

Annual Operation and Maintenance Costs of Infrastructure

The TIDDs will be established exclusively for the financing construction and/or acquisition of eligible TIDD Improvements and will have no continuing obligation with respect to the operation and/or maintenance of TIDD Improvements financed, constructed and/or acquired, once constructed and/or acquired and dedicated to the County and/or other jurisdictional authority by the TIDDs. Accordingly, the TIDDs are not anticipated to have any costs and/or expenses related to the operation or maintenance of eligible TIDD Improvements.

a. County Operational and Maintenance Costs

The County's anticipated costs associated with the operation and maintenance of the TIDD Improvements including public works, recreation, and public safety is anticipated to be offset by the gross receipts taxes and property taxes generated by the property contained within the boundaries of the TIDD not subject to the use by the Applicant for debt service on the TIDD Bonds and Short Term Bonds. As illustrated in the Fiscal and TIDD Impact Analysis included as **Exhibit 2** of the Application, it is anticipated that the County will be able to fund current levels of service in relation to the ongoing operations and maintenance of the aforementioned facilities and retain an estimated annual average operating surplus. As such, it is not anticipated that the financing will have an adverse fiscal impact on the County.

b. Water and Sewer Operation and Maintenance Costs

The estimated costs associated with the operation and maintenance of the public water and sewer facilities financed through the TIDD is anticipated to be offset by the monthly usage fees charged to the end users of the water and sewer facilities by the Albuquerque/Bernalillo County Water Utility Authority ("ABCWUA").