

**NEW MEXICO STATE BOARD OF FINANCE**

**REGULAR MEETING**

**Santa Fe, New Mexico**

**December 20, 2022**

A regular meeting of the New Mexico State Board of Finance was called to order on this date at 9:00 a.m. in the Governor's Cabinet Room, Fourth Floor, State Capitol Building, Santa Fe, New Mexico. The meeting was held with a virtual option for those who could not attend in person.

**1. ROLL CALL -- QUORUM PRESENT**

**Members Present:**

The Hon. Howie Morales, Lt. Governor

The Hon. Tim Eichenberg, State Treasurer [attending virtually]

Mr. Joseph Badal, Public Member [attending virtually]

Mr. Paul Cassidy, Public Member

Mr. Michael S. Sanchez, Secretary, Public Member [joining at 9:20 a.m.]

Ms. Wendy Trevisani, Public Member [attending virtually]

**Members Excused:**

The Hon. Michelle Lujan Grisham, President

**Staff Present:**

Ms. Ashley Leach, Director

Mr. Marcos B. Trujillo, Deputy Director

**Legal Counsel Present:**

Ms. Jennifer Salazar

**2. APPROVAL OF AGENDA**

**Member Cassidy moved for approval of the agenda, as published. Member Trevisani seconded the motion, which passed unanimously.**

**3. APPROVAL OF MINUTES: November 15, 2022 (Regular Meeting)**

**Member Badal moved for approval of the minutes of the November 15, 2022, minutes, as presented. Treasurer Eichenberg seconded the motion, which passed unanimously.**

**CONSENT AGENDA (Items 4-21)**

Presenter: Ashley Leach, Director, Board of Finance

Submitted by: Benjamin McIntosh, Real Estate Manager, Bernalillo County

**4. Bernalillo County—Requests Approval of the Lease of Real Property, Located at 620 Lomas Blvd NW in Albuquerque, to the Albuquerque Sign Language Academy (lesser of \$134,183/year and annual lease assistance award)**

- Contingent upon director's and counsel's receipt of a fully executed lease agreement

Submitted by: Susan Odegard, Strategic Assets Coordinator, Los Alamos Public Schools

**5. Los Alamos Public Schools—Requests Approval of the Lease of Real Property, located at 288 DP Road in Los Alamos, to Los Alamos Landscaping and More, LLC (\$28,000/year)**

Submitted by: Sammie Vega-Finch, Finance Director, Socorro County

**6. Socorro County—Requests Approval of the Sale of Real Property in Socorro County, Known as the Polvadera Baseball Fields, to Juan Jacquez (\$30,316.87)**

- Contingent upon director's and counsel's receipt and review of (1) a fully executed sale agreement and (2) a fully executed quitclaim deed

Submitted by: Anna Silva, Director, Facilities Management Division, General Services Department

**7. General Services Department—Requests Approval to Grant an Easement, Located in Los Lunas at Morris Road and Highway 313, to the Public Service Company of New Mexico (\$96,350)**

- Contingent upon director's and counsel's receipt of (1) a fully executed easement and (2) a fully executed agreement

Submitted by: Gerald Hoehne, Capital Projects Director, Higher Education Department

**8. New Mexico State University—Requests Approval of Capital Expenditures for Phase I Emergency Fire Alarm System Upgrades at the Corbett Center Student Union (\$1,791,324)**

**9. University of New Mexico, Los Alamos—Requests Approval of Capital Expenditures for Campuswide Infrastructure Renovations (\$1,937,500)**

**10. University of New Mexico, Los Alamos—Requests Approval of Capital Expenditures for Workforce Development and Career Technical Education**

**Lab Renovations (\$2,322,500)**

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11. **University of New Mexico—Requests Approval of Capital Expenditures for Student Support and Success Center Renovations (\$1,320,000)**
12. **University of New Mexico—Requests Approval of Capital Expenditures for Renovation of Quantum Materials and Technology Laboratory (\$800,000)**
13. **Western New Mexico University—Requests Approval for the Acquisition of Real Property, Located at 1801 N. Alabama in Silver City (\$239,759)**

- Contingent upon director’s and counsel’s receipt and review of (1) a revised and fully executed purchase agreement and (2) a fully executed warranty deed.

Submitted by Anna Silva, Director, Facilities Management Division

14. **Capital Buildings Repair Fund Financial Status Report for Month-Ended November 30, 2022**
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15. **Legislative Capital Projects Financial Status Report for Month-Ended November 30, 2022**
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Submitted by Vikki Hanges, Chief Investment Officer, State Treasurer’s Office

16. **State Treasurer’s Office Investment Report for Month-Ended October 31, 2022**
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Submitted by Ashley Leach, Director, Board of Finance

17. **Board of Finance Meeting Schedule for Calendar Year 2023**

18. **Updated FY23 through FY27 Bonding Capacity Sources & Uses**

19. **Emergency Balances – December 20, 2022**

	<u>Balance</u>	<u>Appropriation</u>
Operating Reserve Fund	\$2,182,250.00	\$2,500,000.00
Emergency Water Fund	\$ 73,900.00	\$ 109,900.00

20. **Fiscal Agent and Custodial Bank Fees Report for Month-Ended November 30, 2022**
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21. **Joint Powers Agreements for Month-Ended November 30, 2022**

Member Cassidy moved approval of the Consent Agenda, as presented. Treasurer Eichenberg seconded the motion, which passed unanimously.

## **BONDING PROGRAMS**

Presenters: Ashley Leach, Director, State Board of Finance; Ken Guckenberger, Partner, Kutak Rock; Noelle Graney, Partner, Kutak Rock

### **22. Consideration of the 2023 Annual Financial Information (AFIF) Report**

Ms. Leach stated that the board typically votes on this report at its December meeting. The report is about 99.5 percent complete, and is finalized in January with the completion of property tax information from the Local Government Division of DFA.

Ms. Graney said this has been updated based on information gathered from last year's bond issuances, and they have also reached out to all the agencies that contribute to the report. Looking at this compared to last year, she said it was hard to say what was dramatically different from last year, although they did see less discussion about the impacts of COVID.

Ms. Graney said it was not too late to provide comments, at least until January 21. The filing date was set for January 24, 2023.

**Member Badal moved for approval. Member Trevisani seconded the motion, which passed unanimously.**

Presenters: Ashley Leach, Director, State Board of Finance; David Buchholtz, Director, Rodey, Dickason, Sloan, Akin & Robb, P.A. Luis Carrasco, Director, Rodey, Dickason, Sloan, Akin & Robb, P.A.; Parker Schenken, Member, Sherman & Howard, LLC; Jill Sweeney, Member, Sherman & Howard (Co-Bond Counsel)

### **23. Consideration of Amending Resolution for State of New Mexico Severance Tax Note, Series 2022S-C, Maximum Principal Amount of \$50,162,797**

Ms. Leach said the par amount of this note has been finalized and will total \$12,439,843.

Ms. Sweeney said the purpose of this resolution is to identify projects that are compliant after review by the bond counsel team and board staff and to provide funding for them.

**Member Cassidy moved for approval. Treasurer Eichenberg seconded the motion, which passed unanimously.**

[Member Sanchez arrived.]

### **24. Consideration of Second Amending Resolution to the 2020 Resolution Reauthorizing Certain Severance Tax Bond Projects**

Mr. Carrasco stated that the board adopted a very similar version of this resolution in September 2020. Since that time, it had come to the attention of board staff that, due to a peculiarity about how one project was categorized in the lists provided by DFA and the Legislative Council, it was not included in the review. Approximately a month ago, the recipient of the appropriation (Office of the State Engineer) alerted board staff of the omission. Upon investigation, it was determined that the project had in fact been reauthorized by the legislature in the 2020 session. The project was initially authorized in 2016 by the legislature to fund the planning, design, and construction of an engineered levee in the San Acacia reach in Socorro County, and in 2020, it was reauthorized to include the planning, design, and construction of an engineered levee in the Bernalillo to Belen reach in Bernalillo and Valencia counties. The timing of the expenditure was also extended through FY 2025.

**Member Cassidy moved for approval. Member Trevisani seconded the motion, which passed unanimously.**

**GENERAL SERVICES DEPARTMENT**

Presenter: Anna Silva, Director, Facilities Management Division, General Services Department

**25. Consideration of Schedule of Repairs for January 1, 2023, through June 30, 2023**

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Ms. Silva presented this report.

**Treasurer Eichenberg moved for approval. Member Badal seconded the motion, which passed unanimously.**

**26. Inventory of Buildings Report, Including an Approved Checklist of Conditions**

Ms. Silva presented this report, which was informational.

**STATE TREASURER'S OFFICE**

Presenter: Vikki Hanges, Chief Investment Officer, State Treasurer's Office

**27. Consideration of Annual State Treasurer's Office Performance Benchmarks**

Ms. Hanges said no changes were being recommended to the current benchmarks:

- General Fund Liquidity: 1-Month Treasury Bill Index;
- Local Government Investment Pool and Severance Tax Bonding Fund: 100% S&P Government Investment Pool Index;
- General Fund Core: 0-5 Year US Treasury Index;
- Bond Proceeds Pool (Tax Exempt): 0-2 Year US Treasury Index; and
- Bond Proceeds Pool (Taxable): 0-3 Year US Treasury Index

Treasurer Eichenberg stated that, in the eight years Ms. Hanges has served as Chief Investment Officer for STO, she has made more than \$500 million in interest income for the state of New Mexico. He thanked Ms. Hanges and her team for the work they do.

**Member Cassidy moved for approval. Treasurer Eichenberg seconded the motion, which passed unanimously.**

## **HIGHER EDUCATION DEPARTMENT**

### **CAPITAL EXPENDITURES**

Presenters: Gerald Hoehne, Capital Projects Director, Higher Education Department; Dr. Dan E. Arvizu, Chancellor, NMSU; Ruth Johnson, Vice Chancellor & COO; Robert Herrera, Project Development Executive Director, NMSU

#### **28. New Mexico State University—Requests Approval of Capital Expenditures for Phase II of the Agricultural Modernization and Education Facilities, Biomedical Research Building Project (\$8,117,750)**

Mr. Hoehne stated that NMSU is requesting \$8,117,750 to complete construction of the Biomedical Research Building at the main campus. The request is part of the larger redevelopment of the 70-acre Southwest Agriculture District, which includes the construction of a new Food Science Learning Building, Feed Milling and Processing Building, and the Biomedical Research Building. The board approved the initial phase of this project in February 2021. The purpose of the Biomedical Research Building is to expand the capabilities of NMSU for research and education under multiple disciplines. The project is slated to begin in January 2023 and be completed in April 2024. NMSU will use the proceeds from the state's 2020 GOB sale for the project. The larger agricultural modernization initiative received funding from two GOB sales for a total amount of \$43 million.

Chancellor Arvizu reported that NMSU has received a \$7.1 million grant to help with large construction of biomedical-relevant facilities. Since the board approved this project in 2020, construction costs have escalated and it has been necessary to seek additional funding to complete this project. The grant funding will fill some important critical gaps.

**Member Cassidy moved for approval. Member Sanchez seconded the motion, which passed unanimously.**

Member Sanchez stated that the old Los Lunas training school property was agricultural and was used to grow alfalfa at one time. He said he spoke to a member of the NMSU Board of Regents about the possible use of this property, and asked that Mr. Hoehne to follow up.

## **PROPERTY DISPOSITIONS**

Presenters: Fernando Macias, County Manager, Doña Ana County; William Provance, Airport Manager, Doña Ana County; Ben Fierstein, Director of Engineering, Burrell Aviation; John Carver, CEO, Burrell Aviation

**29. Doña Ana County—Requests Approval of the Lease of Real Property, Located at 8014 Airport Road in Santa Teresa, to Burrell Aviation Doña Ana, LLC (\$37,286/year to \$372,860.10/year)**

Mr. Macias said this project involves the lease of 45.051 acres at the Santa Teresa jetport. At the last meeting, they made a presentation related to a land exchange, which was another significant step forward in economic development tied to the jetport.

Mr. Macias presented slides. He said \$13 million of \$20 million appropriated by the legislature would go into expanding, strengthening and widening the existing jetport to accommodate a Boeing 737. Burrell Aviation plans to build an air cargo handling facility and aircraft maintenance hangar. The county wants to enter into a lease agreement with Burrell Aviation to accommodate this major economic development initiative that will create a substantial number of jobs.

Responding to Lt. Governor Morales, Mr. Macias said they anticipate 600-800 permanent jobs after the facility is completed. Mr. Fierstein stated that Burrell expects that this will create 150 to 250 temporary construction jobs during the two-year build-out period.

Member Badal said he wanted to discuss an issue and has also talked to Director Leach about, which is that the board votes on many significant projects but doesn't get any real feedback about whether various projections are met, including timetables. He said he would like to see information about this project come back to the board at least on an annual basis not only to learn about whether projections are met, but also how successful these projects are from an economic development standpoint.

**Member Badal asked that an annual update on this project be included as a contingency in the motion for approval.**

Member Sanchez asked what types of jobs will be created, and what kind of pay scale was anticipated.

Mr. Carver responded that the jobs would be primarily cargo handling and would be elevated positions from what has traditionally been paid to airport cargo employees. Currently, the hourly for a cargo handling is \$23-\$25, but these are expected to be higher than that because these are newer buildings with newer communication data systems than in the past. He said there is also a ripple effect throughout the economy. A cargo job at an airport translates to jobs elsewhere in the freight handling business, off-airport warehousing business and the logistics network on both sides of the chain.

**Ms. Leach stated that approval is contingent upon director’s and counsel’s receipt and review of a revised and fully executed lease agreement.**

**Member Cassidy moved for approval with the contingencies cited by Ms. Leach and Member Badal. Member Badal seconded the motion, which passed unanimously.**

**PRIVATE ACTIVITY BONDS**

Presenter: Ron Mehl, Senior Vice President, Dominion; Robert M. Burpo, Financial Advisor, First American Financial Advisors; Sandoval County Manager Wayne Johnson

**30. Sandoval County—Requests Approval of a Private Activity Bond Cap Allocation and Carryforward for the Sandoval Flats Affordable Housing Project (not to exceed \$45,000,000)**

Mr. Mehl stated that Sandoval Flats is a 216-unit affordable housing development in Rio Rancho serving residents earning 60 percent or less of the median area income. The project will include eight dedicated units for affordable workforce housing and will consist of 1-, 2- and 3-bedroom homes primarily serving families. Projected rent will be \$829, \$998 and \$1,144. The project will use low-income housing tax credits through MFA. He said construction will begin in late May or early June and will take 22 months. It will create about 200-250 temporary construction jobs and four to five permanent positions on site.

Mr. Burpo said there is a need in Sandoval County for about 50,000 residents. This project will put the county up to 700 units that it has approved in the last two and a half years.

Deputy Director Marcos Trujillo stated that this project would be financed with both Private Activity Volume Cap tax-exempt bonds issued by Sandoval County and Low Income Housing Tax Credits to be issued by the New Mexico Mortgage Finance Authority (MFA). Approval today would essentially be in two parts. The PAB volume cap allocation is coming to the board late in the calendar year, and they will have to close on this project by December 26. They will also be requesting a carryforward allocation, which will be addressed in Item 33.

**Member Badal moved for approval. Member Cassidy seconded the motion, which passed unanimously.**

Presenter: Carolyn Tobias, Economic Development Manager, Bernalillo County

**31. Bernalillo County—Requests Approval of Carryforward for the Private Activity Bond Cap Allocation for San Roque Apartments (not to exceed \$6,600,000)**

Ms. Tobias requested approval of a carryforward for the Private Activity Bond cap allocation of \$6,600,000 to be added to the original approved amount for the San Roque affordable multifamily apartment project in Northwest Albuquerque. This would bring the total allocation for this project to \$34,500,00.

**Member Cassidy moved for approval. Member Sanchez seconded the motion, which passed unanimously.**

Presenters: Isidoro Hernandez, Executive Director/CEO, MFA; Lizzy Ratnaraj, Chief Financial Officer, MFA

**32. New Mexico Mortgage Finance Authority—Requests Approval of Private Activity Bond Allocation Carryforward for Single-Family and Multifamily Affordable Housing Projects**

Mr. Hernandez presented an overview of the New Mexico Mortgage Finance Authority (MFA).

Ms. Ratnaraj said MFA is requesting allocation of \$143,500,000 for single-family housing and that any amount available in 2022 carryforward also be allocated to the single-family housing program to supplement the 2023 PAB allocation request. In addition, MFA is requesting \$150,000,000 for multifamily housing projects for 2023.

Ms. Ratnaraj noted that the median home price in New Mexico is \$310,000, an 8.75 percent increase from the prior year, and tightening credit markets and lack of housing inventory contribute to the shortage of available units. New Mexico needs an estimated 40,000 affordable rental units for extremely low-income households. Existing affordable housing products are at risk due to high operating costs and physical deterioration. Currently, there are 54 projects with 3,838 affordable units that retain the right to request conversion to market rate rental.

Member Badal commented that there isn't enough focus on the fact that MFA may be the number one economic development tool in the state, in addition to creating a tremendous amount of social benefit in allowing people to own a home rather than be a renter. He said it is not possible to calculate the total amount of money generated nor the multiplier effect of all the housing that MFA has financed over decades, but it has been dramatically substantial.

Presenter: Marcos B. Trujillo, Deputy Director, Board of Finance

**33. Private Activity Bond Cap Allocation of 2022 Carryforward**

Mr. Trujillo stated that the 2022 Private Activity Bond Cap Allocation available for carryforward distribution is \$154,215,000. The board has approved two of the three requests received this calendar year: (1) Bernalillo County requesting carryforward of \$6,600,000 for the San Roque apartments; and (2) Sandoval County requesting

\$45,000,000 of new volume cap and carryforward for the Sandoval Flats multifamily apartments project. The third request, just heard from the New Mexico Mortgage Finance Authority, is requesting any remaining allocation of carryforward available for its single-family program. The amount available is estimated to be \$109,215,000.

Mr. Trujillo said the board and the PAB Subcommittee are recommending approval of the three carryforward requests.

**Member Cassidy moved for approval. Member Badal seconded the motion, which passed unanimously.**

**34. Private Activity Bond 2022 Deposit Refunds**

Mr. Trujillo stated that, pursuant to NMAC 2.61.4.9, the board shall direct staff to refund in whole or in part the allocation deposits provided by entities that request PAB volume cap without interest. The PAB Subcommittee reviews all projects previously approved by the board to determine if they have met all requirements and qualify for the allocation deposit refund. During 2022, the board approved for PAB volume cap projects, and all four projects have satisfied all requirements and are eligible to receive an allocation deposit refund.

**Member Sanchez moved for approval. Member Trevisani seconded the motion, which passed unanimously.**

**35. Allocation of Calendar Year 2023 Private Activity Bond Volume Cap**

Mr. Trujillo reported that the IRS recently released the 2023 PAB volume capacity. New Mexico received an increase of \$23,730,000 in PAB volume cap, so the total volume cap coming to New Mexico is \$358,845,000. For 2023, the PAB Subcommittee recommends an allocation of the following: \$143,500,000, or 40 percent, for single-family housing; \$210,345,000, or 58.6 percent, for multifamily housing; \$2,500,000, or 0.7 percent, for education; and \$2,500,000, or 0.7 percent, in the “other” category. The board has the ability to adjust those category percentages throughout the calendar year should it receive requests in any of these categories.

**Member Badal moved for approval. Treasurer Eichenberg seconded the motion, which passed unanimously.**

**EMERGENCY FUNDING REQUEST**

Presenters: Chita Gillis, Secretary Treasurer, Cañada MDWCA; Raphael Drhett Baca, President, Cañada MDWCA; Ramon Lucero, RCAC-Consultant, Cañada MDWCA

**36. Cañada de los Alamos MDWCA—Requests Approval of an Emergency Water Grant for the Purchase and Hauling of Drinking Water (\$92,500)**

Ms. Gillis said she was requesting additional emergency funding in the amount of \$92,500 for the purchase and hauling of drinking water from February 2023 through December 2023. In June 2021, the board approved a loan, which was later converted to a grant, totaling \$161,172 to purchase and haul water from Santa Fe County for a three-year period. The request was made based on the cost of two cents per gallon of water plus nine cents per gallon for the water hauler for a total of 11 cents per gallon; however, because the cost of diesel rose dramatically beginning in October 2021, the total rose to 13-14 cents per gallon and since then has risen to 19 cents per gallon. As a result, there is a shortfall in the amount of money they need before they can bring a new well online in December 2023. Ms. Gillis said they are purchasing an average of 46,250 gallons per month, and the hauler now anticipates he will have to charge 18-22 cents per gallon going forward. The hauler's truck holds 2,000 gallons, which takes 22 to 24 trips each month.

Ms. Gillis said the MDWCA currently has \$27,490 remaining from the grant, which should cover the cost of water in January and February, but they have another 10 months to go before the well is completed in December 2023. She has calculated that they will need \$92,500 to cover their costs for the 10-month period.

Ms. Gillis reported that their November 2021 preliminary engineering report (PER) identified two potential water sources, one a deep alluvial well, which should provide water for five to eight years, but the water table will continue to drop and there will be subsequent problems from surface water contamination. The PER also includes a long-term solution, which is to connect to Santa Fe County water, an option they are aggressively pursuing. They have received an emergency community water assistance grant from the USDA to drill the local well, which has begun. They have also applied to the Water Trust Board for the design of the long-term solution, and those monies were received in November 2022. In addition, they plan to close on a local government planning grant for an Environmental Information Document, which is necessary for the county water connection.

Ms. Gillis said work has just begun on the local well, and three possible well sites have been identified. The hydrologist has reported that there is 40+ feet of alluvium they can tap into and there is water 7 feet below the surface that can provide service for some time. Legal agreements with the landowner will be completed in January 2023, with permitting and design completed by April 2023. The award of a bid is expected in July with completion in December 2023.

Ms. Gillis said they have already secured \$1.4 million for the design of the Santa Fe County project, which will connect Santa Fe County water from its Rancho Viejo storage tank via Sunlit Hills to the Cañada de los Alamos water storage tank. Work begins in January 2023, with the final design in September 2023. At that point, they will apply for construction funding from various sources.

Ms. Gillis said their infiltration gallery has some water in it; however, the well operator has been trying for a month to bring it up to potable levels. While he has finally gotten a negative bacterial test, the water has a very bad smell and visible organic matter in it. While he will flush it some more, he doubts it can be brought online to supplement their water purchase.

**Member Cassidy moved for approval. Member Sanchez seconded the motion, which passed unanimously.**

### **TAX INCREMENT DEVELOPMENT DISTRICTS**

Presenters: Dr. Garnett Stokes, President, UNM; Doug Brown, Board of Regents Chair, UNM; Teresa Costantinidis, Executive Vice President for Finance and Administration, UNM; Pat Davis, Councilor, City of Albuquerque; Pat Montoya, South Campus TIDD Board Member and Director Municipal Development, City of Albuquerque; Carolyn Tobias, Economic Development Manager, County of Bernalillo; State Chief Economist Leonardo Delgado; Kelly Ward, Director, Lobo Development Corp.; Kim Murphy, Consultant

**27. Lobo Development Corporation and the City of Albuquerque—Request Approval of the Dedication of State Gross Receipts Tax Increment for the South Campus Tax Increment Development District (56.23 percent of State GRT Increment)**

[Before discussing this item, Member Trevisani stated she would recuse herself from the vote on this item.]

President Stokes thanked the board for considering this request to dedicate 56.23 percent of the state’s GRT increment, which is estimated to total \$154 million over the 25-year life of the TIDD.

President Stokes made a slide presentation.

Mr. Brown commented that this TIDD is a classic infill project in the heart of town. In addition, this is a food desert area where people have to drive five miles to buy a vegetable. He said this project will provide an affordable, nutritious food source in addition to all of the commercial and economic benefits.

Mr. Montoya said the Albuquerque City Council unanimously endorsed this project.

Pat Davis, a member of the Albuquerque City Council, stated that this is one of New Mexico’s fastest-growing communities in terms of jobs and infrastructure that supports the city, but is a “big hole” that needs to be filled. He also noted that the City of Albuquerque and UNM are cooperating, which was a challenge for a long time.

Ms. Leach stated that board staff and the DFA Economic Analysis Unit, and specifically the Chief Economist, reviewed this application extensively prior to bringing it in front of the board today, and the recommendation of board staff and Chief Economist Leo Delgado is favorable for the board to consider this increment dedication. Statute is very clear on what they review in considering these items. Primarily the two pieces she would note are: (1) whether this is in the best interest of the state; and (2) whether the activity within the TIDD is expected to create net, new fulltime economic base jobs. The application from the South Campus TIDD included an economic impact analysis, and staff worked closely with the firm that was hired to do that analysis in order to get additional information. It is staff's belief that this project will generate net, new fulltime economic base jobs primarily from the Science and Technology Park development and activity in that area. The estimate was 727 net, new fulltime economic base jobs based on the assumptions of the economic impact analysis.

Ms. Leach said she would also point out in staff's recommendation other benefits that the TIDD has estimated. This includes an estimated net \$1.1 billion in revenues over the life of the TIDD to the state through tax revenues, as well as an estimated 230 workers to locate to the state to work within the TIDD. These are based on assumptions that staff reviewed with Impact DataSource, the consultant that completed the economic analysis for South Campus.

Ms. Leach said she would echo some of the comments that the South Campus presentation included, which is that this is an infill project, which is traditionally what the intent of TIDDs are, looking back at the history of TIDDs throughout the country. In addition, in referring back to the statute and the requirements there, staff did that review of the job creation and the benefits to the state through revenue generation, and staff's recommendation is favorable for the board to consider this dedication.

Ms. Leach noted that the increment is for 56.23 percent. The state can dedicate up to 75 percent. Staff had discussions with the South Campus TIDD on that and with the Taxation and Revenue Department; and while it was the intent to have the state increment always match the sum of the increment or the dedication from the city and the county and that could potentially change the percentage over time, due to the Taxation & Revenue Department's programs and technology and how they distribute their revenues back to the TIDDs once they are dedicated, staff discussed with South Campus to set that percentage at a set rate for the TIDD.

Assistant Attorney General Jennifer Salazar commented that Ms. Leach had explained the requirements for evaluating the TIDD application very well.

Treasurer Eichenberg asked for more information regarding the two remaining portions of the TIDD located at the Central Campus, comprising a small parcel of 6.7 acres at Central & Girard, and a small parcel of 3.8 acres at Central & University.

Ms. Leach responded that the Central & Girard portion will include retail and office, a hotel, a parking structure, and the Central & University portion will include a multifamily housing development, mixed-use retail, office space, and a parking structure. Staff's understanding is that these are gateways to the campus, which is the reason for their inclusion in the TIDD.

Mr. Ward said they are currently developing a master plan for the Central & University parcel. They are contemplating an estimated 220 housing units on this parcel and are working with the Greater Albuquerque Housing Partnership to designate a percentage of them affordable. The Central & Girard property will include some retail and office with a hotel and parking structure.

Mr. Ward clarified that the housing units on the Central & University parcel would not be student housing.

Member Sanchez stated that the TIDD at Winrock Center has not panned out the way it was explained to the legislature when he was there and has not delivered the expected benefits to the state, and so he was very skeptical of TIDDs. He appreciated comments by representatives that all of the parties involved are congenial and working together, but in a few years a completely different set of people could be involved and none of the promises will be delivered.

Member Sanchez asked if improvements made to the blighted areas within the TIDD will result in property tax increases. Mr. Montoya responded that this hasn't been studied, but enhancement of property values will probably be a positive outcome of this development. Member Sanchez pointed out that this has already happened in Santa Fe and has had a negative effect on its longtime residents.

Member Cassidy stated that, in reviewing all of the information provided, he is very excited about this because he has spent his business career next to UNM, and had numerous conversations with Mr. Murphy 20-30 years ago about why this area couldn't be developed, and UNM has been struggling with it. He sees the TIDD as solving this 60-year problem in a way that avoids fragmented development and does this correctly. He also sees as a huge positive the ability to develop research and development space to respond to the needs of all of the national assets New Mexico has, including the Air Force Research Laboratory, Kirtland AFB, DOD, NMSA and Sandia National Labs.

Member Cassidy said the city and county can't do this alone, and this is an easy way for the state to contribute money without UNM having to ask for special state appropriations year after year. Member Cassidy also commented that he believes the "but for" test has been met, which is one of the requirements for consideration. Additionally, the economic base job creation is a big requirement. Given the investment cost per economic base job of about \$31,000, it is a positive given how much effort is made by economic development organizations.

Member Badal commented that this project is one of the most dramatically visionary as any the board has seen as long as he has been member, but it is also based on long-term projections which may or may not be fact based. If half of what is projected materializes, then this will be a terrific project. He would also ask that any motion for approval include an annual review of a side-by-side comparison of projections versus actual results, and for an extended period of time. He wants current and future board members to be able to self-analyze the decisions they have made and whether the proposals before the board are really grounded in reality.

Treasurer Eichenberg said he would like to see the annual report include what steps have been taken to help make the campus safer with a better climate for everyone to participate in.

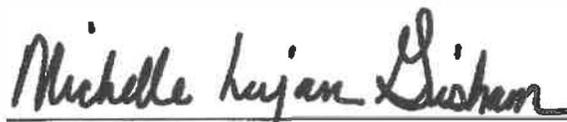
Ms. Leach responded that staff is very cognizant of the concerns shared by board members around reporting. Because statute only requires annual reporting with nothing else specified, the board has extreme amounts of discretion on what that involves. The reporting received from TIDDs right now is based on a template that she and staff came up with in order to get key information, and that can be expanded with the South Campus TIDD. She said they can add a provision that annual reporting be expanded to include the recommendations offered by Member Badal and Treasurer Eichenberg.

**Member Badal moved for approval with the understanding that the resolution will include language concerning annual reporting and that staff will coordinate having representatives of the TIDD present on that basis. Member Cassidy seconded the motion, which passed unanimously. [Recused: Member Trevisani.]**

#### STAFF ITEMS

Ms. Leach and board members recognized three individuals for their service to the board: Treasurer Tim Eichenberg; Secretary Debbie Romero; and Ramila Baral, who has taken a position with the Educational Retirement Board.

#### ADJOURNMENT: 12:15

  
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Michelle Lujan Grisham, President

December 20, 2022

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Date



Michael S. Sanchez, Secretary

December 20, 2022

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Date