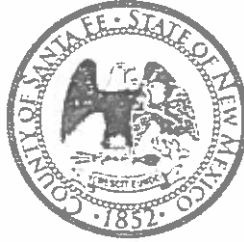


Henry P. Roybal
Commissioner, District 1

Miguel M. Chavez
Commissioner, District 2

Robert A. Anaya
Commissioner, District 3



Kathy Holian
*Commissioner,
District 4*

Liz Stefanics
*Commissioner,
District 5*

Katherine Miller
County Manager

TO: Santa Fe County Board of County Commissioners

FROM: David Griscom, Economic Development Manager

Via: Penny Ellis-Green, Growth Management Director
Katherine Miller, County Manager

RE: Request Authorization to publish Title and General Summary for Ordinance 2015-, Santa Fe County Local Economic Development Act (LEDA) Support for The Place at Caja Del Rio, a Senior Living project

DATE: December 8, 2015

Background

The Place at Caja Del Rio is a proposed facility along Caja Del Rio road that would provide a variety of senior care services. The project would be built in 4 phases, and would include Independent Living (180 units), Assisted Living (200 units), Skilled Nursing (120 beds), and Memory Care (80 units) units. Phase 1 would focus on Skilled Nursing, and the remaining phases would be built out over a period of approximately 5 years. The project is being developed by Cauwels & Stuve, and the firm has hired Jenkins & Gavin as their agent. The project Master Plan was approved by the BCC on October 14, 2014, designating the property as a Large Scale Mixed-Use District. The project is located on 28 acres at 28 Caja Del Rio road.

The applicant has experience in senior care services, having implemented a similar, multi-phase, multi-care senior services project in Albuquerque, called The Rio at Las Estancias.

Per the County's LEDA Ordinance, the applicant has filled out a County LEDA application, and it is attached as Exhibit A.

The concept of providing LEDA support for The Place at Caja Del Rio senior living project was presented to the BCC at the Sept. 8 meeting, and the BCC requested that a draft Ordinance and Project Participation Agreement (PPA) be brought to them for review.

County LEDA Ordinance

Per the County LEDA Ordinance (2014-7), a project or business must be a “qualifying entity” in order to receive LEDA support, and this project would qualify under Section VI,B,3: “a business in which all or part of the activities of the business involves the supplying of services to the general public or to governmental agencies or to a specific industry or customer, but, other than as provided in Paragraph (5) of this subsection, not including businesses primarily engaged in the sale of goods or commodities at retail.”

Draft Ordinance and Project Participation Agreement

Attached to this memo are the draft Ordinance (exhibit B) and PPA (exhibit C). The Ordinance details the findings and specific request to the County. The PPA is the agreement between the County and Caja Del Rio Holdings Inc that contains contractual language regarding the terms of the agreement.

Funding Guidelines

Internal criteria through which each economic development LEDA funding request is evaluated includes the following:

- Whether the project ties in to the SF County Economic Development Plan, and whether it is within one of the 6 identified target industries;
- Whether the project is economic base in nature, meaning that >50% of revenues must come from outside NM;
- Whether the total private sector investment in the LEDA project, including land, building, infrastructure, and cash, is greater than 70% of the total cost of the project;
- Whether the entity requesting LEDA support has been in business for 3 years or longer;
- Whether the project is outside the incorporated areas of SF County;
- Whether the project is in SDA 1 or not;
- Whether the project provides sufficient economic impact to the County.

LEDA request

The applicant has requested assistance in infrastructure improvements needed to develop the project, which include:

- 7,000 lineal feet of new 8-inch sanitary sewer line with 16 connection points along the 599 Frontage Road from Caja del Rio to the connection point in Paseo de River just north of Airport Road.
- 1,500 lineal feet of 8-inch water line from the development to the existing 12 inch line on the north side of Caja Del Rio at Cochiti Trail Rd.

The total project cost for the The Place at Caja Del Rio is estimated to be \$14 million. Staff recommends \$300,000 in LEDA financial support, which is 13% of the total infrastructure costs. The build-out of the sewer line could eventually assist the County in its long term sewer infrastructure expansion plans for the Caja Del Rio area.

Economic Impact

The applicant has made an initial estimate as to jobs created, and the State of New Mexico performed an economic impact analysis for this project, and it is attached as Exhibit D. The highlights of both include the following:

- Permanent jobs: 170 jobs with payroll of \$8.8 million

- \$3.35 million estimated net benefits to SF County over 10 years
- \$1.1 million net benefit to SF School District

Analysis

A pressing demographic trend is that Santa Fe County residents are getting older each year, with the average age increasing with each US Census, starting in 1990 (average age=34), 2000 (average age= 38), 2010 (average age=43). With an aging population comes an increase in the demand for services that cater towards an older population. There are currently 10+ facilities in the City of Santa Fe that provide some combination of Independent Living, Assisted Living, Skilled Nursing, and Memory Care services, though it appears that demand for these services is outpacing supply. The Place at Caja Del Rio project complies with each of the LEDA criteria listed above, making it a viable candidate for SF County LEDA support: the project is in the Health/Wellness target industry listed in the County's economic development plan; it is economic base- greater than 50% of the revenues for the business would come from Medicare and Medicaid (the project proforma assumes 5% private pay, 95% medicare/Medicaid); SF County financial support would be around 2% of the total project cost; the applicant has demonstrated experience in the senior care industry, having opened the Rio at Las Estancias in 2013/14; it is outside the incorporated areas and also falls in SDA 1; it will provide sufficient economic impact to the County.

Recommendation

Staff is requesting authorization to publish Title and General Summary for Ordinance 2015-, Santa Fe County Local Economic Development Act (LEDA) support for The Place At Caja Del Rio, a Senior Living project.

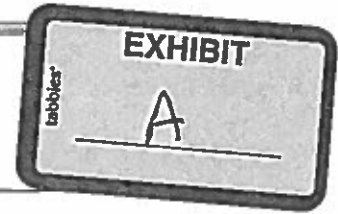
Exhibit A: Applicant LEDA application

Exhibit B: draft LEDA Ordinance

Exhibit C: draft PPA

Exhibit D: Summary of Economic Impact

SANTA FE COUNTY ECONOMIC DEVELOPMENT LEDA
APPLICATION FORM
(IN ACCORDANCE WITH LEDA AS PER ORDINANCE 2014-7)



Project Requirements for Financial Solvency:

A. History and Background:

1. Applicant name and contact info:

Mark W. Haley
Caja Del Rio Holdings LLC
8814 Horizon Blvd. NE Suite 400
Albuquerque, New Mexico 87113

2. Description of project:

Caja Del Rio Holdings LLC is pleased to present this high quality, fully-entitled 4 Phase Master Plan tailored to senior lifestyles, with state-of-the-art facilities for Independent Living, Assisted Living, Skilled Nursing, and Memory Care. Leveraging years of experience in senior projects, Cauwels & Stuve (C&S) will offer Operators 4 turn-key facilities in the under-served Santa Fe market.

3. Description of specific LEDA request of Santa Fe County:

Total infrastructure required for the development consists of the following:

- a. 7,000 lineal feet of new 8-inch sanitary sewer line with 16 connection points along the 599 Frontage Road from Caja del Rio to the connection point in Paseo de River just north of Airport Road.**
- b. 1,500 lineal feet of 6-inch water line from the development to the existing 12 inch line at the Challenge New Mexico Facility to the north and west.**
- c. New power lines will follow the same water line route into the development.**
- d. New natural gas lines will be run from the New Mexico Gas Company main line on the north side of the adjacent property into the development.**
- e. A deceleration lane on Caja del Rio into the facility and roadway into the site as shown on the attached are also included in the infrastructure improvements.**

The total estimated cost of the required infrastructure is \$2.3 million, a portion of the amount requested by this grant application.

4. Description of applicant's experience with the industry in which this project would best fit:

The applicants are experienced in elder care development with extensive background in development and operation of elder care facilities. Jeff Stuve and Paul Cauwels are both New Mexico natives. Jeff was Director of Purchasing and Development for Horizon /CMS Healthcare for eight years prior to their sale. The applicants completed a 120-bed skilled nursing facility in the south valley area in Albuquerque just like the one planned for Caja del Rio, in July of 2014.

SANTA FE COUNTY ECONOMIC DEVELOPMENT LEDA
APPLICATION FORM
(IN ACCORDANCE WITH LEDA AS PER ORDINANCE 2014-7)

5. NAICS code:

Skilled Nursing 623110
Elder Care without Nursing Care 623312

6. Disclosures including any conflicts of interest or involvement with governmental entities or their officials (explain in writing):

NONE

7. Is the applicant current with all property taxes due to SF County?

YES

8. Has the applicant or any of its officers ever filed for bankruptcy? If yes, provide details:

NO

9. Has the applicant or any of its officers ever defaulted on any loans or financial obligations? If yes, provide details:

NO

10. Does the applicant have any loans or other financial obligations on which payments are not current? If yes, provide details:

NO

B. Funding Sources for Project and timeline:

1. Aside from LEDA support from SF County, what other funding sources (public or private) is applicant pursuing?

Private Equity Raise and Bank Financing TBD.

2. What is the total estimated value of assistance requested by the County?

\$2,650,000.00 comprised of \$2.3 million in infrastructure costs outlined in Item 3 above and \$350,000 in water connection fees to be paid to Santa Fe County.

3. Is a bond issuance requested, and if so, what percentage of the total project cost does the bond amount request represent?

NO

SANTA FE COUNTY ECONOMIC DEVELOPMENT LEDA
APPLICATION FORM
(IN ACCORDANCE WITH LEDA AS PER ORDINANCE 2014-7)

4. What is the equity investment for applicant?

\$8,000,000.00

5. Describe the security that will be provided to Santa Fe County by the applicant in return for public support (lien, mortgage, or other indenture)

The land under phase one development, approximately 6 acres.

6. Describe the schedule for project development and completion, including measurable goals and time limits for those goals.

The construction of the infrastructure is scheduled to begin in May of 2015. The construction of the buildings will begin at different times and have separate schedules due to the various sizes and purposes. It is estimated the buildings will be constructed over a five year period from 2015 to 2020.

C. Business Finance Info- please provide the following:

1. Financial statements with independent audits if available, or tax returns for the past three years:

Not Applicable at this time, Operator not designated yet.

2. List type of business (C-corporation, S corporation, LLC, Partnership, etc.) and attach bylaws, articles of incorporation and any other relevant documents.

Entity is an LLC, articles attached, of current ownership

3. Federal tax number, NM Taxation and Revenue number and County business license number if applicable:

FIEN 47-3077473 (current owner) NMCRS ID applied for(current owner)

4. Three year projected income statements:

Operators first three years projected \$2,160,000.00

5. Business plan complete with detailed assumptions for business and proposed project. Include pro-forma cash flow analysis:

Will be provided by operator once selected.

SANTA FE COUNTY ECONOMIC DEVELOPMENT LEDA
APPLICATION FORM
(IN ACCORDANCE WITH LEDA AS PER ORDINANCE 2014-7)

6. Any other document or record that pertains to the financial solvency of the qualified entity that the County deems necessary:

NONE

Cost Benefit Analysis and Community Commitment

All qualified entities seeking LEDA support from Santa Fe County will show as a part of their application how the proposed project will benefit Santa Fe County in relation to the relative costs of the project. Please provide an analysis, with both tangible and intangible costs and benefits, and include at a minimum the following:

1. What are the number and types of jobs to be created by the entity?

Construction employment during the initial four phases is estimated at 170 jobs with a payroll of \$8.8 million. Permanent employment with the new facilities will be 170 administrative, nursing and support jobs with an average salary of \$52,000 per year for a total payroll of \$8.8 million.

2. What is the proposed pay scale and payroll proposed by the entity?

New jobs will have an average salary of \$52,000 per for a total payroll of \$8.8 million

3. Describe efforts made or to be made by the entity to provide employment opportunities to people within the local employment pool:

90% of new jobs will be hired from the local labor pool.

4. Describe any plans for job/workforce training and/or career development for employees:

Eldercare providers provide employee training in the special care required for elderly patients for their daily care as well as their rehabilitation.

5. Detail estimated impacts to the local tax base:

Projected taxable income of \$9,500,000.00 over the first ten years. Taxable purchases of \$6,795,000.00 over the first ten years.

6. Detail any need for additional services from the Sheriff department and Fire department as a result of this project:

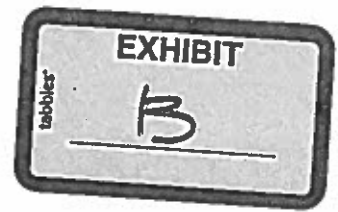
Typical additional public services due to the new development.

SANTA FE COUNTY ECONOMIC DEVELOPMENT LEDA
APPLICATION FORM
(IN ACCORDANCE WITH LEDA AS PER ORDINANCE 2014-7)

7. Describe efforts made or to be made by the entity to procure materials and services from local (Santa Fe) providers:

95% of construction materials and services will be purchased from local providers. The phase one elder care provider is anticipated to purchase approximately \$500,000.00 worth of food and non-food items locally each year. The provider for the additional phases will have similar purchasing habits.

THE BOARD OF COUNTY COMMISSIONERS
OF SANTA FE COUNTY



ORDINANCE NO. 2016-_____

**THE PLACE AT CAJA DEL RIO, A SENIOR LIVING PROJECT,
LOCAL ECONOMIC DEVELOPMENT ACT (LEDA) PROJECT ORDINANCE**

IT IS HEREBY ORDAINED by the Board of County Commissioners of Santa Fe County as follows:

1. **SHORT TITLE.** This Ordinance shall be cited as the "The Place at Caja Del Rio LEDA Project Ordinance" and shall be referred to herein as "the Ordinance" or "this Ordinance."

2. **AUTHORITY.** This Ordinance is enacted pursuant to N.M. Const., art. IX, Section 14(D), LEDA, and the Santa Fe County Economic Development Ordinance, Ordinance No. 2014-7.

3. **DEFINITIONS.**

- a. "Board" means the Board of County Commissioners of the County.
- b. "County" means Santa Fe County.
- c. "Infrastructure" means the following infrastructure to be constructed for

the Project:

- i. 7,000 lineal feet, plus or minus, of new 8-inch sanitary sewer line with 16 connection points along the 599 Frontage Road from Caja del Rio to the connection point in Paseo de River just north of Airport Road; and
- ii. 1,500 lineal feet, plus or minus, of 8-inch water line from the Property to the existing 12 inch line on the north side of Caja Del Rio at Cochiti Trail Road.

d. "LEDA" means the Local Economic Development Act, NMSA 1978, Chapter 5, Article 10.

e. "PPA" means the Project Participation Agreement attached hereto as Exhibit A.

f. "Project" means the construction of Independent Living, Assisted Living, Skilled Nursing, and/or Memory Care facilities and provision of healthcare and other services to seniors at the facilities, such senior facilities to be known as The Place at Caja Del Rio.

g. "Property" means the real property at which the Place at Caja Del Rio will be located, the address of which is 28 Caja Del Rio Road Santa Fe NM.

h. "CDRH" means Caja Del Rio Holdings LLC, a New Mexico corporation.

4. **FINDINGS.**

a. CDRH has submitted an application for economic assistance pursuant to Section V(C) of the Santa Fe County Economic Development Ordinance, Ordinance No. 2014-7.

b. The Board has reviewed the application and hereby determines that the Project warrants the economic assistance set forth in this Ordinance and the PPA based upon the following, among other, factors:

i. CDRH is a qualifying entity under LEDA, in that it is “a business in which all or part of the activities of the business involves the supplying of services to the general public or to governmental agencies or to a specific industry or customer, but, other than as provided in Paragraph (5) or (9) of this subsection, not including businesses primarily engaged in the sale of goods or commodities at retail” (NMSA 1978, § 5-10-3(I)(3)). As judicially determined in *McCaughy, et al. v. Santa Fe County Board of County Commissioners*, State of New Mexico, County of Santa Fe, First Judicial District, No. D-0101-CV-2010-00784, Findings of Fact and Conclusions of Law entered on November 15, 2011, ¶ 21, such services do not have to be provided directly by a qualifying entity but, rather, the qualifying entity can arrange for the services to be provided by others;

ii. CDRH is a new business in Santa Fe County that proposes to create 170 permanent jobs by January 1, 2021;

iii. The economic benefits of the Project, including the permanent jobs, represent adequate return on the public investment of \$300,000 towards the construction costs of the Infrastructure; and

iv. The economic assistance to be provided under this Ordinance and PPA is permissible under LEDA, in that it represents the provision of a grant for infrastructure. NMSA 1978, § 5-10-3(D) (defining “economic development project” as, among other things, “the provision of direct loans or grants for land, buildings or infrastructure”).

5. APPROVAL OF PROJECT AND PROJECT PARTICIPATION AGREEMENT. Subject to the contingencies set forth in Section 7 of this Ordinance, the Board hereby approves of the Project and the PPA.

6. ECONOMIC ASSISTANCE TO BE PROVIDED. Subject to the provisions of this Ordinance and the PPA, the County shall grant to CDRH \$300,000 for construction costs of the Infrastructure.

7. CONTINGENCIES. The economic assistance to be provided under this Ordinance and the Project Participation Agreement are contingent upon the following:

a. CDRH granting the County a mortgage on all or a portion of the Property to secure repayment of the economic assistance to be provided and other amounts that may become due under this Ordinance and the PPA;

b. The Project receiving all necessary development permits and approvals under the Land Development Code or Santa Fe County Sustainable Land Development Code.

c. The PPA being fully executed by both parties.

These contingencies must be met by December 31, 2016, or the County’s approval of the Project and Project Participation Agreement is void.

8. DELEGATION OF AUTHORITY TO THE COUNTY MANAGER. The Board hereby delegates to the County Manager the authority to:

a. execute on behalf of the County the PPA; provided, however, that the County Manager may negotiate changes to the PPA so long as the changes do not (i) change the job creation requirements for the Project; (ii) extend the deadline by which jobs must be created; or (iii) commit the County to providing any more economic assistance for the Project; and

b. negotiate on behalf of the County the mortgage to be provided by CDRH to secure repayment of the economic assistance and other amounts that may become due under this Ordinance and the PPA.

9. **PROJECT ACCOUNT.** The County Manager shall cause to be established the Place at Caja Del Rio LEDA Project Account, into which shall be deposited \$300,000 and which shall account for all expenditures for the Infrastructure.

10. **SEVERABILITY.** If a provision of this Ordinance or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the Ordinance that can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are severable.

11. **NO EFFECT ON DEVELOPMENT APPLICATIONS.** The adoption of this Ordinance does not obligate the Board, any County committee, or County staff to approve any application for or issue any development approval or development permit under the Land Development Code or Santa Fe County Sustainable Land Development Code. Each such application shall be evaluated on its merits without regard to this Ordinance.

12. **EFFECTIVE DATE.** This Ordinance shall become effective thirty (30) days after it is recorded in the Office of the County Clerk.

PASSED, APPROVED AND ADOPTED THIS _____ **DAY OF** _____, 2016.

**THE BOARD OF COUNTY COMMISSIONERS
OF SANTA FE COUNTY**

By: _____
_____, Chair

ATTEST:

Geraldine Salazar
County Clerk

APPROVED AS TO FORM:

Gregory S. Shaffer
County Attorney

**LEDA PROJECT PARTICIPATION
AGREEMENT FOR
THE PLACE AT CAJA DEL RIO**



This Project Participation Agreement (“Agreement” or “PPA”) is entered into by and between Santa Fe County, New Mexico (“the County”) and Caja Del Rio Holdings, LLC, a New Mexico corporation (“the Project Party” or “CDRH”), as of the date it is signed by both parties.

1. Recitals.

A. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in The Place at Caja Del Rio LEDA Project Ordinance.

B. Pursuant to LEDA, the County adopted the Santa Fe County Economic Development Ordinance, Ordinance No. 2014-7, authorizing the County to consider applications for economic assistance.

C. The Project Party has submitted an application to the County for economic assistance under the Santa Fe County Economic Development Ordinance. (Attachment 1.) In the application, the Project Party has requested funding for the construction of certain infrastructure for the Project.

D. The County has adopted The Place at Caja Del Rio LEDA Project Ordinance, finding, among other things, that the Project Party is a qualifying entity as defined in Section 5-10-3(I)(3) NMSA 1978 and approving this Agreement.

2. Economic Assistance to be Provided. The County shall grant \$300,000 to CDRH for construction costs of the Infrastructure.

3. Substantive Contribution of the Project Party. Per the LEDA application submitted to the County and in accordance with NMSA 1978, § 5-10-10(B), the Project Party agrees to provide the following substantive contribution in exchange for the economic development assistance set forth in Paragraph 2:

- By January 1, 2024, the Project shall employ a total of 170 permanent, full time employees, with an average salary of \$52,000 and a total payroll of at least \$8.8 million, as documented in biannual reports to the County as well as required filings with the New Mexico Department of Workforce Solutions.

4. General Terms and Conditions. The economic assistance to be provided under this Agreement is expressly conditioned upon the following general terms and conditions:

a. CDRH compliance with all applicable County ordinances and policies concerning water and sewer service, including those concerning line extensions and infrastructure conveyance;

b. The Project Party shall keep the County Utility Department Director fully informed as to the progress of the planning, designing, and construction of the Infrastructure and shall permit the County Utility Department Director and other County representatives to inspect all work at reasonable times, provided the County provides the Project Party with at least twenty-four hours advance notice of its intention to do so. The Project Party shall provide the County with a construction schedule for the Infrastructure and shall update that construction schedule at least weekly to ensure meaningful inspections can be scheduled.

c. The Project must obtain all required Development Permits and approvals under the Land Development Code or Santa Fe County Sustainable Land Development Code, as applicable;

d. The Project Party (or the operator or lessee of the Project) must obtain and continuously maintain any necessary permits and other approvals from the State and any other regulatory body necessary for the Project, including a County business license; and

e. The Project Party must be current on all property taxes to the County.

5. Events of Default; Recovery of Proportionate Share of Economic Development Assistance.

a. The following are Events of Default (i) entitling the County to terminate this Agreement; (ii) causing the amounts set forth in subparagraph b of this Section 5 to be immediately due and payable; and (iii) entitling the County to execute its rights under the Mortgage:

i. The failure of CDRH to create, either itself or through the lessee or operator of the Project, 170 new permanent and full time jobs by January 1, 2021;

ii. The failure of CDRH, its lessee, or operator of the Project to pay when due all local taxes, including property taxes and gross receipts taxes;

iii. The failure of CDRH, its lessee, or operator to annually maintain a County business license;

iv. Breach of any covenant or agreement or warranty by CDRH to the County, whether such covenant, agreement, or warranty is set forth in this Agreement or the Mortgage;

v. Any attempt by CDRH to sell, transfer, or otherwise encumber the Property, without first obtaining written consent of the County Manager;

vi. Abandonment of the Property by CDRH;

vii. The filing, execution or occurrence of:

a) A petition in bankruptcy by or against CDRH, its lessee, or operator of the Project which remains undismissed or unstayed for sixty (60) calendar days;

b) A petition or answer seeking a reorganization, composition, readjustment, liquidation, dissolution or other relief of the same or different kind under any provision of the federal Bankruptcy Code, 11 U.S.C., which remains undismissed or unstayed for sixty (60) calendar days;

c) Adjudication of CDRH, its lessee, or operator of the Project as a bankrupt or insolvent, or insolvency in the bankruptcy equity sense which remains undismissed or unstayed for sixty (60) calendar days;

d) An assignment by CDRH, its lessee, or operator of the Project for the benefit of creditors, whether by trust, mortgage or otherwise;

e) A petition or other proceeding by or against CDRH, its lessee, or operator of the Project for the appointment of a trustee, receiver, guardian, conservator or liquidator with respect to all or substantially all of CDRH's, its lessee's, or operator of the Project's property which remains undismissed or unstayed for sixty (60) calendar days; or

f) CDRH's dissolution or liquidation, or the taking of possession of CDRH's property by any governmental authority in connection with dissolution or liquidation; or

viii. A reasonable determination by the County that the property subject to the mortgage described in Paragraph 6 is inadequate or in danger of being impaired or threatened from any cause whatsoever.

b. Should an Event of Default occur and should CDRH have not fully met its substantive contribution under Section 3 of this Agreement as of the date of the Event of Default, the following amounts shall be immediately due and payable from CDRH to the County:

i. a proportionate share of the economic assistance provided through the date of the Event of Default, calculated as follows: the amount due shall equal (i) the amount of economic assistance provided through the date of the Event of Default multiplied by (ii) the recovery percentage, where the recovery percentage is equal to 1 minus the quotient derived by dividing the number of new full time jobs actually created as of the date of the Event of Default or 170, whichever is less, by 170. By way of example, if \$300,000 of economic assistance had been provided to CDRH as of the date of the Event of Default and CDRH had created 150 new full time jobs as of the date of the Event of Default, the amount immediately due and payable from CDRH to the County would be \$35,294.11; that is, $\$300,000 \times (1 - (150/170))$;

ii. interest on the amount due under Section 5(b)(i) from the date of the Event of Default through the date of payment by CDRH at the prime rate on the date of the Event of Default as published by the Wall Street Journal; and

iii. any and all costs and fees incurred by the County in enforcing this Agreement or the Mortgage or collecting amounts due from CDRH under this Agreement or the Mortgage, including reasonable attorney's fees.

6. Security Provided by CDRH. Prior to receiving any funds from the County, CDRH shall execute and deliver to the County a Mortgage in a form approved by the County Manager that:

a. Gives the County a security interest in the six acres, +/-, of the Property on which Phase One of the Project will be developed or such larger area as the County Manager determines is necessary to adequately secure the County's interests;

b. Secures to the County the payment of all amounts due to the County under this Agreement, the Mortgage, and the Place at Caja Del Rio LEDA Project Ordinance; and

c. Remains in effect until CDRH has met its job creation goals, the amounts due to the County under this Agreement, the Mortgage, and the Place at Caja Del Rio LEDA Project Ordinance have been paid, or the Mortgage has been foreclosed upon.

7. Requests for Reimbursement. This section governs CDRH's requests for reimbursement for construction costs of the Infrastructure.

a. CDRH shall submit Requests for Reimbursement to the County's Economic Development Manager.

b. CDRH may seek reimbursement of construction costs no more frequently than once per month.

c. CDRH may only seek reimbursement of construction costs that it has already paid, as evidenced by cashed checks or other proof of payment satisfactory to the County.

d. All requests for reimbursement must be made on forms provided by the County, be submitted in accordance with procedures developed by the County, and be supported by such documentation as the County may reasonably require.

e. Submission of a request for reimbursement constitutes CDRH's express representation and warranty that all conditions precedent to its reimbursement have been met and that there exists no Event of Default, as defined in Section 5 of this Agreement.

f. The County shall complete the requisite review of each request for reimbursement within fifteen days of receipt of each request. When additional documentation is necessary to support the request for reimbursement, the County shall notify CDRH of the need in writing within the fifteen day review period. The County shall have an additional fifteen days to review any additional documentation supplied by CDRH.

g. If the County rejects a request for reimbursement, the County shall notify CDRH of the rejection and the reasons therefore. If the County approves of the request for reimbursement, reimbursement shall be mailed to CDRH within thirty days of approval.

8. Term; Early Termination; Limitation on Damages.

a. This Agreement shall be effective upon the date it is executed by both parties. It shall terminate on January 1, 2021, unless the County terminates the agreement early:

- i. Due to an Event of Default as defined in Section 5 of this Agreement; or
- ii. Due to CDRH having met its substantive contribution by creating 170 new full time jobs prior to January 1, 2021.

The County shall provide written notice of early termination to CHRH in accordance with Sections 15 of this Agreement.

9. Reporting and Review. By May 15 and November 15 of each year during the term of this Agreement, the Project Party will submit to the County a project report in such format and containing such information and supporting documentation as the County may reasonably require. At a minimum, each project report shall include the following: a 1-page narrative on project progress and a jobs spreadsheet listing all employees, their titles, and salaries as of the last day of the month preceding the project report. Project report must be supported by any reports and documentation from the New Mexico Department of Workforce Solutions, including form ES-903, demonstrating the headcount of the operation.

10. Ratification. The County and the Project Party hereby ratify all actions consistent with this Agreement that the County or the Project Party or their respective agents may have taken in furtherance of the Project.

11. Miscellaneous. This Agreement binds and inures to the benefit of the County and the Project Party and their respective successors and assigns. This Agreement may be amended or modified, and the performance by any party of its obligations hereunder may be waived, only in a written instrument duly executed by the parties. This Agreement may be executed in any number of counterparts, each of which is an original and all of which taken together constitute one instrument. This Agreement is governed by and is to be construed in accordance with the substantive laws of the State of New Mexico, without giving effect to its choice-of-law principles.

12. Merger and Integration Clause. This Agreement contains the entire agreement of the parties with respect to the subject matter hereof. This Agreement supersedes any prior agreements, understandings, or negotiations, whether written or oral.

13. Written Amendments Required. This Agreement may only be amended in writing, which written amendment must be duly executed by all parties.

14. Representations and Warranties of CDRH. CDRH hereby represents and warrants, as follows:

- a. CDRH is a New Mexico corporation, duly organized and in good standing;
- b. The person signing this Agreement has the authority to bind CDRH to the terms hereof;
- c. This Agreement and the actions contemplated hereunder do not conflict with CDRH's Articles of Incorporation, Bylaws, any agreement to which CDRH is a party, any law or regulation applicable to CDRH, or any court order to which CDRH is bound; and
- d. Once duly executed by all parties, this Agreement shall be valid and enforceable against CDRH according to its terms.

15. Notices. All notices required to be given in writing shall be sent by facsimile or regular mail, addresses as follows:

If to County:

County Manager
102 Grant Avenue
PO Box 276
Santa Fe NM 87504-0276
Facsimile: (505) 995-2740

with a copy to

County Economic Development Manager
102 Grant Avenue
PO Box 276
Santa Fe NM 87504-0276
Facsimile: (505) 820-1394

If to CDRH:

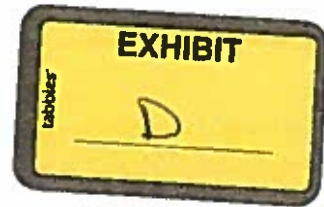
Mark Haley
8814 Horizon Blvd
Albuquerque NM 87113
Facsimile: (505) 255-9922

In the case of mailings, notices shall be deemed to have been given and received upon the date of the receiving party's actual receipt or five calendar days after mailing, whichever shall first occur. In the case of facsimile transmissions, the notice shall be deemed to have been given and received on the date reflected on the facsimile confirmation indicating a successful transmission of all pages included in the writing.

A party may change the person or address to which notice shall be sent by giving the other party

written notice of such change in accordance with this paragraph.
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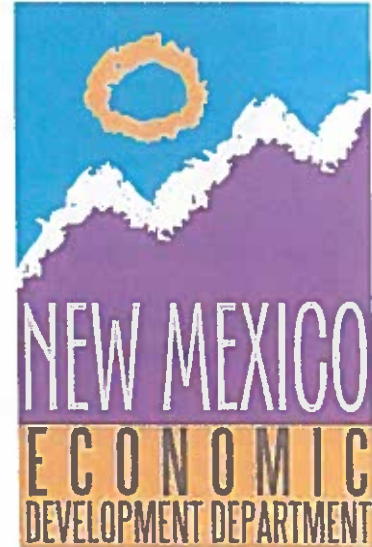
December 2, 2015, Draft



Economic Impact of The Senior Campus at Caja Del Rio in Santa Fe, NM Executive Summary

February 13, 2015

Prepared by:
Ndem Tazoh Tazifor
New Mexico Economic Development Department
Joseph Montoya Building
1100 S. St. Francis Drive
Santa Fe, New Mexico 87505



This summary was prepared by the New Mexico Economic Development Department using Total Impact by Impact DataSource. Please consult the full economic impact report for additional details and assumptions used in this analysis.

Disclaimer: These calculations use estimates and assumptions; actuals may be different. Neither this document nor the information contained herein, prepared for the Economic Development Department by a contract service provider, binds the State of New Mexico.

EXECUTIVE SUMMARY

Introduction

This report presents the results of an economic impact analysis performed using Total Impact™, a model developed by Impact DataSource. The report estimates the economic and fiscal impact that a proposed project may have on the state and local taxing districts. The report estimates the additional costs and benefits for the state and specified local taxing districts over the first 10 years.

City	Santa Fe
County	Santa Fe County
School District	Santa Fe Public Schools
Special Taxing District	Special Taxing Districts

Description of the Project

The project is to be build on a 28 acre parcel located at 28 Caja Del Rio Road, north of NM 599 frontage road. The proposed Senior Campus will provide a full spectrum of senior care and living options, including a 120 bed skilled nursing facility, 180 units of Independant Living, 200 assisted living units and 80 memory care beds. The project will be developed in four phases over a period of 4 to 6 years. Phase One is the skilled nursing facility which will employ approximately 120 FTE. The average annual salary of these employees will be \$45,000. Phases two, three and four will follow one per year adding another 200 FTE with similar annual salaries. The firm is expected to initially invest \$14 million in land, building and equipmet for phase one in 2015.

Summary of the Economic Impact of the Project

The project will have the following economic impact on the State of New Mexico over the first 10 years:

Economic Impact Over the First 10 Years	
Economic Output:	
Direct	\$172,129,248
Indirect & Induced	\$138,374,703
Total Economic Output	\$310,503,951
Jobs:	
Direct	300
Indirect & Induced	123
Total Jobs	423
Workers' Earnings:	
Direct	\$141,072,561
Indirect & Induced	\$65,514,097
Total Workers' Earnings	\$206,586,658
Market value of property on tax rolls in Year 1	
The Project's property	\$14,000,000
New residential property constructed	\$192,133
Total market value of new property	\$14,192,133
Taxable Sales/Purchases	
The Project activities	\$49,946,361
New direct and spin-off workers	\$51,646,664
Visitors	\$0
Total taxable sales and purchases	\$101,593,025

The year-by-year economic impacts can be found in Appendix B.

EXECUTIVE SUMMARY

The project is not expected to result in a consequential increase in the state's population. A majority of newly hired employees would likely be current New Mexico residents. However, it is estimated that approximately 10% of the new workers may be new residents to Santa Fe County. The local population impacts may result in new residential properties constructed in the county and increase the enrollment of local public schools.

Estimated Local Population Impacts Over the First 10 Years			
	Direct	Indirect & Induced	Total
Number of direct and indirect workers who may move to the County	30.0	8.0	38.0
Number of new residents in the County	81.9	21.8	103.7
Number of new residential properties that may be built in the County	3.2	0.8	4.0
Number of new students expected to attend local school district	14.7	3.9	18.6

Summary of the Fiscal Impact of the Project

The project will generate additional benefits and costs for the state and local taxing districts. A summary of the additional benefits, costs and net benefits is provided below. A discussion of the source of specific benefits and costs are provided in more detail for each taxing district on subsequent pages.

Net Benefits Over the First 10 Years for Local Taxing Districts and the State				
	Additional Benefits	Additional Costs*	Net Benefits	Present Value of Net Benefits**
State of New Mexico	\$26,047,155	(\$2,210,134)	\$23,837,021	\$18,009,116
Santa Fe	\$5,820,036	(\$1,720,567)	\$4,099,469	\$3,313,204
Santa Fe County	\$3,419,344	(\$69,691)	\$3,349,653	\$2,552,628
Santa Fe Public Schools	\$1,654,233	(\$516,451)	\$1,137,782	\$848,462
Special Taxing Districts	\$708,640	\$0	\$708,640	\$528,053
Total	\$37,649,407	(\$4,516,842)	\$33,132,565	\$25,251,462

The project may result in local and state population impacts. Therefore, some additional costs are estimated for the state and local taxing districts. Additional costs represent the additional cost to provide state, municipal, county, or school district services to new residents, businesses or new school students. The calculation of costs are estimated based on recent budget expenditure information and the projected change in residents, employees and school students in the community. The Methodology section has additional information on these fiscal impact calculations.

* Additional costs were estimated for the state, city, county, and school district as the result of population changes and the provision of government services to new residents. The area population changes result from the portion of the new jobs being filled by workers moving to the area. A majority of the new jobs are expected to be filled by current New Mexico residents so the project is expected to have a small effect on additional costs on a statewide basis.

** The Present Value of Net Benefits is a way of expressing in today's dollars, dollars to be paid or received in the future. Today's dollar and a dollar to be received or paid at differing times in the future are not comparable because of the time value of money. The time value of money is the interest rate or each taxing entity's discount rate. This analysis uses a discount rate of 5% to make the dollars comparable.

EXECUTIVE SUMMARY

Benefits for the State of New Mexico

The table below displays the estimated additional benefits to be received by the State of New Mexico over the first 10 years. The project is expected to have a small effect on the statewide population and therefore some additional statewide costs to provide additional services were estimated for the state. Appendix C contains the year-by-year calculations.

State of New Mexico: Additional Benefits and Costs Over the First 10 Years			
	Additional Benefits	Additional Costs	Net Benefits
Gross Receipts Taxes	\$3,962,128	\$0	\$3,962,128
Property Taxes - Commercial/Industrial - Real	\$222,642	\$0	\$222,642
Property Taxes - Commercial/Industrial - BPP	\$17,997	\$0	\$17,997
Property Taxes - New Residential	\$5,328	\$0	\$5,328
Personal Income Taxes	\$7,870,952	\$0	\$7,870,952
Corporate Income Taxes	\$1,222,407	\$0	\$1,222,407
Miscellaneous Taxes & User Fees	\$12,745,701	\$0	\$12,745,701
Cost of Providing State Services	\$0	(\$2,210,134)	(\$2,210,134)
Total	\$26,047,155	(\$2,210,134)	\$23,837,021

Gross receipts taxes are estimated on new taxable gross receipts resulting from the project. Property taxes are estimated on the firm's property and new residential property constructed. Personal income taxes are estimated based on an effective income tax rate and the earnings of new direct and indirect workers. Corporate income taxes on the direct activity is based on the net taxable income projected by the company. Corporate income taxes on the indirect activity is estimated on a per indirect worker basis and the observed statewide corporate income tax collections per worker. To the extent that the project will result in an increase in new households in the state, additional miscellaneous taxes and user fees have been estimated for the state. Additionally, the costs to provide state services to these new households were also estimated based on recent state expenditure data as detailed in the Appendix.

Benefits and Costs for Santa Fe

The table below displays the estimated additional benefits, costs and net benefits to be received by the city over the first 10 years of the project.

Santa Fe: Additional Benefits and Costs Over the First 10 Years			
	Additional Benefits	Additional Costs	Net Benefits
Gross Receipts Taxes	\$2,782,150	\$0	\$2,782,150
Property Taxes - Commercial/Industrial - Real	\$604,570	\$0	\$604,570
Property Taxes - Commercial/Industrial - BPP	\$48,871	\$0	\$48,871
Property Taxes - New Residential	\$8,156	\$0	\$8,156
Utility Revenue	\$1,466,289	\$0	\$1,466,289
Utility Franchise Fees	\$169,043	\$0	\$169,043
Lodgers Tax	\$0	\$0	\$0
Building Permits and Fees	\$530,000	\$0	\$530,000
Miscellaneous Taxes & User Fees	\$210,957	\$0	\$210,957
Cost of Providing Municipal Services	\$0	(\$254,278)	(\$254,278)
Cost of Providing Utility Services	\$0	(\$1,466,289)	(\$1,466,289)
Total	\$5,820,036	(\$1,720,567)	\$4,099,469

EXECUTIVE SUMMARY

Benefits and Costs for Santa Fe County

The table below displays the estimated additional benefits, costs and net benefits to be received by the county over the first 10 years of the project.

Santa Fe County: Additional Benefits and Costs Over the First 10 Years			
	Additional Benefits	Additional Costs	Net Benefits
Gross Receipts Taxes	\$973,347	\$0	\$973,347
Property Taxes - Commercial/Industrial - Real	\$2,208,572	\$0	\$2,208,572
Property Taxes - Commercial/Industrial - BPP	\$178,531	\$0	\$178,531
Property Taxes - New Residential	\$26,874	\$0	\$26,874
Building Permits and Fees	\$0	\$0	\$0
Miscellaneous Taxes & User Fees	\$32,020	\$0	\$32,020
Cost of Providing County Services	\$0	(\$69,691)	(\$69,691)
Total	\$3,419,344	(\$69,691)	\$3,349,653

Benefits and Costs for Santa Fe Public Schools

The table below displays the estimated additional benefits, costs and net benefits to be received by the school district over the first 10 years of the project.

Santa Fe Public Schools: Additional Benefits and Costs Over the First 10 Years			
	Additional Benefits	Additional Costs	Net Benefits
Property Taxes - Commercial/Industrial - Real	\$1,214,052	\$0	\$1,214,052
Property Taxes - Commercial/Industrial - BPP	\$98,138	\$0	\$98,138
Property Taxes - New Residential	\$140,235	\$0	\$140,235
Additional State Funding	\$201,808	\$0	\$201,808
Cost of Educating New Students	\$0	(\$516,451)	(\$516,451)
Total	\$1,654,233	(\$516,451)	\$1,137,782

Benefits and Costs for Special Taxing Districts

The table below displays the estimated additional benefits, costs and net benefits to be received by other special taxing districts over the first 10 years of the project.

Special Taxing Districts: Additional Benefits and Costs Over the First 10 Years			
	Additional Benefits	Additional Costs	Net Benefits
Property Taxes - Commercial/Industrial - Real	\$643,369	\$0	\$643,369
Property Taxes - Commercial/Industrial - BPP	\$52,007	\$0	\$52,007
Property Taxes - New Residential	\$13,265	\$0	\$13,265
Total	\$708,640	\$0	\$708,640

EXECUTIVE SUMMARY

New Mexico Economic Development Department Notes

0

Henry P. Roybal
Commissioner, District 1

Miguel M. Chavez
Commissioner, District 2

Robert A. Anaya
Commissioner, District 3



Kathy Holian
Commissioner, District 4

Liz Stefanics
Commissioner, District 5

Katherine Miller
County Manager

To: Board of County Commissioners

From: Gregory S. Shaffer, County Attorney 

Via: Katherine Miller, County Manager

Date: December 2, 2015

Re: **Request Authorization to Publish Title and General Summary of An Ordinance Amending the Dedication of the Third One-Eighth Increment of the County Gross Receipts Tax Imposed By Ordinance No. 1987-6**

Issue: This proposed ordinance does not change the current dedication of the third one-eighth increment of the county gross receipts tax. ("Third One-Eighth Increment"). Rather, it is meant to avoid any arguable issue concerning the effectiveness of the current dedication in the context of future revenue bond issues or using revenue from the increment for general county purposes.

Background: State law authorizes the Third One-Eighth Increment to be used for general county purposes and as pledged revenue to repay revenue bonds issued pursuant to NMSA 1978, Chapter 4, Article 62. NMSA 1978, Section 7-20E-9(D) ("revenue produced by the imposition of the third one-eighth increment . . . may be used for general purposes") and Section 4-62-1(B) ("[a] county may pledge irrevocably any or all of the revenue from the . . . the third one-eighth increment . . . of the county gross receipts tax . . . for payment of principal and interest due in connection with, and other expenses related to, gross receipts tax revenue bonds for any of the purposes authorized in this section or specific purposes or for any area of county government services").

The Third One-Eighth Increment was imposed by Ordinance No. 1987-6, and the dedication of the revenue from the tax was amended over the years.

Most recently, in 2008, the Board of County Commissioners (Board) enacted Ordinance No. 2008-11, which authorized the issuance and sale of \$30,000,000 of Santa Fe County, New Mexico County Gross Receipts Tax Revenue Bonds, Series 2008 (Series 2008 Revenue Bonds). The Series 2008 Revenue Bonds were issued for the new First Judicial District Courthouse and other public facilities in the County. Section 34 of Ordinance No. 2008-11 amended the dedication section of Ordinance No. 1987-6 to read as follows:

"Section 4. Dedication. The revenue derived from the third one-eighth of one percent increment of county gross receipts tax shall be used for general county purposes, including, without limitation, the payment of debt service on revenue bonds issued pursuant to the County Revenue Bond Act, Sections 4-62-1 through 4-62-10 NMSA 1978."

Revenue from the Third One-Eighth Increment was pledged to repay the Series 2008 Revenue Bonds. No challenge was brought to the Series 2008 Revenue Bonds within the 30 day period provided for by statute. Consequently, the pledge and use of the Third One-Eighth Increment for debt service on the Series 2008 Revenue Bonds cannot, at this time, be legally challenged.

As it relates to the amendment of the dedication of the Third One-Eighth Increment, Ordinance No. 1987-6 did not strictly follow the model ordinance of the Taxation and Revenue Department (TRD); nor does it appear to have been submitted to TRD.

Substantial compliance with TRD's model ordinance and submission of an amendatory ordinance to TRD are required by the County Local Option Gross Receipts Taxes Act in the context of "an ordinance imposing, amending or repealing a tax or an increment of tax authorized" by that act. TRD arguably has no statutory or regulatory role in reviewing the purpose for which a GRT increment is dedicated, and the County's position appears to have been that TRD's substantial compliance and submittal requirements were not applicable to the rededication of the Third One-Eighth Increment in County Ordinance No. 2008-11.

Notwithstanding, questions could be raised about the amended dedication in the future should the Board want to pledge revenue from the Third One-Eighth Increment for other revenue bonds or actually use revenue from that tax for general purposes.

Proposed Ordinance: To avoid such potential issues, staff recommends that the Board consider adoption of the proposed ordinance as a prophylactic measure. In staff's view, the proposed ordinance substantially conforms to TRD's model ordinance and follows TRD's interpretation of the County Local Option Gross Receipts Taxes Act, though staff will seek to confirm this with TRD prior to the adoption hearing. The proposed ordinance would amend Section 4 of Ordinance No. 1987-6 to dedicate revenue from the Third One-Eighth Increment for general county purposes, including debt service on revenue bonds as follows:

"Section 4. Dedication. Revenue from the third one-eighth increment of the county gross receipts tax will be used for general county purposes, including, without limitation, the payment of debt service on revenue bonds issued pursuant to Sections 4-62-1 through 4-62-10 NMSA 1978."

Minor differences between the dedication language in the proposed ordinance and Ordinance No. 2008-11 are non-substantive.

In Section 2 of the proposed ordinance, the Board elects the petition referendum option, as allowed by State law. NMSA 1978, Section 7-20E-10(A) (an "ordinance enacting the . . . third one-eighth increment . . . pursuant to Section 7-20E-9 NMSA 1978 shall be subject to optional referendum selection by the governing body, pursuant to Subsection A of Section 7-20E-3 NMSA 1978"). This means that no election will be held on the proposed ordinance unless a petition is submitted to the County Clerk within 60 days of the enactment of the proposed ordinance, signed by a number of registered voters in the county equal to at least five percent of the number of the voters in the county who were registered to vote in the most recent general election." NMSA 1978, Section 7-20E-3(A)(1)(a).

The effective date of the proposed ordinance would depend upon whether a valid petition is filed and, if so, the date and outcome of the resulting election. If the Board adopts the proposed ordinance at its January 12, 2016, meeting and a valid petition is not filed, the ordinance would be effective on July 1, 2016.

Recommendation: Authorize publication of the title and general summary of the proposed ordinance.

Attachments:

Exhibit A – Proposed Ordinance

Exhibit B – Relevant Sections of Ordinance No. 2008-11

SANTA FE COUNTY

ORDINANCE NO. 2016-_____

AN ORDINANCE

AMENDING THE DEDICATION OF THE THIRD ONE-EIGHTH INCREMENT OF THE COUNTY GROSS RECEIPTS TAX IMPOSED BY ORDINANCE NO. 1987-6

BE IT ORDAINED BY THE GOVERNING BODY OF SANTA FE COUNTY:

Section 1. Dedication Amendment. Section 4 of Santa Fe County Ordinance No. 1987-6, as amended, is hereby amended to read in its entirety as follows:

“Section 4. Dedication. Revenue from the third one-eighth increment of the county gross receipts tax will be used for general county purposes, including, without limitation, the payment of debt service on revenue bonds issued pursuant to Sections 4-62-1 through 4-62-10 NMSA 1978.”

Section 2. Petition Referendum Option Selected. This ordinance is subject to the petition referendum option provided for in Section 7-20E-3(A)(1) NMSA 1978.

Section 3. Effective Date. The effective date of this ordinance shall be either January 1 or July 1, whichever date occurs first after the expiration of three months from the date this ordinance is adopted, unless an election is held on the question of approving the ordinance, in which case the effective date shall be either January 1 or July 1, whichever date occurs first after the expiration of three months from the date when the results of the election are certified to be in favor of the ordinance's adoption.

PASSED, APPROVED, AND ADOPTED BY THE GOVERNING BODY OF SANTA FE COUNTY THIS 12th DAY OF JANUARY, 2016.

BOARD OF COUNTY COMMISSIONERS OF SANTA FE COUNTY

Robert A. Anaya, Chairperson

ATTEST:

Geraldine Salazar, County Clerk

Approved as to Form:

Gregory S. Shaffer, County Attorney



Board Final - 7/29/08

SANTA FE COUNTY, NEW MEXICO
ORDINANCE NO. 2008-11

AUTHORIZING THE ISSUANCE AND SALE OF THE SANTA FE COUNTY, NEW MEXICO COUNTY GROSS RECEIPTS TAX REVENUE BONDS, SERIES 2008, IN AN AGGREGATE PRINCIPAL OF \$30,000,000 FOR THE PURPOSE OF DEFRAYING THE COSTS OF CONSTRUCTION OF AND IMPROVEMENTS TO THE COUNTY COURTHOUSE AND OTHER PUBLIC FACILITIES IN THE COUNTY, AND TO PAY COSTS OF ISSUANCE OF THE SERIES 2008 BONDS; ESTABLISHING THE PRINCIPAL AMOUNTS, MATURITIES, PRICES, REDEMPTION FEATURES AND OTHER DETAILS OF THE SERIES 2008 BONDS; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE SERIES 2008 BONDS FROM THE DISTRIBUTIONS TO THE COUNTY OF THE REVENUES OF FIVE SIXTEENTHS OF ONE PERCENT COUNTY GROSS RECEIPTS TAX (CONSISTING OF THE FIRST ONE-EIGHTH OF ONE PERCENT INCREMENT, THE THIRD ONE-EIGHTH OF ONE PERCENT INCREMENT AND ONE-SIXTEENTH OF ONE PERCENT INCREMENT) ENACTED PURSUANT TO SECTION 7-20E-9 NMSA 1978 FROM THE NEW MEXICO TAXATION AND REVENUE DEPARTMENT PURSUANT TO SECTION 7-1-6.13 NMSA 1978 AND THE PLEDGE OF SUCH REVENUES BY THE COUNTY; PROVIDING FOR THE FORM, EXECUTION AND OTHER DETAILS CONCERNING THE BONDS; RATIFYING THE USE OF THE PRELIMINARY OFFICIAL STATEMENT AND APPROVING THE FORM OF OFFICIAL STATEMENT FOR THE MARKETING AND SALE OF THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE UNDERTAKING AND OTHER AGREEMENTS AND CERTIFICATES IN CONNECTION WITH THE BONDS; RATIFYING ACTION PREVIOUSLY TAKEN IN CONNECTION WITH THE BONDS; AMENDING ORDINANCE NO. 1987-6 TO PROVIDE THAT THE THIRD ONE-EIGHTH OF ONE PERCENT INCREMENT OF COUNTY GROSS RECEIPTS TAX MAY BE USED FOR GENERAL COUNTY PURPOSES, INCLUDING THE PAYMENT OF DEBT SERVICE ON REVENUE BONDS; PROVIDING THAT THE OUTSTANDING SANTA FE COUNTY, NEW MEXICO CORRECTIONAL SYSTEM REVENUE BONDS, SERIES 1997 AND SANTA FE COUNTY, NEW MEXICO GROSS RECEIPTS TAX REVENUE BONDS, SUBORDINATE SERIES 1997A SHALL BE ADDITIONALLY SECURED BY THE REVENUES AS SECURITY FOR THE SERIES 2008 BONDS, TO THE EXTENT NOT PREVIOUSLY SECURED

EXHIBIT

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THEREBY; AND REPEALING ALL ORDINANCES AND RESOLUTIONS IN CONFLICT WITH THIS BOND ORDINANCE.

Capitalized terms used in the following preambles have the meaning assigned therein or as defined in Section 1 of this Bond Ordinance, unless the context requires otherwise.

WHEREAS, Santa Fe County, New Mexico (the "County") is a legally and regularly created, established, organized and existing county under the constitution and general laws of the State of New Mexico (the "State"); and

WHEREAS, pursuant to Section 7-20E-9 NMSA 1978, the County has imposed (i) the first one-eighth of one percent (0.125%) County Gross Receipts Tax, effective as of January 1, 1984, enacted pursuant to Ordinance No. 1983-7, as amended by Ordinance No. 1991-4; (ii) the third one-eighth of one percent (0.125%) County Gross Receipts Tax, effective as of January 1, 1988, enacted pursuant to County Ordinance No. 1987-6, as amended by this Bond Ordinance; and (iii) the one-sixteenth of one percent (0.0625%) County Gross Receipts Tax, effective as of January 1, 2006, enacted pursuant to County Ordinance No. 2005-7, (together with the first one-eighth of one percent and third one-eighth of one percent increments of County Gross Receipts Tax, the "Pledged Revenues," as more fully defined in Section 1 of this Bond Ordinance); and

WHEREAS, pursuant to Section 7-1-6.13 NMSA 1978 the County receives monthly distributions of the Pledged Revenues from the New Mexico Taxation and Revenue Department; and

WHEREAS, on February 19, 1997 the County issued its Santa Fe County, New Mexico Correctional System Revenue Bonds, Series 1997 in an aggregate principal amount of \$30,000,000 (the "Series 1997 Bonds") for which a debt service reserve fund was established, the replenishment of which is secured by a lien on the first one-eighth of one percent increment County Gross Receipts Tax revenues; and

WHEREAS, on February 19, 1997 the County issued its Santa Fe County, New Mexico Gross Receipts Tax Revenue Bonds, Subordinate Series 1997A (the "Series 1997A Bonds") which Series 1997A Bonds are secured by a lien on the first one-eighth of one percent increment County Gross Receipts Tax revenues prior and superior to the lien thereon of the Series 1997 Bonds; and

WHEREAS, the Board of County Commissioners (the "Governing Body") hereby determines that there is a need for the Project as herein defined, and that the Bonds shall be issued for the Project; and

WHEREAS, the County has received an offer to purchase the Bonds from the Underwriters pursuant to the Bond Purchase Agreement; and

WHEREAS, the Governing Body has determined and hereby determines that it is in the best interest of the County and its residents that (i) the Bonds be issued with a first lien, but not an exclusive first lien, on the Pledged Revenues on parity with the lien

thereon of Parity Bonds; and (ii) that the Pledged Revenues, to the extent not previously pledged as security for the Series 1997 Bonds and the Series 1997A Bonds, also be pledged as additional security for those obligations with a lien on Pledged Revenues junior and subordinate to the lien thereon of the Bonds, as further provided in Section 19(B) of this Bond Ordinance; and

WHEREAS, the Governing Body has determined that it is in the best interest of the County to authorize the issuance and sale of the Bonds in an aggregate principal amount of \$30,000,000 pursuant to this Bond Ordinance; and

WHEREAS, there has been on deposit with the County Clerk and presented to the Governing Body

- (A) the proposed form of Bond Ordinance;
- (B) the proposed form of Bond Purchase Agreement;
- (C) the proposed form of Continuing Disclosure Undertaking; and
- (D) the Preliminary Official Statement and form of Official Statement.

THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF SANTA FE COUNTY, NEW MEXICO:

Section 1. Definitions. As used in this Bond Ordinance, the following terms shall, for all purposes, have the meanings herein specified, unless the context clearly requires otherwise (such meanings to be equally applicable to both the singular and the plural forms of the terms defined):

"Acquisition Fund" means the "Santa Fe County, New Mexico County Gross Receipts Tax Revenue Bonds, Series 2008 Acquisition Fund" established by Section 16 of this Bond Ordinance.

"Act" means the general laws of the State, including Sections 4-62-1 to 4-62-10 NMSA 1978, as amended and enactments of the Governing Body relating to the issuance of the Bonds, including this Bond Ordinance.

"Bond Ordinance" or "Ordinance" means this Ordinance No. 2008-___.

"Bond Purchase Agreement" means the bond purchase agreement to be entered into between the County and the Underwriters.

"Bondholder," "holder," "Holder," "owner" or "Owner" means the registered owner of any Bond as shown on the registration books of the County for the Bonds, maintained by the Registrar. Any reference to a majority or a particular percentage or proportion of the Bondholders shall mean the Holders at the particular time of a majority or of the specified percentage or proportion in the aggregate principal amount of all Bonds then outstanding.

B. those otherwise deemed to be paid in accordance with Section 28 or Section 31 of this Bond Ordinance;

C. those in lieu of or in exchange or substitution for which other Bonds shall have been delivered, unless proof satisfactory to the County and the Paying Agent is presented that any Bond for which a new Bond was issued or exchanged is held by a bona fide holder or in due course.

"Parity Bonds" or "Parity Obligations" means the 2008 Bonds and any other bonds or other obligations hereafter issued or incurred, payable from and constituting a lien upon the Pledged Revenues on parity with the Bonds, as provided in Section 20 of this Bond Ordinance.

"Paying Agent" means the County Treasurer, as agent for the County for the payment of the Bonds or any other entity at the time appointed Paying Agent by resolution of the Governing Body.

"Pledged Revenues" means the revenues derived from the first one-eighth of one percent County Gross Receipts Tax enacted pursuant to County Ordinance No. 1983-7, as amended by Ordinance No. 1991-4, the third one-eighth of one percent County Gross Receipts Tax enacted pursuant to County Ordinance No. 1987-6, as amended by this Bond Ordinance, and the one-sixteenth of one percent County Gross Receipts Tax enacted pursuant to County Ordinance No. 2005-7, each of which County Gross Receipts Tax is imposed on persons engaging in business in the County pursuant to Section 7-20E-9 NMSA 1978, and which revenues are remitted to the County monthly by the New Mexico Department of Taxation and Revenue pursuant to Section 7-1-6.13 NMSA 1978, and which remittances currently equal five-sixteenths of one percent (0.3125%) of the taxable gross receipts reported by persons engaging in business in the County; and which include the distribution to the County made pursuant to Section 7-1-6.46 NMSA 1978, which revenues are reduced pursuant to the deductions under Sections 7-9-92 and 7-9-93, NMSA 1978; provided that additional amounts of such gross receipts tax revenues or other equivalent funds remitted to the County under applicable laws of the State shall be included as revenues pledged pursuant to this Bond Ordinance; and provided further that the County intends that Section 4-62-6(C) NMSA 1978 applies expressly to the amount of revenues pledged pursuant to this Bond Ordinance.

"Preliminary Official Statement" means the disclosure document used by the Underwriters in connection with the initial offering of the Bonds to the public which document was deemed final as of its date by the County for purposes of Securities and Exchange Commission Rule 15c2-12.

"Project" means construction of and improvements to the County courthouse and other public facilities in the County, and any Expenses related to the issuance of the Bonds.

"Qualified Investments" means:

UNITED STATES OF AMERICA
STATE OF NEW MEXICO

SANTA FE COUNTY, NEW MEXICO
COUNTY GROSS RECEIPTS TAX REVENUE BONDS
SERIES 2008

Bond No. _____ \$ _____

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATE OF BOND</u>	<u>CUSIP</u>
____% per annum	____, 20__	____, 2008	_____

Santa Fe County, New Mexico (the "County"), a county duly organized and existing under the Constitution and laws of the State of New Mexico, for value received, hereby promises to pay, solely from the special funds available for the purpose as hereinafter set forth, to THE DEPOSITORY TRUST COMPANY or registered assigns, on the Maturity Date upon presentation and surrender hereof at the principal office of the County Treasurer, Santa Fe County, New Mexico, as paying agent, or any successor paying agent (the "Paying Agent"), the sum of _____ DOLLARS (\$ _____) and to pay from said sources interest on the unpaid principal amount at the Interest Rate on December 1, 2008, and on each December 1 and June 1 (each an "Interest Payment Date") thereafter to its maturity, or until redeemed if called for redemption prior to maturity. This bond will bear interest from the most recent date to which interest has been paid or provided for or, if no interest has been paid or provided for, from its date. Interest on this bond is payable by check mailed to the registered owner hereof (or by such other arrangement as may be mutually agreed to by the Paying Agent and the registered owner) as shown on the registration books for this issue maintained by the County Treasurer, Santa Fe County, New Mexico, as registrar, or any successor registrar (the "Registrar") at the address appearing therein at the close of business on the fifteenth day of the calendar month next preceding the Interest Payment Date (the "Record Date"). Any interest which is not timely paid or duly provided for shall cease to be payable to the owner hereof as of the Record Date but shall be payable to the owner hereof at the close of business on a special record date to be fixed by the Paying Agent for the payment of interest. The special record date shall be fixed by the Paying Agent whenever moneys become available for payment of the overdue interest, and notice of the special record date shall be given to owners of Bonds (defined below) as then shown on the Registrar's registration books not less than ten days prior to the special record date. If, upon presentation at maturity or redemption, payment of this bond is not made as herein provided, interest hereon shall continue at the Interest Rate until the principal hereof is paid in full. The principal, premium, if any, and interest on this bond are payable in lawful money of the United States of America, without deduction for the services of the Paying Agent or the Registrar.

This bond is one of a duly authorized series of fully registered bonds of the County in the aggregate principal amount of \$30,000,000 issued in denominations of \$5,000 or integral multiples thereof, designated as the Santa Fe County, New Mexico

County Gross Receipts Tax Revenue Bonds, Series 2008 (the "Bonds") issued under and pursuant to Ordinance No. 2008-__ adopted on July 29, 2008 (the "Bond Ordinance").

The Bonds maturing on and after June 1, 20__ are subject to prior redemption at the County's option in one or more units of principal of \$5,000 on and after June 1, 20__ in whole or in part at any time, in such order of maturities as the County may determine (and by lot if less than all of the bonds of such maturity is called, such selection by lot to be made by the Registrar in such manner considered appropriate and fair), for the principal amount of each \$5,000 unit of principal so redeemed plus accrued interest to the redemption date. Redemption shall be made upon prior notice mailed to each registered owner of each bond selected for redemption as shown on the registration books kept by the Registrar in the manner and upon the conditions provided in the Bond Ordinance.

Notice of redemption of this bond will be given by providing at least thirty (30) days prior written notice by first-class postage prepaid mail to the owner hereof at the address shown on the registration books as of the fifth day prior to the mailing of notice as provided in the Bond Ordinance. Notices of redemption will specify the number or numbers and maturity date of the Bonds to be redeemed (if less than all are to be redeemed), the date fixed for redemption, the amount of such Bond to be redeemed (if less than the full amount of any Bond is to be redeemed), and shall further state that on such redemption date there will become and be due and payable upon each Bond to be redeemed at the office of the Paying Agent the principal amount thereof plus accrued interest to the redemption date and that from and after such date, the redemption amount having been deposited and notice having been given, interest will cease to accrue. Upon any partial prior redemption of this bond, the registered owner, in its discretion, may request the Registrar to authenticate a new bond or to make an appropriate notation on this bond indicating the date and amount of prepayment, except in the case of final maturity, in which case this bond must be presented to the Paying Agent prior to payment.

Books for the registration and transfer of the Bonds shall be kept by the Registrar. Upon the surrender for transfer or exchange of a Bond at the principal office of the Registrar, duly endorsed or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing, the Registrar shall authenticate and deliver, not more than three (3) business days after receipt of the Bond or Bonds to be transferred, in the name of the transferee or owner a new Bond or Bonds in fully registered form of the same aggregate principal amount, maturity and interest rate, bearing a number or numbers not contemporaneously outstanding. Exchanges and transfers of Bonds shall be without charge to the owner or any transferee, but the Registrar may require the payment by the owner of any Bond of any tax or other similar governmental charge required to be paid with respect to such exchange or transfer. The Registrar shall not be required (i) to transfer or exchange any Bond during the period of fifteen days next preceding the mailing of notice calling any Bonds for redemption, or (ii) to transfer or exchange any Bond or part thereof called for redemption. The Registrar will close books for change of registered owners' addresses on each Record Date; transfers will be permitted within the period from each Record Date to each Interest Payment Date, but such transfers shall not include a transfer of accrued interest payable.

The person in whose name any Bond is registered on the registration books kept by the Registrar shall be deemed and regarded as the absolute owner thereof for the purpose of making payment thereof and for all other purposes except as may otherwise be provided with respect to payment of interest in the Bond Ordinance; and payment of or on account of either principal or interest on any Bond shall be made only to or upon the written order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to discharge the liability upon such Bond to the extent of the sum or sums so paid.

If any Bond shall be lost, stolen, destroyed or mutilated, the Registrar will, upon receipt of such Bond, if mutilated, and such evidence, information or indemnity relating thereto as the Registrar may reasonably require, if lost, stolen or destroyed, authenticate and deliver a replacement Bond or Bonds of a like aggregate principal amount and of the same maturity and interest rate, bearing a number or numbers not contemporaneously outstanding. If such lost, stolen, destroyed or mutilated Bond shall have matured or have been called for redemption, the Registrar may direct the Paying Agent to pay such Bond in lieu of replacement.

This Bond does not constitute an indebtedness of the County within the meaning of any constitutional or statutory provision or limitation, shall not be considered or held to be a general obligation of the County, and is payable and collectible solely out of the revenues derived from the revenues from the first one-eighth of one percent County Gross Receipts Tax enacted pursuant to County Ordinance No. 1983-7, as amended by Ordinance No. 1991-4, the third one-eighth of one percent County Gross Receipts Tax enacted pursuant to County Ordinance No. 1987-6, as amended by the Bond Ordinance, and the one-sixteenth of one percent County Gross Receipts Tax enacted pursuant to County Ordinance No. 2005-7, each of which County Gross Receipts Tax is imposed on persons engaging in business in the County pursuant to Section 7-20E-9 NMSA 1978, and which revenues are remitted to the County monthly by the New Mexico Department of Taxation and Revenue pursuant to Section 7-1-6.13 NMSA 1978, and which remittances currently equal five-sixteenths of one percent (0.3125%) of the taxable gross receipts reported by persons engaging in business in the County; and which include the distribution to the County made pursuant to Section 7-1-6.46 NMSA 1978, as that distribution relates to the gross receipts tax revenues received pursuant to Section 7-1-6.4 NMSA 1978, which revenues are reduced pursuant to the deductions under Sections 7-9-92 and 7-9-93, NMSA 1978; provided that if an additional amount of such gross receipts tax revenues or other equivalent funds are hereafter provided to be remitted to the County under applicable laws of the State, such additional amounts shall be included as revenues pledged pursuant to the Bond Ordinance.

The lien of the Bonds on the Pledged Revenues is an irrevocable and first lien, but not necessarily an exclusive first lien, on the Pledged Revenues. Upon satisfaction of the conditions set forth in the Bond Ordinance, additional bonds may be issued and made payable from the Pledged Revenues having a lien thereon either on a parity with, or subordinate and junior to, the lien on the Pledged Revenues of the Bonds, but additional bonds may not be issued with a lien thereon superior to the lien thereon of the Bonds. Amounts and securities held in the Debt Service Fund and the Reserve Fund, as such

terms are defined in the Bond Ordinance, have been exclusively pledged for payment of the principal of, premium, if any, and interest on the Bonds.

The Bonds are issued to provide funds to defray the cost of construction of and improvements to the County courthouse and other public facilities in the County at an approximate cost of \$30,000,000, and to pay all costs incidental to the foregoing and the costs of the issuance of the Bonds. The Bonds are equally and ratably secured by the Pledged Revenues.

The County covenants and agrees with the owner of this Bond and with each and every person who may become the owner hereof that it will keep and perform all of the covenants of the Bond Ordinance.

This Bond is subject to the condition, and every owner hereof by accepting the same agrees with the obligor and every subsequent owner hereof, that the principal of and interest on this bond shall be paid, and this bond is transferable, free from and without regard to any equities, set-offs or cross-claims between the obligor and the original or any other owner hereof.

It is hereby certified that all acts and conditions necessary to be done or performed by the County or to have happened precedent to and in the issuance of the Bonds to make them legal, valid and binding special obligations of the County have been performed and have happened as required by law, and that the Bonds do not exceed or violate any constitutional or statutory limitation of or pertaining to the County.

This bond shall not be valid or obligatory for any purpose until the Registrar shall have manually signed the Certificate of Authentication.

IN WITNESS WHEREOF, Santa Fe County, New Mexico has caused this bond to be signed and executed on the County's behalf with the facsimile or manual signature of the Chairperson of the Board of County Commissioners and the facsimile or manual signature of the County Clerk and has caused the corporate seal of the County or a facsimile thereof to be affixed hereon, all as of the Date of Bond.

SANTA FE COUNTY, NEW MEXICO

(SEAL)

By: _____
Chairperson,
Board of County Commissioners

ATTEST:

By: _____
County Clerk

(Form of Registrar's Certificate of Authentication)

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the Bond Ordinance, and this bond has been registered on the registration books kept by the undersigned as Registrar for the Bonds.

Date of Authentication: _____

Treasurer of Santa Fe County, New Mexico,
as Registrar

By: _____
Authorized Officer

(End of Form of Registrar's Certificate of Authentication)

invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Bond Ordinance.

Section 34. Repealer Clause.

A. Amendment of Ordinance No. 1987-6. Section 4 of Ordinance No. 1987-6 is hereby amended to read as follows:

"Section 4. Dedication. The revenue derived from the third one-eighth of one percent increment of county gross receipts tax shall be used for general county purposes, including, without limitation, the payment of debt service on revenue bonds issued pursuant to the County Revenue Bond Act, Sections 4-62-1 through 4-62-10 NMSA 1978."

B. General. All bylaws, orders, resolutions and ordinances, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any bylaw, order, resolution or ordinance, or part thereof, heretofore repealed.

Section 35. Effective Date. Upon due adoption of this Bond Ordinance, it shall be recorded in the book of ordinances of the County kept for that purpose, authenticated by the signatures of the Chairperson of the Governing Body and County Clerk, and the title and general summary of the subject matter contained in this Bond Ordinance (set out in Section 38 below) shall be published in a newspaper which maintains an office and is of general circulation in the County and this Bond Ordinance shall be in full force and effect thereafter as provided by law.

Section 36. General Summary for Publication. Pursuant to the general laws of the State, the title and a general summary of the subject matter contained in this Bond Ordinance shall be published in substantially the following form:

(Form of Summary of Ordinance for Publication)

Santa Fe County, New Mexico
Notice of Adoption of Bond Ordinance

Notice is hereby given of the title and of a general summary of the subject matter contained in an Ordinance, duly adopted and approved by the Governing Body of Santa Fe County, New Mexico, on July 29, 2008, relating to the authorization and issuance of the Santa Fe County, New Mexico County Gross Receipts Tax Revenue Bonds, Series 2008 (the "Bonds"). Complete copies of this Bond Ordinance are available for public inspection during the normal and regular business hours of the County Clerk, Santa Fe County, New Mexico.

The title of this Ordinance is:

SANTA FE COUNTY, NEW MEXICO
ORDINANCE

