

**WESTLAND DEVCO, LP
BERNALILLO COUNTY, NEW MEXICO
TAX INCREMENT DEVELOPMENT PLAN**

Westland Devco, LP, ("DevCo") hereby submits this Tax Increment Development Plan to Bernalillo County, New Mexico, pursuant to Section 3(F) of the Bernalillo County TIDD Policy Ordinance, Resolution 2007-20 ("TPO"), and Section 5-15-5, NMSA 1978 ("TIDD Act").

A. Project overview:

DevCo proposes nine Tax Increment Development Districts ("TIDDs") in the Upper Petroglyphs area of Bernalillo County ("Project"). All proposed TIDDs are situated 100% in Bernalillo County, and there is no overlap between the TIDDs and any other special districts. See Attachment 1 for a map depicting the geographical boundaries of the area proposed for inclusion within the tax increment development area.

B. Whether gross receipts tax increment bonds or property tax increment bonds or both are proposed (TPO §3(F)(1)):

Both gross receipts tax increment bonds and property tax increment bonds are proposed to be utilized by all nine TIDDs to finance all or portions of the cost of the public infrastructure to be constructed by each respective TIDD.

C. The public improvements proposed to be financed by each type of bond financing proposed along with a description of the public improvements and an estimate of the costs of completion (TPO §3(F)(2)):

The public improvements include, without limitation, the trunk infrastructure described below. In accordance with the TIDD Act, surplus bonding capacity may be used to fund offsite infrastructure improvements within other TIDDs or otherwise. The following improvements are anticipated to be constructed within the TIDDs:

(1) **TIDD 1:** Trunk infrastructure (within the general area of Arroyo Vista Boulevard to High Mesa Drive to 118th Street to Interstate 40 and neighborhood connector roads) and portions of other trunk infrastructure (water supply facilities, ground storage, water pump station, sanitary sewer mains and manholes, storm detention ponds, storm drains, parks, roads, grading and all associated infrastructure improvements related to the foregoing); land for police, fire and public safety facilities, community centers, libraries, and other public facilities (the "TIDD 1 Improvements").

The estimated cost of TIDD 1 Improvements is \$57,244,212.50.

(2) **TIDD 2:** Trunk infrastructure (within the general area of Ladera Drive from the west boundary of Cordero Mesa Business Park to the east boundary of TIDD 3 to Paseo Del Volcan to Interstate 40 and connector roads) and portions of other trunk infrastructure (water supply facilities, ground storage, water pump station, sanitary sewer mains and manholes, storm drain facilities, storm detention ponds, parks, roads, grading and all associated infrastructure improvements related to the foregoing); land for police, fire and public safety facilities, community centers, libraries, and other public facilities (the “TIDD 2 Improvements”).

The estimated cost of TIDD 2 Improvements is \$49,216,375.00.

(3) **TIDD 3:** Trunk infrastructure (within the general area of Ladera Drive from the western boundary to TIDD 2 to proposed Paseo Del Volcan to Interstate 40 and connector roads) and portions of other trunk infrastructure (water supply facilities, ground storage, water pump station, sanitary sewer mains and manholes, storm drains, storm detention ponds, parks, roads, grading and all associated infrastructure improvements related to the foregoing); land for police, fire and public safety facilities, community centers, libraries, and other public facilities (the “TIDD 3 Improvements”).

The estimated cost of TIDD 3 Improvements is \$145,709,610.00.

(4) **TIDD 4:** Trunk infrastructure (within the general area of 118th Street to Ladera Drive to Unnamed Street A to the western boundary of the property includes Unnamed Street B and residential connector roads) and portions of other infrastructure (water supply facilities, ground storage, water pump station, sanitary sewer mains and manholes, storm drains, storm detention ponds, parks, roads, grading and all associated infrastructure improvements related to the foregoing; land for, police, fire and public safety facilities, community centers, libraries, and other public facilities (the “TIDD 4 Improvements”).

The estimated cost of TIDD 4 Improvements is \$75,218,400.00.

(5) **TIDD 5:** Trunk infrastructure (within the general area of Ladera Drive to Paseo Del Volcan to Unnamed Street A includes Unnamed Street B and connector roads) and portions of other infrastructure (water supply facilities, ground storage, water pump stations, sanitary sewer mains and manholes, storm drains, storm detention ponds, parks, roads, grading and all associated infrastructure improvements related to the foregoing); land for police, fire and public safety facilities, community centers, libraries, and other public facilities (the “TIDD 5 Improvements”).

The estimated cost of TIDD 5 Improvements is \$36,316,500.00.

(6) **TIDD 6:** Trunk infrastructure (within the general area of Arroyo Vista Boulevard to Unnamed Street B to the Petroglyph National Monument to the Atrisco Terrace to 118th Street to west boundary of property includes Unnamed Street B and residential connector roads) and portions of other infrastructure (water supply facilities, ground storage, water pump stations, sanitary sewer mains and manholes, storm drains, storm detention ponds, parks, roads, grading and all associated infrastructure

improvements related to the foregoing); land for police, fire and public safety facilities, community centers, libraries, and other public facilities (the TIDD 6 Improvements”).

The estimated cost of TIDD 6 Improvements is \$116,390,275.00

(7) **TIDD 7:** Trunk infrastructure (within the general area of Unnamed Street A to Paseo Del Volcan to Interstate 40 to Atrisco Terrace and connector roads) and portions of other infrastructure (water supply facilities, ground storage, water pump stations, sanitary sewer mains and manholes, storm drains, storm detention ponds, parks, roads, grading and all associated infrastructure improvements related to the foregoing); land for police, fire and public safety facilities, community centers, libraries, and other public facilities (the TIDD 7 Improvements”).

The estimated cost of TIDD 7 Improvements is \$13,337,750.00.

(8) **TIDD 8:** Trunk infrastructure (within the general area of Arroyo Vista Boulevard to Paseo Del Volcan to west boundary of property to north boundary of property to Paseo Del Volcan and connector roads) and portions of other infrastructure (water supply facilities, ground storage, water pump stations, sanitary sewer mains and manholes, storm drains, storm detention ponds, parks, roads, grading and all associated infrastructure improvements related to the foregoing); land for police, fire and public safety facilities, community centers, libraries, and other public facilities (the TIDD 8 Improvements”).

The estimated cost of TIDD 8 Improvements is \$55,384,755.00.

(9) **TIDD 9:** Trunk infrastructure (within the general area of Arroyo Vista Boulevard to Paseo Del Volcan to north boundary of property to Petroglyph National Monument to Unnamed Street B and residential connector roads) and portions of other infrastructure (water supply facilities, ground storage, water pump stations, sanitary sewer mains and manholes, storm drains, storm detention ponds, parks, roads, grading and all associated infrastructure improvements related to the foregoing); land for police, fire and public safety facilities, community centers, libraries, and other public facilities (the TIDD 9 Improvements”).

The estimated cost of TIDD 9 Improvements is \$80,190,025.00.

The TIDD 1 Improvements, TIDD 2 Improvements, TIDD 3 Improvements, TIDD 4 Improvements, TIDD 5 Improvements, TIDD 6 Improvements, TIDD 7 Improvements, TIDD 8 Improvements, and TIDD 9 Improvements are the “TIDD Improvements.”

The estimated cost of the TIDD Improvements is \$629,007,902.50.

D. The estimated annual gross receipts tax increment to be generated by the TIDD project and the portion of that gross receipts tax increment proposed to be pledged as security for gross receipts tax increment bonds, (which portion may not exceed seventy-five percent (75%) of the gross receipts tax increment) if applicable (TPO §3(F)(3)):

Recurring gross receipts tax increment revenue is projected to increase significantly year-to-year as commercial and residential development takes place within the TIDDs. The estimated total recurring gross receipts tax increment revenue generated within the Project and available for the TIDDs at full build out is anticipated to be approximately \$50.8 million per year (\$48.5 million State, \$2.3 million County).

One-time gross receipts tax revenues generated for the TIDDs, which include taxes generated from the initial construction of infrastructure, residential development, commercial development and other construction within the TIDDs, is estimated to total \$91.9 million (\$88.7 million State, \$3.2 million County).

Throughout the life of the Project, the nine TIDDs, collectively, are anticipated to have the capacity to finance approximately \$946 million of the total cost of the public improvements required to serve the Project. As master developer of the Project, DevCo will finance the balance of the infrastructure costs not defrayed by the nine TIDDs.

Annual Recurring Gross Receipts Taxes			
Jurisdiction	Total GRT	Portion for TIDD	Amount for TIDD
State of New Mexico	\$ 69.2 M	70.0%	\$ 48.5 M
Bernalillo County	\$ 15.1 M	15.4%	\$ 2.3 M

Footnote: The total County GRT Tax Rate is 0.8125; 0.2500 is allocated to the General Fund and is unrestricted and 50% of these revenues are anticipated to be directed to the TIDD. $(0.2500/0.8125 * 50\% = 15.4\%)$

Non-recurring (One-Time) Gross Receipts Taxes			
Jurisdiction	Total GRT	Portion for TIDD	Amount for TIDD
State of New Mexico	\$ 126.7 M	70.0%	\$ 88.7 M
Bernalillo County	\$ 20.6 M	15.4%	\$ 3.2 M

Footnote: The total County GRT Tax Rate is 0.8125; 0.2500 is allocated to the General Fund and is unrestricted and 50% of these revenues are anticipated to be directed to the TIDD. $(0.2500/0.8125 * 50\% = 15.4\%)$

E. The estimated annual property tax increment to be generated by the TIDD project and the portion of that property tax increment proposed to be pledged as security for property tax increment bonds (which portion may not exceed seventy-five percent (75%) of the property tax increment), if applicable (TPO §3(F)(4)):

The estimated County ad valorem property tax increment is projected to increase significantly year-to-year until build out of the Project is completed. The estimated total ad valorem property tax increment generated at the Project and available for the TIDDs will be approximately \$4.4 million per year at build-out.

Bernalillo County - Annual Property Taxes			
Jurisdiction	Total Property Tax	Portion for TIDD	Amount for TIDD
Residential	\$ 6.5 M	43.0%	\$ 2.8 M
Commercial	\$ 3.6 M	45.7%	\$ 1.6 M
Totals	\$ 10.1 M	44.0%	\$ 4.4 M

Footnote: The total residential County Property Tax Rate is 7.187; 6.199 is allocated to Operations, and 50% of these revenues are anticipated to be directed to the TIDD. ($6.199/7.187 * 50\% = 43.1\%$). The total non-residential County Property Tax Rate is 11.804; 10.816 is allocated to Operations, and 50% of these revenues are anticipated to be directed to the TIDD. ($10.816 / 11.804 * 50\% = 45.8\%$).

F. Any proposed use of gross receipts tax increment revenues or property tax increment revenues other than to secure the payment of bonds (TPO §3(F)(5)):

Per the TPO, tax increment revenues may be used for administration and operation of the TIDDs, and the operation and maintenance of TIDD Improvements.

G. The proposed land uses for the TIDD project including a map depicting the geographic boundaries of the TIDDs (TPO §3(F)(6)):

See Attachment 1 for a map depicting the geographic boundaries of the TIDDs.

The nine TIDDs will provide tax increment financing for public infrastructure serving the entire Project, which is a 3,950 acre mixed-use development. Fully developed, the Project will include the following major land uses:

- (1) **Upper Petroglyphs Primary Village**, comprising approximately 2,050 acres of residential uses ranging in density, intensity, price and size, neighborhood-serving retail and commercial uses, and open space and community facilities;
- (2) **Highway Commercial**, comprising approximately 750 acres of higher density residential uses, regional and neighborhood-serving retail and commercial uses, employment center industrial and corporate office for research, light industrial, advanced technology and other uses, and open space.
- (3) **Double Eagle Industrial Park**, comprising approximately 380 acres of employment center industrial for light industrial, advanced technology, aviation uses and other industrial uses.
- (4) **Lower Petroglyphs Primary Village**, comprising approximately 270 acres of residential uses ranging in density, intensity, price and size, schools, and open space.
- (5) **Open space and trails**, incorporated into the above areas, comprising approximately 250 acres.
- (6) **Schools**, incorporated into the above areas, comprising approximately 160 acres including high schools, middle schools, and elementary schools as needed.

(7) **Roads & Drainage**, incorporated into the above areas, comprising approximately 500 acres.

(8) **Total** - approximately 3,950 acres

H. The number and types of jobs expected to be created by the TIDD project during build-out of the TIDDs and after completion of the TIDDs (TPO §3(F)(7)):

The Project is intended to provide major employment centers for the Albuquerque metropolitan area. Working closely with the State of New Mexico, Bernalillo County, and City of Albuquerque economic development departments, as well as Albuquerque Economic Development, DevCo will continue to compete aggressively to recruit regional, national, and international industry to Project's business centers. With Interstate 40 at its southern boundary and Double Eagle II airport at its northern boundary, the Project offers immediate access to transportation systems and hubs. Tempur Pedic and Shamrock Foods have established facilities within the Upper Petroglyphs (in an area not included in any of the Project's nine TIDDs). Eclipse Aviation has initiated construction of its training center at Double Eagle II and soon plans to construct its main design and manufacturing complex at the airport. Tesla Motors has identified a 75-acre site within the Upper Petroglyphs TIDD as a possible future home of its primary assembly plant. Industrial areas within the Project continue to garner keen interest from a spectrum of light industrial candidates.

The Project amounts to \$3.620 billion in development value. The construction labor component of this is \$905,000,000 (25%). At \$37,845 per construction job per year in Bernalillo County, this produces the following:

(1) Construction Phase Jobs –One-Time Construction Impact

28,880 Direct Construction Jobs

Multiplier 1.50

43,321 Total Construction Jobs

or

2,888 construction jobs per year – almost 3,000 construction jobs per year for 15 years.

(2) Permanent Jobs – Annual Operations Impact

20,259 Direct Permanent Jobs

Multiplier 1.33

26,945 Total New Permanent Jobs (in perpetuity)

(3) Construction Plus Permanent Jobs –Annual Impacts

29,883 total jobs per year (almost 30,000) – for the next 15 years – 90% of this total will remain in perpetuity

Currently in Bernalillo County there are approximately 1.250 jobs per housing unit. The Project adds approximately 1.625 jobs per housing unit or provide a jobs/housing unit ratio for this development that is 30 percent in excess of what currently exists.

According to DevCo's consultants, the \$3.620 billion in development value of the Project will provide an additional \$4.43 million in annual property tax revenues to the Bernalillo County General Operating Fund and an equivalent annual amount to pay off the TIDD bonds. Additional property tax revenues will go to other County capital funds. The Project's new employees and retail sales will provide \$8.11 million annually in gross receipts tax revenues to the Bernalillo County General Operating Fund and about one quarter of that annual amount to pay off the TIDD bonds. In addition, new growth in Bernalillo County has a ripple effect on all other sectors. There will be additional tax revenues to fund economic and community development. The Project will have enormous positive fiscal and economic effects on the economy of Bernalillo County.

I. The amount and characteristics of workforce housing expected to be created by the TIDD project (TPO §3(F)(8)):

It is projected that there will be a diversity of housing types offered at a variety of price ranges for both owners and renters in multiple income ranges, including income ranges below the Area Median Income. This variety is not planned to be grouped into one specific Village or TIDD, but allocated across the Project. DevCo proposes to develop, in conjunction with County TIDD Staff, a comprehensive Community-Based Housing and Opportunity Program to meet the specific needs of the residents of Bernalillo County in accordance with the TIDD Act.

J. The location and characteristics of public school facilities expected to be created, improved, rehabilitated or constructed by the TIDD project (TPO §3(F)(9)):

The Upper Petroglyphs of the Westland Master Plan, including that portion east of the Atrisco Terrace, identifies sites for 5 elementary schools, 2 middle schools, and a public high school. DevCo has entered into an option agreement with Albuquerque Public Schools ("APS") for a 75-acre high school site that will include a sports stadium. APS and DevCo continue to work closely to bring about the timely delivery of school sites to accommodate local residents.

K. A description of innovative planning techniques, including mixed-use transit-oriented development, traditional neighborhood design or sustainable development techniques, that the County should find to be beneficial and that are proposed to be incorporated into the TIDD project (TPO §3(F)(10)):

The Planning Principles for DevCo:

(1) **Environmental Sustainability:** Conserve land both aesthetically and functionally, and respect existing conditions to naturally leverage environmental sustainability and water management. Sustainability is a concept of careful planning that provides the best outcomes for the human and natural environments both now and into the future.

(2) **A Connected Community:** Feature a wide variety of integral open spaces to thoughtfully shape public spaces and promote connectivity and recreation. Carefully lay-out streets to form an interconnected network that offers multiple access routes and disperses traffic. Foster a sense of community and preserve land within defined boundaries by making building forms compact and integrated.

(3) **Efficient Mix of Uses:** Locate a range of retail offerings within the various settings to accommodate market demand. Vary housing types to create a welcoming community atmosphere and provide a choice of housing options. Feature “park-once” shared public parking in commercial districts to reduce traffic and promote connectivity.

(4) **A Sense of Place:** Design buildings and landscapes to draw upon the local character with an emphasis on pedestrian-oriented public spaces. Locate civic buildings on prominent sites to establish spiritual and civic connections. Create a form-based development regulations through Sector Plan zoning, restrictive covenants, and/or design guidelines to maximize compatibility, predictability and efficiency.

L. The amount, type and source of private investment in the TIDD project (TPO §3(F)(11)):

DevCo will provide 20% of the initial capital required for the public infrastructure serving each TIDD. To date, DevCo has invested over \$100 million in the overall New Mexico Westland project, which includes the Upper Petroglyphs Project area. This investment represents land acquisition costs, planning, design, predevelopment costs, offsites, and improvements. Details of infrastructure investment will be provided as bonds are issued to demonstrate the 20% minimum required initial capital contribution.

M. The estimated time necessary to complete the tax increment development project (§ 5-15-5 (B), NMSA 1978):

(1) **TIDD 1:** 25 years (including retirement of 25 year bonds issued by the TIDD; initial series expected to be issued in 2012).

(2) **TIDD 2:** 25 years (including retirement of 25 year bonds issued by the TIDD; initial series expected to be issued in 2011).

(3) **TIDD 3:** 25 years (including retirement of 25 year bonds issued by the TIDD; initial series expected to be issued in 2014).

(4) **TIDD 4:** 25 years (including retirement of 25 year bonds issued by the TIDD; initial series expected to be issued in 2014).

(5) **TIDD 5:** 25 years (including retirement of 25 year bonds issued by the TIDD; initial series expected to be issued in 2017).

(6) **TIDD 6:** 25 years (including retirement of 25 year bonds issued by the TIDD; initial series expected to be issued in 2017).

(7) **TIDD 7:** 25 years (including retirement of 25 year bonds issued by the TIDD; initial series expected to be issued in 2017).

(8) **TIDD 8:** 25 years (including retirement of 25 year bonds issued by the TIDD; initial series expected to be issued in 2019).

(9) **TIDD 9:** 25 years (including retirement of 25 year bonds issued by the TIDD; initial series expected to be issued in 2021).