Summary of Tax Increment Development District Annual Reporting FY 2025

PURSUANT TO 2.61.3.10.D NMAC AND 5-15-29 NMSA 1978, SECTION 5-15-29

TAX INCREMENT DEVELOPMENT DISTRICTS

Tax Increment Development Districts (TIDDs) are special districts that use Tax Increment Financing (TIF), or incremental tax revenues generated by a development project, to fund public infrastructure associated with those development projects. TIF is most often used to spur development where it might not otherwise occur as well as and as a tool to encourage redevelopment in blighted areas.

TIDDs may receive incremental gross receipts tax (GRT) or property tax revenues from the state, the county, and the municipality and/or property tax increment revenues from the county and municipality. Those revenues can be used to fund infrastructure, which would eventually be deeded to the appropriate government that would then operate and maintain the public infrastructure. In the case of state GRT revenues, those revenues must be used to pay off debt (short- or long-term bonds) created by financing the infrastructure.

New Mexico passed the Tax Increment for Development Act, Section 5-15 NMSA 1978 in 2006. The Act governs the formation and operations of TIDDs in New Mexico. TIDDs are formed by a county or municipal governing body. The governing body may adopt a resolution declaring its intent to form a tax increment development district after (1) an approved tax increment development plan and a (2) petition bearing the signatures of the owners of at least 50% of the real property in the district has been filed with the clerk of the governing body. TIDDs are governed by the governing body that adopted the resolution to form the district or by a five-member board composed of members appointed by the governing body in addition to the Department of Finance and Administration Secretary.

REGARDING GRT INCREMENT BONDS

- Local option gross receipts taxes are paid into a special fund to pay the principal, interest, and premiums of GRT increment bonds issued by the district.
- The city, county, or state cannot dedicate more than 75% of its GRT increment.
- Board of Finance approval is required for a TIDD to receive state GRT increment. The Board must determine that the dedication is reasonable and in the best interest of the state and that the dedication will stimulate the creation of jobs, economic opportunities, and general revenue for the state through the addition of new and expansion of existing businesses.
- TIDDs must issue GRT increment bonds that are secured by state GRT increment within four years of receiving approval of the state dedication of GRT increment by the Board of Finance. GRT increment bonds must have a maturity of no longer than 25 years.
- Property owners within the district (the developer(s)) must contribute a minimum of 20% of the initial public infrastructure costs prior to the issuance of GRT or property tax increment bonds.
- The New Mexico Finance Authority must review all proposed issuances of increment bonds and determine the proceeds of the bonds will be used for projects within the TIDDs in accordance with the TIDD development plan. Additionally, the legislature must approve the issuance of the bonds.
- The legislature must also approve any distribution of increment revenues prior to their distribution.

OTHER INFORMATION IN THE TAX INCREMENT FOR DEVELOPMENT ACT

- TIDDs may revise the base year that the district uses to determine its GRT increment. “Rebasing” must be approved by the State Board of Finance.
- TIDDs must report annually to the Legislative Finance Committee and the Board of Finance.

The following sections provide a summary of the information reported by the six Tax Increment Development Districts (TIDDs) that were previously approved to receive state GRT increment dedication and currently receive revenue distributions from the state. TIDDs are required to report annually on information related to job creation, revenue distributions, capital investments, and outstanding debt.

GRT and Property Tax Increments (TIDDs Receiving State GRT Increment)

Timeline of District Approvals to Receive State GRT Increment & Authorized Amounts

		Jan 2006	Dec 2007	Oct 2008	Dec 2008	Jul 2015	May 2017	Dec 2022
		Mesa del Sol $500m	DevCo Districts $0	Winrock Town Center $164m	City of Las Cruces $8m	Taos Ski Valley $44m	Lower Petroglyphs $0	South Campus $500m
GRT Dedication	State	75%	50%	62%	75%	50%	65%	56.23%
GRT Dedication	County	100%	100%	67%	75%	0%	0%	75%
GRT Dedication	City	67%	0%	70%	75%	75%	75%	75%
Property Tax Dedication	County	10%	10%	50%	75%	35%	0%	75%
Property Tax Dedication	City	67%	0%	75%	75%	75%	65%	75%

NOTES

Mesa del Sol	Includes Districts 1 through 5. The City GRT increment is 67 percent of the local option GRT revenues (ex. Transportation and Infrastructure Tax) and state-shared GRT. The County GRT increment is 100% of the third 1/8th and all of the 1/16th of County GRT increment. The City and County property tax dedications are percentages of the "operating" mills.
DevCo	Includes Districts 2, 3, 4 & 8. The County GRT increment is 100% of the third 1/8th of the County GRT increment and 100% of its environmental services GRT increment. The legislature has not authorized the issuance of bonds as of the date of this report.
Winrock	State increment is an average for three districts (57%, 60% & 70%); TIDD underwent a rebasing in 2015. The County GRT increment equals 67% of the first, second, and third one-eight of GRT and 67% of the one-sixteenth of GRT receipts. One-sixteenth of the County's property tax dedication is for security infrastructure. Winrock includes two separate districts, TIDDs 1 & 2 and TIDD 3. TIDD 1 maximum authorized amount is $137m and TIDD 2 is $27m.
Las Cruces	TIDD only received the state dedication up to a certain dollar amount, $8 million, which was reached in Dec 2018. The TIDD no longer receives state GRT. The County increment was 75 percent of the first 0.125% of the local option GRT.
Lower Petro.	The City GRT is 75% of its municipal infrastructure GRT increment (0.04065) and 65% of its general purpose GRT increment (0.325000). City share of GRT excludes public safety and transportation tax. The legislature has not authorized the issuance of bonds as of the date of this report.

GRT & Property Tax Distributions & Capital Investment

TIDDs can receive GRT increment from the state, the county, and the municipality and/or property tax increment revenues from the county and municipality. Tax increment revenues are tracked by the Taxation and Revenue Department (TRD). TIDDs must receive legislative authorization to issue bonds to fund public infrastructure within the TIDD and in accordance with the TIDD plans. TIDDs are governed by boards, and those boards can elect to issue short or long-term bonds to finance public infrastructure, with that infrastructure eventually being dedicated to a public entity. Additionally, debt can be issued prior to the developer providing public infrastructure improvements or afterwards to reimburse the developer for the investments they make.

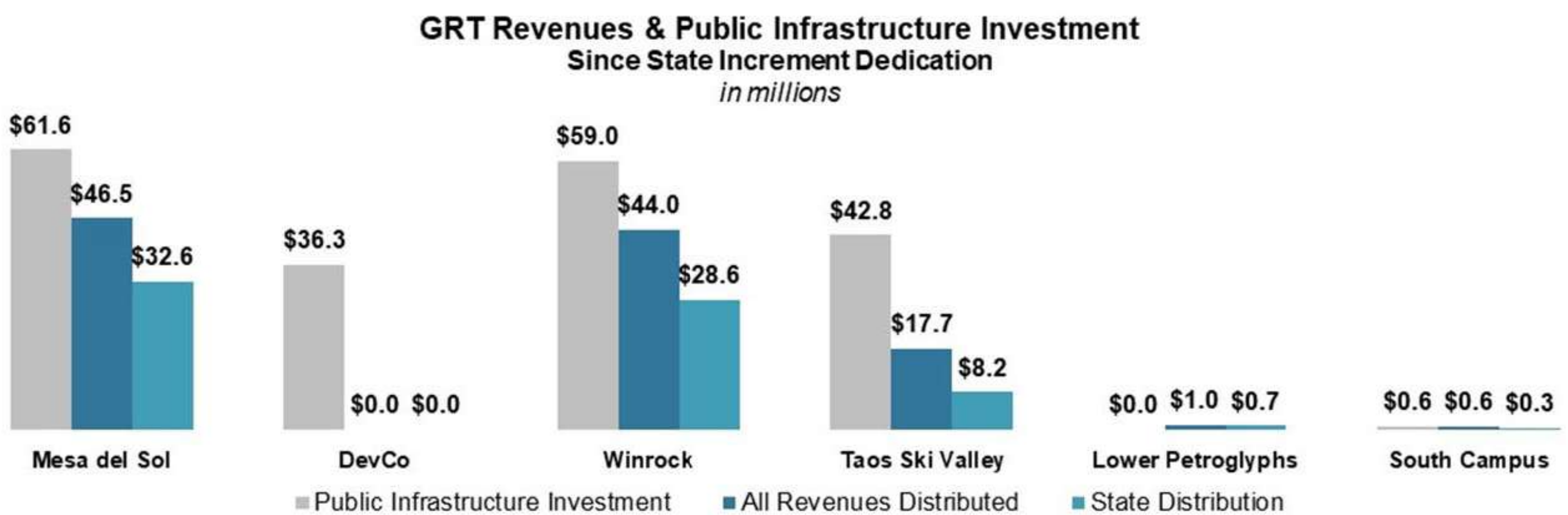
Gross Receipts Tax Revenues Distributed to TIDDs

		State			County			Muni		
District		FY25	FY24	**To Date**	FY25	FY24	**To Date**	FY25	FY24	**To Date**
Mesa del Sol	Dec-06	$3,648,867	$6,782,551	**$32,551,691**	$242,401	$448,540	**$1,549,765**	$1,800,436	$3,427,103	**$12,376,757**
DevCo	Dec-07	$0	$0	**$0**	$0	$0	**$0**	--	--	**--**
Winrock	Oct-08	$3,191,810	$3,107,856	**$28,558,348**	$423,679	$401,727	**$2,829,812**	$1,818,220	$1,765,083	**$12,623,345**
Taos Ski Valley	Jul-15	$1,023,274	$1,707,521	**$8,195,333**	--	--	**--**	$1,382,192	$2,264,846	**$9,548,802**
Lower Petroglyphs	May-17	$176,770	$156,087	**$720,027**	--	--	**--**	$85,977	$67,278	**$264,081**
South Campus	Dec-22	$169,668	$85,191	**$276,445**	$59,841	$27,026	**$86,866**	$179,224	$78,972	**$274,249**

Revenues are gross, with the exception of Mesa del Sol, and include administrative fees, which are approximately 3% for the State, 1.6% for municipalities, and 2.9% for counties. Annual fees paid by Mesa del Sol fees are minimal (below $30,000).

Winrock Winrock underwent re-distribution in 2014 and 2015. Total distributions account for adjustments made.

Lower Petro. The district returns revenues to the state on a quarterly basis in compliance with the BOF resolution.



- The three TIDDs that have received any substantial amount of increment include Mesa del Sol, Winrock Town Center, and Taos Ski Valley. These three TIDDs have also reported public infrastructure improvements exceeding $35 million since their inception. While DevCo reported public infrastructure improvements above $35 million, no substantial development has been reported in some time.

- The State distribution represents the following percentages of total distributions to date: 70% for Mesa del Sol, 65% for Winrock Town Center, 46% for Taos Ski Valley, and 43% for South Campus.

- A significant amount of activity has occurred in Mesa del Sol since 2007. The developer has reported public infrastructure investments totaling over $61 million, and over $800 million in private investment. State, county, and municipal distributions to the Mesa del Sol TIDD doubled between FY24 and FY25.

- Winrock has reported over $70 million in private investments. While the TIDD has plans for additional private development in the near-term, public infrastructure investments have slowed, as the full buildout of planned infrastructure approaches. GRT revenues stayed somewhat flat between FY24 and FY25.

- GRT distributions to the South Campus TIDD increased due to the opening of the Raising Cane's restaurant and build up of other private investment in the district. Recent announcements related to plan development

- The Lower Petroglyphs TIDD has received a small amount of state increment revenue, which it returns to the state. This will occur until a certain amount of investment (for the development of a hospital) is made within the district.

Public & Private Investment by TIDD

		Public			Private		
District		FY25	FY24	**To Date**	FY25	FY24	**To Date**
Mesa del Sol	Dec-06	$10,651,994	$13,323,394	**$61,604,775**	$120,272,325	$167,408,863	**$807,933,703**
DevCo	Dec-07	$0	$0	**$36,300,269**	$0	$0	**$0**
Winrock	Oct-08	$7,343,286	$5,041,787	**$59,009,315**	$771,999	$8,075,202	**$70,086,350**
Taos Ski Valley	Jul-15	$3,069,597	$2,654,706	**$42,800,506**	$10,000,000	$20,000,000	**$346,000,000**
Lower Petroglyphs	May-17		$0	**$0**		$0	**$0**
South Campus	Dec-22	$562,679	$0	**$562,679**	$2,000,000	$0	**$2,000,000**

Public Infrastructure & Private Capital Investment

	FY25 Public	FY25 Private	Pre FY25 Key Activities
Mesa del Sol*	Bobby Foster infrastructure, Netflix-supporting infrastructure, residential infra.	Netflix Campus, IB Charter School, 2500 Bobby Foster Apartments, Kyros Power	Netflix Campus and supporting infrastructure
DevCo	None	None	None
Winrock*	Remaining public park construction & landscaping	3-story mixed-use building constructed, 6,000 sqft retail building completed and leased, central park bar completed and leased	Completion of public park/gathering space, a new roadway, completion of 150-room Marriott, near completion of 3-story mixed-use building
Taos Ski	Village water system, Firehouse road, parking lots	Not provided by TIDD	Not provided by TIDD
Lower Petro	N/A	N/A	N/A
South Campus	Extension of Alumni Drive	Construction of Raising Cane's, 2.1-acre sale to In-N-Out Burger, 33..1-acre sale to developer for Gibson Commercial District	1.3-acre sale to Raising Cane's

Job Creation & Employers

Per the Tax Increment Development Act, TIDDs must report on job creation on an annual basis—total jobs *and* new full-time economic base jobs created in the district. New full-time economic base jobs are those that are:

1) primarily performed in New Mexico;
2) held by an employee who is hired to work an average of at least thirty-two hours per week for at least forty-eight weeks per year;
3) involved, directly or in a supervisory capacity, with the production of: 1) a service; provided that the majority of the revenue generated from the service is from sources outside the state; or 2) tangible or intangible personal property for sale; or
4) held by an employee that is employed at a regional, national or international headquarters operation or at an operation that primarily provides services for other operations of the qualifying entity that are located outside the state; and
5) not directly involved with natural resources extraction or processing, on-site services where the customer is present for the delivery of the service, retail, construction or agriculture except for value-added processing performed on agricultural products that would then be sold for wholesale or retail consumption.

Employment data can be challenging for TIDDs to track. Employment can be generated by business or construction activity, and private employers do not always share data with the TIDD.

- Mesa del Sol has reported a small decrease in employment, from Netflix, Fidelity, and K2 Realty. The district reports that most of its job creation reflects economic base jobs.
- Winrock reported an increase in employment in FY25 of 58 positions. The majority of jobs in the TIDD are connected to retail and food services.
- Taos Ski Valley reported approximately 180 new jobs in FY25. Unfortunately, Taos Ski Valley only records employment with Taos Ski Valley, Inc. and construction-related employment.
- South Campus reported its first job creation since its formation, with 100 jobs in FY25. These are all non-economic-base positions.

Job Creation & Select Employers
(for TIDDs Reporting Job Creation)

	Mesa del Sol	Winrock	Taos Ski	South Campus
Full-Time Economic Base Jobs				
FY25	-91	0	Not provided by the TIDD	0
To Date	4,357	25		0
Total Jobs				
FY25	-99	58	180	100
To Date	4,898	1,015	1,904	100
Select Employers	ABQ Studios/Netflix	Regal Theater	Taos Ski Valley is only reporting construction and developer jobs and not any job creation within the district from TIDD activities.	Raising Cane's
	Fidelity	Aveda Salon		
	Guzman Construction	Uptown Dental		
	Kairos Power	David's Bridal		
	Molina Healthcare	ULTA Beauty		
	MSR FSR / CFV	TJ Maxx		
	SC3	Famous Footwear		
	United Polycom Systems	Nordstrom Rack		
	Apartment	PetSmart		
	White Whale Productions	Men's Wearhouse		
	Eatery	Sketchers		
	K2 Reality	Various Restaurants		
	NM Aggregate	NM Orthopedics		
	NM United	TriCore Labs		
	Rio Fitness	Bath & Body Works		
	The International School	Hyenas Comedy Club		
	UNM Film School	ABQ Hearing & Balance		
		Stretch Labs		
		Farmakeio		
		Ethan Allen		
		Marriot Hotel		
		Fidelity		
		The Joint Chiropractic		
		Presbyterian Health Plan Place & Medicare Advantage Clinic		

Financing

The Tax Increment Development Act was established with the intent that public infrastructure within tax increment districts be funded through the insurance of debt. Two districts—DevCo and Lower Petroglyphs—have not received authorization from the legislature for the issuance of bonds as of yet.

- Mesa del Sol has funded public infrastructure solely through the issuance of taxable short-term notes. The district has issued 13 short-term notes since its inception, for a total of $33.2 million in proceeds. This represents just 7 percent of the total amount the legislature authorized.
- Winrock has funded public infrastructure through the issuance of two tax-exempt long-term issuances. It also issued one refunding bond (Series 2022). Considering the refunded borrowed amount and its Series 2020, Winrock has borrowed $69.6 million.
- Taos Ski Valley issued a single "draw-down" bond in 2017 for its full authorized amount of $44 million. The developer is effectively lending the funds to the district, with an interest rate of 5 percent. The developer has completed four draw downs totaling $17.4 million to reimburse the developer for infrastructure investment. According to the developer, it has completed just over $44 million in public infrastructure improvements but has only drawn on what the district can provide up to this point.
- The South Campus TIDD has not issued debt as of yet.

TIDD GRT-Backed Financings *(including refundings)*

		New FY25			Previous		
District	Authorized	Number	Principal Amt	Type	Number	Principal Amt	Type
Mesa del Sol	$500,000,000	1	$887,239	Taxable ST	13	$33,214,379	Taxable ST
Winrock	$137,000,000	0	n/a	n/a	3	$69,585,000	Tax-Exempt LT
Taos Ski Valley	$44,000,000	0	n/a	n/a	1	$44,000,000	Draw-Down Bond
South Campus	$267,000,000	0	n/a	n/a	0	n/a	n/a

Mesa del Sol is projecting a 15th taxable short-term issuance in July 2025 for $2.3 million.

Winrock estimates approximately $164 million in authorization once the original authorization is adjusted for inflation, as allowed per the statute.

Winrock's three series were sold in 2015, 2020, and 2022. The Series 2015 totaled $43 million and were refunded by the 2022 subordinate lien, which has a term of 18 years. The Series 2020 bonds have a term of 20 years and an interest rate of 8%. The TIDD may consider a refunding of the 2020 series in 2026.

Taos Ski Valley issued a draw-down bond in 2017. This effectively means the developer is lending the funds to the Village for the infrastructure development, with a 5% interest rate on funds. The developer has completed four draw-downs–one in 2018, one in 2020, and two in 2024. The amount drawn down totals $17.4 million as of FY25 end.

Additional Information

The following additional information was provided by the reporting TIDDs on recent activity and developments.

Mesa del Sol

"GRT Distributions - Mesa del Sol Tax Increment Development District No. 1 and the New Mexico Taxation and Revenue Department entered into a Settlement Agreement dated as of June 26, 2024, regarding Excess GRT Distributions received by the District. The Net Amount of the Excess Distributions was $4,513,899.25 and was returned by a cashier's check on June 28, 2024.

In August 2023 Maxeon Solar Technologies announced its plan to acquire a 160-acre site and build a large-scale PV cell and panel manufacturing plant. Total investment of the project was expected to be over $1 billion and create up to 1,800 new highly skilled manufacturing and engineering jobs. Maxeon expected to begin construction the first quarter of 2024 with factory ramp-up to commence in 2025; however, the company needs to secure additional financing to deploy the Mesa del Sol facility. The company has committed to a five-year building lease in Albuquerque and plans to begin solar module assembly on a smaller scale in 2026.

In August 2024 Ebon Solar announced its plan to build a $942 million 834,000 square-foot manufacturing plant. The investment was expected to create over 900 jobs, 90% of which would come from workers in New Mexico. However, lack of available water infrastructure, among other things, caused the company to pursue another site in the State."

Winrock

"Winrock continues to make exciting progress on multiple fronts. The park has now entered its first full year of operations, and its success has far exceeded our expectations. With regular programmed events drawing 800–1,000 people, including families, it has become a popular, safe, and vibrant community gathering place.

On the development side, a 6,000 sq. ft. retail building has been completed, with a restaurant taking half the space and additional tenants on the way. A three-story mixed-use building is also complete, with more than half of the office space leased and retail space available for new tenants. Looking ahead, we are advancing design work for several new projects, including an approximately 50,000 sq. ft. mixed-use building that will combine retail, restaurants, co-working, office, and residential uses. We are also building an 3,500 sq. ft. restaurant in the park.

Several new tenants are completing their build-outs and are expected to open within the next few months, further adding to the momentum and energy at Winrock. Lastly, we are also advancing through the City process for a new main entrance road, which will provide clear access to the site and improve traffic circulation."

Taos Ski

The developer dedicated improvements to Ernie Blake Road and Thunderbird Road, and their respective river crossings, to the Village of Taos Ski Valley on December 20, 2024. The cost of the dedicated infrastructure was $5.4m (excluding interest). In addition, work continued on the Village water system and Firehouse Road, which will be dedicated in FY 2026.

South Campus

Development Prospects and Activity

With funding increments secured, the SC TIDD has entered an active development phase. Lobo Development Corporation, serving as the developer of record, is working to attract development partners and move forward with projects in the SC TIDD boundaries.

Gibson Town Center

On September 1, 2023, 1.3 acres were sold to a developer for the construction and operation of a quick-serve restaurant (QSR), Raising Cane's Chicken Fingers. This is the third-highest-grossing QSR, on a per-square-foot basis, in the country. The chain has over 720 locations in the United States, and this will be the company's third outlet in the Albuquerque area. The site is located in a section of the SC TIDD that requires the least amount of public infrastructure to support development, and it is expected to generate a significant amount of GRT. The restaurant opened to the public on October 3, 2024.

A Purchase and Sale Agreement for 2.1 acres (two adjacent parcels) is in place with In-N-Out Burger. The agreement was executed in November 2023, and the transaction is expected to close in August 2025. The buyer is a quick-serve restaurant with 418 locations in the United States, and this will be In-N-Out Burger's first location in New Mexico. This is another QSR with industry-leading revenue. The restaurant has applied for City of Albuquerque site approval, with an opening expected in late 2026 or early 2027. Lobo Development completed the road infrastructure as a requirement of the agreement with In-N-Out.

On June 30, 2025, UNM signed a Purchase and Sale Agreement with a developer for a 33.10-acre site in the Gibson Commercial District. This will be developed into the Lobo Crossing Shopping Center with 330,000 square feet of retail space anchored by a major national food and general merchandise retailer, as well as several junior anchor retailers, and a mix of national and local small shop and restaurant uses. The transaction is expected to close in early 2026, with construction beginning in late 2025. The center is expected to open in late 2027.

Lobo Village Retail and Entertainment

Planning and development of a sports-themed bar and grill on a 1.1-acre site in the west parking lot of the University Arena is currently underway. Lobo Development Corporation is analyzing the project's feasibility.

Central Campus

Lobo Development Corporation is assessing the feasibility of a mixed-use project at the northwest corner of Central Avenue and University Boulevard. Lobo Development Corporation is in negotiations with a hotel operator for a hotel at the northwest corner of Central Avenue and Girard Avenue.