

**EXTRACT OF MINUTES OF A MEETING
OF THE STATE BOARD OF FINANCE
OF THE STATE OF NEW MEXICO
HELD ON JANUARY 14, 2008**

A meeting of the State Board of Finance of the State of New Mexico ("State Board of Finance") was held on January 14, 2008, at the hour of 1:00 p.m., at the Governor's Conference Room, Third Floor, State Capitol Building, Santa Fe, New Mexico in accordance with law and regulations of the State Board of Finance. There were present and answering to the roll call the following:

Diane D. Denish

James B. Lewis

Roberta Cooper Ramo

Kim Sanchez Rael

John Loehr

There were absent the following:

Governor Bill Richardson

Maria Griego-Raby

A quorum of the members being present, the following business was transacted, to wit:

Member Kim Sanchez Rael moved the adoption of the following resolution, which motion was seconded by Member James B. Lewis.

A RESOLUTION

APPROVING THE DEDICATION OF FIFTY PERCENT (50%) OF THE STATE GROSS RECEIPTS TAX INCREMENT GENERATED WITHIN TAX INCREMENT FINANCING DISTRICTS 2, 3, 4, and 8 FOR THE UPPER PETROGLYPHS PROJECT LOCATED IN BERNALILLO COUNTY AND APPROVING THE DEDICATION OF THOSE TAX INCREMENTS TO SECURE GROSS RECEIPTS TAX INCREMENT BONDS FOR DISTRICTS 2, 3, 4, and 8 WITHIN THE UPPER PETROGLYPHS PROJECT.

WHEREAS, the Upper Petroglyphs Project is a 3,950 acre master planned community located in Bernalillo County (the "County"), which will include commercial, industrial and office uses, residential and workforce housing, five elementary schools, two middle schools and one public high school; and

WHEREAS, Pursuant to the Tax Increment for Development Act, Sections 5-15-1 through 5-15-28 NMSA 1978 (the "Act"), Westland DevCo, LP ("DevCo") has submitted an application (the "Application") requesting dedication of up to seventy percent (70%) of the State Gross Receipts Tax increment generated within the nine DevCo tax increment development districts (the "Districts") to be located within the Upper Petroglyphs Project, encompassing 3,950 acres in the County, for the purpose of securing tax increment revenue bonds to be issued by the Districts; and

WHEREAS, the Application states the following:

A. Approximately \$4,400,000,000 will be invested in the construction of public infrastructure and housing, commercial and industrial buildings and relating improvements in the Upper Petroglyphs Project;

B. The public infrastructure improvements necessary for the Upper Petroglyphs Project to be constructed will cost approximately \$629,000,000 (2007 dollars), will be constructed over a fifteen year period and will be completed in 2023;

C. To date, DevCo has invested in excess of \$100 million in the overall New Mexico Westland Project, which includes the Upper Petroglyphs Project area;

D. The County has approved the formation of the Districts pursuant to the Act on December 11, 2007, by Ordinance Number 73-2007;

E. An estimated 29,883 total jobs per year will be created for the next fifteen years, ninety percent (90%) of which will remain in perpetuity;

F. The residential component of the Upper Petroglyphs Project includes a diversity of housing types, offered at a variety of price ranges for both owners and renters in multiple income ranges;

G. The transportation component of the Upper Petroglyphs Project incorporates a multi-modal transportation system with facilities for vehicles, mass transit, pedestrians and bicycles;

H. The Upper Petroglyphs Project will include the development of multiple mixed-use city centers involving retail uses, higher-density housing, transit and public facilities, the planning of which focuses on a sustainable community that incorporates pedestrian-friendly development;

I. The Upper Petroglyphs Project includes five elementary schools, two middle schools and one public high school; and

WHEREAS, on November 7, 2007, the County accepted the Tax Increment Development Plan for the Districts pursuant to Section 5-15-5 of the Act (the "Tax Increment Development Plan"), on December 11, 2007, the County ratified the Tax Increment Development Plan, and on January 22, 2008, the County will consider DevCo's request for dedication of 22.2% of the gross receipts tax increment and 50% of the property tax increment generated within the Districts for the financing of Public Infrastructure described in the Tax Increment Development Plan; and

WHEREAS, the Tax Increment Development Plan provides that each District will issue at least one series of bonds secured by gross receipts tax increment and property tax increment to finance a portion of the costs of the public infrastructure improvements within the Upper Petroglyphs Project, and that the final maturity of any bonds issued by each District shall be within 25 years following the issuance of the first bonds by that District; and

WHEREAS, in accordance with the Act, and based on DevCo's work with the Department of Finance Administration staff, DevCo is seeking approval of the dedication of fifty percent (50%) of the State Gross Receipts Tax revenue growth generated within the Districts; and

WHEREAS, the Application of DevCo, including the Tax Increment Development Plan, is on file with the State Board of Finance, and DevCo has provided all other necessary information requested by the State Board of Finance in relation to the Districts and the Act.

NOW, THEREFORE, be it resolved by the State Board of Finance of the State of New Mexico, as follows:

Section 1. Based upon the Application, the Tax Increment Development Plan, and other information submitted, and pursuant to Section 5-15-15(F) of the Act, the dedication of fifty percent (50%) of the State Gross Receipts Tax revenue growth generated within Districts 2, 3, 4, and 8 to secure tax increment revenue bonds issued by Districts 2, 3, 4, and 8 to finance necessary public infrastructure, and to pay otherwise pay costs of such public infrastructure, for the Upper Petroglyphs Project located within the County, is hereby approved based upon the following findings:

A. That State Board of Finance has reviewed the request for the use of the State Gross Receipts Tax; and

B. Based upon review by the State Board of Finance of the Tax Increment Development Plan, the dedication by the State Board of Finance of fifty percent (50%) of the gross receipts tax revenue growth attributable to the imposition of the State Gross Receipts Tax within Districts 2, 3, 4, and 8 for use in meeting the required goals of the Development Plan is reasonable and in the best interests of the State; and

C. The use of the State Gross Receipts Tax is likely to stimulate the creation of jobs, economic opportunities and general revenue for the State through the addition of new businesses to the State and the expansion of existing businesses within the State.

Section 2. An amount of fifty percent (50%) of the State Gross Receipts Tax increment generated within Districts 2, 3, 4, and 8 may be dedicated for the purpose of securing gross receipts tax increment bonds issued by Districts 2, 3, 4, and 8.

Section 3. The State Board of Finance approves the dedication of fifty percent (50%) of the State Gross Receipts Tax revenue increase generated within Districts 2, 3, 4, and 8, subject to the condition that the County, on or before February 14, 2008, set and dedicate the County property tax increment and County gross receipts tax increment in an amount sufficient to provide at least \$125,000,000 in revenue to the Districts that may be pledged to the repayment of bonds issued by the Districts.

Section 4. The approvals of the dedication contained in this Resolution are based upon the Tax Increment Development Plan submitted with the Application, as amended by this Resolution. Such approvals are predicated upon application of the following language specifically contained within Section 5-15-25 "Modification of Tax Increment Development Area Boundaries Or Tax Increment Development Plan":


"C. The district board, following a hearing conducted upon notice given to the owners of real property located in the district in the manner prescribed for the formation hearing, may, subject to the approval of the governing body that approved the district's tax increment plan, amend the tax increment development plan in any manner that it determines will not substantially reduce the benefits to be received by any land in the district from the public infrastructure on completion of the work to be performed under the general plan. An election shall not be required solely for the purposes of this subsection."

Section 5. All resolutions and orders in conflict herewith are, to the extent of such conflict, hereby repealed and this resolution shall be in full force and effect from and after its effective date as set forth in Section 6 herein.

Section 6. This resolution shall take effect on July 1, 2008.

PASSED, APPROVED AND ADOPTED, this 14th day of January, 2008.

STATE BOARD OF FINANCE

By 
Bill Richardson, Governor

[SEAL]

ATTEST:

By 
State Board of Finance Secretary

The question being upon the adoption of the resolution, the following vote was taken and recorded:

AYES:

Diane D. Denish

James B. Lewis

Kim Sanchez Rael

John Loehr

NAYS:

ABSTENTIONS:

Roberta Cooper Ramo

The Governor then declared that the resolution, having been approved by a majority of the members of the State Board of Finance voting on the resolution, was duly adopted.

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After consideration of other business not relating to the resolution, upon motion duly made, seconded and carried, the meeting was adjourned.

STATE BOARD OF FINANCE
OF THE STATE OF NEW MEXICO

By Bill Richardson
Bill Richardson, Governor

[SEAL]

ATTEST:

By [Signature]
State Board of Finance Secretary

