throughout all of the TIDDs and provides for subsequent development agreements which will allow the County to specifically approve the location and extent of infrastructure in each TIDD prior to the sale of any bonds.

I appreciate your review of the enclosed Application and your willingness to work with us. DevCo reserves the right to amend the Application, including submission of additional intent resolutions up to until adoption the TIDD Formation Resolution, including additional intent resolutions at the direction of the County Staff.

The New Mexico team and I look forward to meeting with you to discuss any questions you have concerning this Application and to working with the County administration and staff regarding this project.

Sincerely,



William Steadman  
Westland DevCo LP

**Westland DevCo, LP  
 Application to Bernalillo County  
 Tax Increment Development Districts  
 Upper Petroglyphs**

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