

New Mexico Finance Authority
207 Shelby St.
Santa Fe, NM 87501
(505) 984-1454

Minutes of Board Meeting
February 02, 2015
NMFA – Second Floor Conference Room
Santa Fe, New Mexico

Present:

John McDermott, Chair
William Fulginiti, Vice Chair
Katherine Ulibarri, Treasurer
Brett Woods (*telephonically*)
Jim Chiasson
Tom Clifford
Antoinette Vigil
Jerry Jones (*telephonically*)
Terry White (*telephonically*)
Blake Curtis (*telephonically*)
Santiago Chavez

McDermott Advisory Services, LLC
Executive Director, NMML
V/P for Finance/Operations, Central NMCC
Secretary Designee, NM Energy & Minerals
Secretary Designee, NM Environment Dept.
Secretary, Dept. of Finance & Administration
Secretary Designee, Economic Development Dept.
CEO, Stolar Research Corporations
CEO, Sunwest Trust, Inc.
CEO, Curtis & Curtis, Inc.
Designee, Executive Director, NMAC

Finance Authority Staff:

Connie Marquez-Valencia
John Brooks
Robert Brannon
Yolanda Valenzuela

Dan Opperman
Marquita Russel
Robert Coalter

Guests:

Chris Stagg
Peter Franklin
Chaz Rockey

Village of Taos Ski Valley
Modrall Sperling
Taos Ski Valley, Inc.

1. Call to Order and Roll Call.

Chair John McDermott called the meeting to order at 2:02 p.m. A roll call vote established a quorum.

2. Approval of Agenda.

Ms. Antoinette Vigil moved, seconded by Mr. Santiago Chavez, for approval of the agenda. The motion passed 11 – 0.

3. Consideration for approval of Resolution for Taos Ski Valley TIDD. Staff recommended adoption of a resolution of determination and presentation to the Legislature for the Taos Ski Valley Tax Increment for Development District (“TIDD”).

Ms. Marquita Russel presented this item and stated the action to be taken today is the determination of adequacy of the finance plan and the NMFA's recommendation to the Legislature to authorize bonds in an amount not to exceed \$44 million. Ms. Russel affirmed that the State Board of Finance (SBOF) met and approved the application at a 50% increment, rather than the increment of 75% originally requested, which changed the finance plan. Without any additional dedication of taxes, the estimated bond issue would be \$41 million; however, if the County dedicates portions of its taxes, the County could be back at the original amount of \$44 million. The determination resolution and the draft legislation recommend the \$44 million to allow for leeway in negotiating with the County.

Chair McDermott questioned whether the SBOF has had any discussions regarding the County's participation. Mr. John Books confirmed the SBOF did discuss the County's involvement with the TIDD and the improvements that would take place within the district. If the County chooses to participate with gross receipts or property taxes, staff would review the plan at that time. Staff recommends that the authorization go before the Legislature for the full \$44 million so the developer is not required to redo the process. The current recommendation requires that the master indenture, and any subsequent indentures, be reviewed by the NMFA prior to the issuance of any bonds.

Mr. Brooks summarized the differences in the finance plan now that the SBOF has finalized its dedication of State gross receipts taxes. Chair McDermott questioned how the difference between the bonding capacity of approximately \$40 million and the project costs of \$60 million would be handled. Mr. Chaz Rockey, CFO with Taos Ski Valley, Inc. (TSVI) explained the overall plan of finance includes contributions from utility businesses, the Village, and the County which will reimburse the developer's upfront outlays towards the improvements. Also, in the future, the Village will have the capacity to issue bonds to support infrastructure projects; however, the plan of finance has the Village contributing to three projects and sourcing the revenues from grants or low interest borrowing programs.

Secretary Clifford noted that the spreadsheet included the total project cost but did not indicate a breakdown of the various contributions.

Mr. Santiago Chavez referred to the project sources and uses and asked if the increments were within the TIDD district or the Village. Mr. Brooks explained the increments were going to be pledged for the TIDD district and 25% of the new revenue derived will go to the Village. The developer will be meeting with the County to discuss the TIDD and the importance of their participation, such as a pledge of property tax generated by the new construction in the District.

A discussion ensued on formulating a PID that would specifically focus on the extension of the natural gas lines to provide revenues to help offset the cost of the gas lines.

Secretary Clifford asked for clarification on the language and purpose of the resolution. Mr. Dan Opperman, NMFA legal counsel, explained that the resolution to the Legislature was written to demonstrate that the NMFA performed a thorough review of the financing process for issuing bonds for the TIDD. The resolution also includes safety measures to ensure the underlining documents have the appropriate covenants to protect the issuance of the bonds. Mr. Opperman continued to explain the detailed language in the resolution that outlines the sequence of steps for the bonds to be issued. Mr. Peter Franklin, bond counsel for the Taos Ski Valley TIDD, also noted that if the steps outlined by Mr.

Opperman were not followed, then bond counsel would not be able to issue an opinion that the bonds were validly issued.

Further discussion ensued on the resolution, the issuance of the bonds and the draft bill.

Referring to the draft of the sources and uses provided, Mr. Jerry Jones said he would like to receive the full document. Mr. Brooks noted that he would submit the full document to the Board following the meeting.

Mr. Chavez expressed concern with the County's position and asked how this process would move forward if the County did not participate. Mr. Chaz Rockey, CFO with TSVI, responded that they, along with the developer, will work diligently to encourage the County's participation. Mr. Rockey acknowledged the importance of cooperation from everyone involved and is confident they will get adequate sources to be fully reimbursed over time.

Chair McDermott asked who would hold title because of the projects in the event the developer was not reimbursed. Mr. Franklin explained that the master development agreement between the Village, developer, and TIDD, provides that the title of the infrastructure is transferred to the Village once the developer completes a project and it has been inspected and accepted. Mr. Franklin further noted that once the title is transferred to the Village, the obligation for the TIDD to reimburse the developer is triggered.

Mr. Brooks reiterated that staff recommends approval of the resolution for the Taos Ski Valley TIDD.

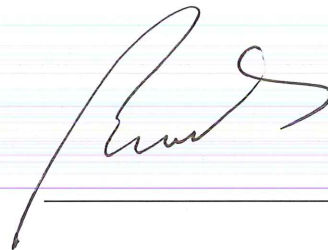
Mr. William Fulginiti moved, seconded by Mr. Santiago Chavez, for approval of the Resolution for Taos Ski Valley TIDD. The motion passed 11 – 0.

4. Next Board Meeting

Thursday, February 26, 2015 – 9:00 a.m.
Apodaca Hall – Old PERA Building
1120 Paseo de Peralta
Santa Fe, NM

5. Adjournment

The meeting adjourned at 2:40 p.m.



Secretary

2/26/15

Date