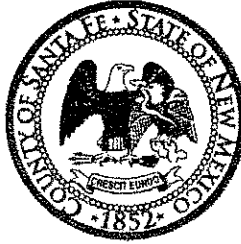


**Henry P. Roybal**  
*Commissioner, District 1*

**Anna Hansen**  
*Commissioner, District 2*

**Robert A. Anaya**  
*Commissioner, District 3*




**Anna T. Hamilton**  
*Commissioner, District 4*

**Ed Moreno**  
*Commissioner, District 5*

**Katherine Miller**  
*County Manager*

## **MEMORANDUM**

To: Santa Fe County Board of County Commissioners

From: Don D. Moya, Finance Division Director 

Via: Katherine Miller, County Manager

Date: August 8, 2017

Re: Resolution No. 2017-\_\_\_\_, A Resolution Awarding the Santa Fe County, New Mexico General Obligation Refunding and Improvement Bonds, Series 2017. (CMO/Finance, Don Moya)

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### **Issue**

The above-referenced resolution ("Award Resolution") must be approved in order to complete the sale of Santa Fe County, New Mexico General Obligation Improvement and Refunding Bonds, Series 2017 (the "Bonds"), in the anticipated principal amount of \$28,775,000. Final details concerning the Bonds will be inserted into the Award Resolution on August 8, 2017, after the sealed bids for the Bonds are opened and the best bidder determined. (The Award Resolution in draft form is attached as Exhibit A.)

### **Background**

At its July 11, 2017 meeting, the Board of County Commissioners ("BCC") approved Resolution No. 2017-77, a Notice of Sale Resolution for the General Obligation Bonds, Series 2017. Among other things, Resolution 2017-77 authorized County staff and advisors to prepare a Preliminary Official Statement ("POS"), discussed in more detail below, and solicit bids for the Bonds. On August 8, 2017, before the BCC's meeting, bids will be opened and the Award Resolution finalized with the final details of the Bonds.

The Bonds will be issued for the purpose of advance refunding, refinancing, paying and redeeming on July 1, 2019 the County's General Obligation Bonds, Series 2009 maturing on and after July 1, 2020, as well as issuing the remaining \$22,015,000 authorized by the voters in the November 8, 2016 general election. The total amount approved by voters in the 2016 election was \$35,000,000.

The Series 2009 bonds to be refunded will have an outstanding principal amount of \$6,250,000 as of the July 1, 2020 redemption date. The \$22,015,000 to be sold from the bonds authorized in the 2016 election will be used for roads projects (\$7,715,000), water and wastewater projects (\$1,500,000), public safety facilities (\$5,800,000), open space projects (\$2,000,000), and for health facilities (\$5,000,000).

### **Preliminary Official Statement ("POS")**

The POS attached as Exhibit B has been prepared in connection with the offering and sale of the Bonds. The POS makes various disclosures about the County, the Notice of Sale Resolution, the anticipated Award Resolution, and the Bonds. The POS will be reviewed by bidders for the Bonds and a final Official Statement will be provided to investors after the best bid is accepted by the BCC on August 8, 2017. **In the Award Resolution, the BCC expressly approves the POS and ratifies the preparation, distribution and use of the POS.** (Award Resolution, Section 1.) **Consequently and for the reasons discussed below, it is important that Commissioners carefully review the POS, particularly the information under the headings.**

The attached POS is similar to the one used when other general obligation bonds were issued by the County in 2016. The information has been updated by County staff. Peter Franklin of the Modrall Sperling Law Firm, the County's Bond and Disclosure Counsel and Erik Harrigan of RBC Capital Markets Corporation, the County's Financial Advisor, assisted in the disclosure process by assembling the information, attending disclosure conferences and reviewing the financial and economic data in the POS. In connection with the preparation of the POS, County staff has participated in due diligence meetings and conference calls. During those meetings and calls, we discussed, confirmed and updated information contained in the POS, examined information for materiality, and identified additional information for inclusion. If you have any questions relating to the disclosure process and preparation of the POS, please contact the County Manager or me.

Under regulations imposed by the U.S. Securities and Exchange Commission (the "SEC"), the POS must not contain any untrue statement of a material fact, or omit to state a material fact. A material fact is one that could influence an investor in making a decision to purchase the Bonds. The SEC recently increased emphasis on the quality of disclosures made in municipal bond offerings. The SEC has stated that responsibility for disclosures lies with the members of the governing body approving the issuance of municipal bonds, following this guiding principal:

"Public entities that issue securities are primarily liable for the content of their disclosure documents.... In addition to the government entity issuing municipal securities, public officials of the issuer who have ultimate authority to approve the issuance of securities and related disclosure documents have responsibilities under the federal securities laws as well. In authorizing the issuance of the securities and related disclosure documents, a public official may not authorize disclosure that the official knows to be false; nor may the public official authorize disclosure while recklessly disregarding facts that indicate that there is a risk that the disclosure may be misleading."

Although County staff and the finance team collaborated in preparing the POS, each Commissioner should review it carefully. The POS is a BCC document, and the County and the BCC are responsible for its accuracy. Please use extra care in reviewing the sections labeled

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505-995-2740 [www.santafecountynm.gov](http://www.santafecountynm.gov)

"INTRODUCTION," "SECURITY AND REMEDIES" and "THE COUNTY." In conducting your review, we ask that you focus on whether the POS contains misleading statements of material facts or omits to state material facts. A material fact is one that could influence an investor in making a decision to purchase the Bonds.

After reviewing the POS, please contact me if you have any reason to believe that the POS contains any inaccurate information or if you know of anything that might make any of the statements made in the POS incomplete or misleading. Thank you for your attention to this important matter.

**Recommendation**

Assuming an acceptable bid is received and the BCC approves of the POS, the Finance Division recommends approval of Award Resolution.

**Attachments:**

- Exhibit A – Award Resolution
- Exhibit B – POS



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

**RESOLUTION NO. 2017 – \_\_\_\_**

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**A RESOLUTION AWARDING  
THE SANTA FE COUNTY, NEW MEXICO  
GENERAL OBLIGATION  
IMPROVEMENT AND REFUNDING BONDS  
SERIES 2017**

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**WHEREAS**, at a general obligation bond election duly called and held for Santa Fe County, State of New Mexico (the "County"), on November 8, 2016, the electors of the County authorized the Board of County Commissioners of the County (the "Board") to contract bonded indebtedness on behalf of the County and upon the credit thereof by issuing general obligation bonds of the County to secure funds for the following purposes in the following amounts:

Purpose	Amount Authorized at Election	Amount Previously Issued	Amount to be Issued
Acquire, construct, design, equip, and improve roads within the County	\$13,600,000	\$0	\$7,715,000
Acquire, construct, design, equip, and improve water and wastewater projects within the County	\$ 4,800,000	\$0	\$1,500,000
Acquire, construct, design, equip, and improve fire and other public safety facilities within the County	\$ 7,000,000	\$0	\$5,800,000
Acquire, construct, design, equip, improve, and restore open space, trails and parks within the County	\$ 4,600,000	\$0	\$2,000,000
Acquire, construct, design, equip, and improve community health facilities within the County	\$ 5,000,000	\$0	\$5,000,000
<b>TOTALS:</b>	<b>\$35,000,000</b>	<b>\$0</b>	<b>\$22,015,000</b>

**WHEREAS**, the Board has determined, and does hereby determine, that it is necessary and in the best interest of the County and the inhabitants thereof that:

(A) \$22,015,000 in principal amount of the general obligation bonds authorized at the election (the "Series 2017 Improvement Bonds") be issued at this time; and

(B) general obligation refunding bonds be issued in an aggregate principal amount of \$6,760,000 (the "Series 2017 Refunding Bonds" and, together with the Series 2017 Improvement Bonds, the "Bonds") for the purpose of advance refunding, refinancing, paying and redeeming, on July 1, 2019, the County's General Obligation Bonds, Series 2009 maturing on and after July 1, 2020, outstanding in the amount of \$6,250,000; and

(C) the costs of issuance of the Bonds shall be paid from proceeds of the Bonds in proportion to the principal amount, together with premium, if any; and

**WHEREAS**, the Board has received and publicly opened sealed bids for the purchase of the Bonds and the Board has accepted the bid and awarded the Bonds to \_\_\_\_\_, the best bidder for the Bonds; and

**WHEREAS**, the Board has determined, and does hereby determine, that the Bonds shall be issued at this time under the authority of the New Mexico Constitution and applicable law as hereinafter set forth, and desires to fix the form and details of the Bonds and to provide for the levy of taxes for the payment of the principal of and interest on the Bonds; and

**WHEREAS**, the net effective interest rate on the Bonds is not more than ten percent (10%); and

**WHEREAS**, no action or suit has been commenced by any person or corporation contesting the validity of any of the proceedings directed toward the issuance and sale of the Bonds heretofore taken by the Board and the officers of the County.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

Section 1. All actions heretofore taken by the Board and the officers and employees of the County directed toward the issuance and sale of the Bonds to secure funds for the purposes stated above be, and the same hereby are, ratified, approved and confirmed, including revisions to certain principal amounts and maturities, the date of the sale and optional redemption features of the Bonds, as set forth in the Notice of Bond Sale published on behalf of the Board on August 1, 2017, and the Bonds in the amount of \$\_\_\_\_\_ are awarded to \_\_\_\_\_ (the "Purchaser"). The form of Preliminary Official Statement relating to the Bonds as presented in connection with this Resolution is hereby approved, and the preparation, distribution and use of the Preliminary Official Statement are hereby ratified.

Section 2. In order to provide funds for the purposes stated above, the Board, on behalf of the County and upon the full faith and credit thereof, shall issue the Bonds maturing and bearing interest as follows:

<u>Year Maturing (July 1)</u>	<u>Principal Amount Maturing</u>	<u>Interest Rate</u>
2018	\$	%
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2028		
2029		
2030		
2031		
2032		
2033		

[[\*Term bond, subject to mandatory sinking fund redemption.]]

A. The Bonds shall be dated the date of their delivery (herein the "Series Date"), will be issued in one series, and shall consist of bonds numbered consecutively from R-1 upward, issuable in the denomination of \$5,000 each or integral multiples thereof (provided that no individual bond will be issued for more than one maturity); shall bear interest from the Series Date to maturity at the rates per annum set forth above for the Bonds, payable to the registered owner thereof, or registered assigns, semiannually on January 1 and July 1 each year in which the Bonds are outstanding, commencing January 1, 2018, and shall mature on July 1 of each year set forth above.

B. Bonds which are reissued upon transfer, exchange, or other replacement shall bear interest from the most recent interest payment date to which interest has been fully paid or provided for in full or, if no interest has been paid, from the Series Date.

C. The principal of and interest on the Bonds due at maturity shall be payable to the registered owner thereof, as shown on the registration books kept by the Santa Fe County Treasurer as the registrar/paying agent (the "Registrar/Paying Agent") for the Bonds, upon maturity and upon presentation and surrender thereof at the principal office of the Registrar/Paying Agent. If any Bond shall not be paid upon such presentation and surrender at or after maturity, it shall continue to draw interest at the rate borne by the Bond until the principal thereof is paid in full. Payment of interest on the Bonds (other than at maturity) shall be made by check or draft mailed by the Registrar/Paying Agent (or by such other arrangement as may be mutually agreed to by the Registrar/Paying Agent and such registered owner), on or before each interest payment date (or, if such interest payment date is not a business day, on or before the next succeeding business day), to the registered owner thereof as of the close of business on the Record Date (defined below) at the address as it appears on the registration

books kept by the Registrar/Paying Agent. All such payments shall be made in lawful money of the United States of America. The term "Record Date" as used herein with respect to any interest payment date shall mean the 15th day of the month preceding the interest payment date. The person in whose name any Bond is registered at the close of business on any Record Date with respect to any interest payment date shall be entitled to receive the interest payable thereon on such interest payment date notwithstanding any transfer or exchange thereof subsequent to such Record Date and prior to such interest payment date; but interest on any Bond which is not timely paid or duly provided for shall cease to be payable as provided above and shall be payable to the person in whose name such Bond is registered at the close of business on a special record date (the "Special Record Date") fixed by the Registrar/Paying Agent for the payment of any such overdue interest. The Special Record Date shall be fixed by the Registrar/Paying Agent whenever moneys become available for payment of overdue interest, and notice of any such Special Record Date shall be given not less than ten days prior thereto, by first-class mail, to the registered owners of the Bonds as of the fifth day preceding the mailing of such notice by the Registrar/Paying Agent, stating the Special Record Date and the date fixed for the payment of overdue interest.

E. The Bonds maturing on and after July 1, \_\_\_\_\_, are subject to prior redemption at the County's option in one or more units of principal of \$5,000 on and after July 1, \_\_\_\_\_, in whole or in part at any time, in such order of maturities as the County may determine, for the principal amount of each \$5,000 unit of principal so redeemed plus accrued interest to the redemption date ("Optional Redemption"). Optional 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/Paying Agent.

F. Notice of Optional Redemption and, if applicable, mandatory sinking fund redemption of the Bonds will be given by the Registrar/Paying Agent by sending a copy of such notice by first-class, postage prepaid mail not less than 30 days prior to the redemption date to the address shown as of the fifth day prior to the mailing of notice on the registration books by the Registrar/Paying Agent. The County shall give the Registrar/Paying Agent notice of the Bonds to be called for redemption at least 15 days prior to the date that the Registrar/Paying Agent is required to give owners notice of redemption, which notice shall specify the Bonds and the principal amount to be called for redemption and the applicable redemption dates. The Registrar/Paying Agent's failure to give such notice to the registered owner of any Bond, or any defect therein, shall not affect the validity of the proceedings for the redemption of any Bonds for which proper notice was given. The notice will specify the number or numbers and maturity date or dates of the Bonds to be redeemed (if less than all are to be redeemed) the principal amount of any Bond to be redeemed in part, the date fixed for redemption, and that on such redemption date there will become and be due and payable upon each Bond or part thereof to be redeemed, at the office of the Registrar/Paying Agent, the principal amount thereof to be redeemed plus accrued interest, if any, to the redemption date; and that from and after such date interest will cease to accrue on the principal amount redeemed. Such notice may be a conditional notice of redemption and the amount of money required to redeem the Bonds called for redemption need not be on deposit with the Registrar/Paying Agent at the time notice of redemption is given. If notice is given in the manner provided above, the Bond or Bonds or part



thereof called for redemption will become due and payable on the redemption date designated and, if an amount of money sufficient to redeem all Bonds called for redemption is on deposit with the Registrar/Paying Agent on the redemption date, the Bonds or part thereof to be redeemed shall be deemed to be not outstanding and will cease to bear or accrue interest from and after such redemption date. Upon presentation of a Bond to be redeemed at the office of the Registrar/Paying Agent on or after the redemption date, the Registrar/Paying Agent will pay such Bond, or portion thereof called for redemption.

G. The Bonds maturing on July 1, \_\_\_\_, are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date. As and for a sinking fund for the redemption of Bonds maturing on July 1, \_\_\_\_, the County shall cause to be deposited in the interest and sinking fund for the Bonds a sum which is sufficient to redeem the following principal amounts of such Bonds:

Redemption Dates (July 1)	Principal Amount
	\$

\*

\*Final Maturity.

Not more than 70 days nor less than 40 days prior to each sinking fund redemption date, the Registrar/Paying Agent shall proceed to select for redemption (by lot in such manner as the Registrar/Paying Agent may determine) from the Bonds maturing on July 1, \_\_\_\_, a principal amount of such Bonds equal to the aggregate principal amount of such Bonds redeemable with the required sinking fund payment, shall call such Bonds or portions thereof (\$5,000 or any integral multiple thereof) for such redemption on such sinking fund redemption date, and shall give notice of such call.

Section 3. The Bonds shall constitute the general obligation bonds of the County, payable from general *ad valorem* taxes in amounts sufficient to meet the semi-annual payments of interest and annual payments of principal on the Bonds maturing in each year. The full faith and credit of the County shall be, and hereby is, irrevocably pledged to the payment of the principal of and interest on the Bonds.

Section 4. The Bonds shall bear the manual or facsimile signature of the Chairperson of the Board and shall be attested by the manual or facsimile signature of the County Clerk. The Bonds shall be authenticated by the manual signature of an authorized officer of the Registrar/Paying Agent. The Bonds bearing the signatures or facsimile signatures of the officers in office at the time of the signing thereof shall be the valid and binding obligations of the County, notwithstanding that, before the delivery of the Bonds and payment therefor, or before the issuance thereof upon transfer or exchange, any or all of the persons whose signatures appear on the Bonds shall have ceased to fill their respective offices. The Chairperson of the Board and

the County Clerk shall, by the execution of a signature certificate pertaining to the Bonds, adopt as and for their respective signatures the facsimiles thereof appearing on the Bonds; and, at the time of the execution of the signature certificate, the Chairperson of the Board and County Clerk may each adopt as and for his or her facsimile signature the facsimile signature of his or her predecessor in office in the event that such facsimile signature appears upon any of the Bonds. If required for execution of the Bonds, the Chairperson of the Board and the County Clerk, pursuant to Sections 6-9-1 through 6-9-6, NMSA 1978, shall each forthwith file his or her manual signature, certified by him or her under oath, with the Secretary of State of New Mexico, provided that such filing shall not be necessary for any officer where any previous filing shall have application to the Bonds.

No Bond shall be valid or obligatory for any purpose unless the certificate of authentication, substantially in the form hereinafter provided, has been duly executed by the Registrar/Paying Agent. The Registrar/Paying Agent's certificate of authentication shall be deemed to have been duly executed by it if signed by an authorized officer of the Registrar/Paying Agent, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

#### Section 5.

A. Books for the registration and transfer of the Bonds shall be kept by the Registrar/Paying Agent, which is hereby appointed by the County as registrar and as paying agent for the Bonds. Upon the surrender for transfer of any Bond at the principal office of the Registrar/Paying Agent, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing, the Registrar/Paying Agent shall authenticate and deliver, not more than three business days after receipt of the Bond to be transferred, in the name of the transferee or transferees, a new Bond or Bonds in fully registered form of the same aggregate principal amount of authorized denominations, and of the same maturity, interest rate and series, bearing a number or numbers not contemporaneously outstanding. Bonds may be exchanged at the principal office of the Registrar/Paying Agent for an equal aggregate principal amount of Bonds of other authorized denominations, and of the same maturity, series and interest rate. The Registrar/Paying Agent shall authenticate and deliver, not more than three business days after receipt of the Bond to be exchanged, a Bond or Bonds which the registered owner making the exchange is entitled to receive, bearing a number or numbers not contemporaneously outstanding. Exchanges and transfers of Bonds as herein provided shall be without charge to the owner or any transferee, but the Registrar/Paying Agent may require the payment by the owner of any Bond requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer.

B. The person in whose name any Bond shall be registered on the registration books kept by the Registrar/Paying Agent 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 overdue interest as is provided in Section 2 hereof; 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, but

such registration may be changed upon transfer of such Bond in the manner and subject to the conditions and limitations provided herein. 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.

C. If any Bond shall be lost, stolen, destroyed or mutilated, the Registrar/Paying Agent shall, upon receipt of the mutilated Bond and such evidence, information or indemnity relating thereto as it may reasonably require and as may be required by law, authenticate and deliver a replacement Bond or Bonds of a like aggregate principal amount of authorized denominations, and of the same maturity, interest rate and series, bearing a number or numbers not contemporaneously outstanding. If such lost, stolen, destroyed or mutilated Bond shall have matured, the Registrar/Paying Agent may pay such Bond in lieu of replacement.

D. The officers of the County are authorized to deliver to the Registrar/Paying Agent fully executed but unauthenticated Bonds in such quantities as may be convenient to be held in custody by the Registrar/Paying Agent pending use as herein provided.

E. Whenever any Bond shall be surrendered to the Registrar/Paying Agent upon payment thereof, or to the Registrar/Paying Agent for transfer, exchange or replacement as provided herein, such Bond shall be promptly cancelled by the Registrar/Paying Agent, and counterparts of a certificate of such cancellation shall be furnished by the Registrar/Paying Agent to the County.

F. Notwithstanding the above provisions of this Section, the Bonds may be issued or registered, in whole or in part, in book-entry form from time to time with no physical distribution of bond certificates made to the public, with the Depository Trust Company of New York, New York (the "Depository"), acting as securities depository for the Bonds. A single certificate for each maturity date of the Bonds issued in book-entry form will be delivered to the Depository and immobilized in its custody. The book-entry system will evidence ownership of the Bonds in authorized denominations, with transfer of ownership effected on the books of the Depository and its participants (the "Participants"). As a condition to delivery of the Bonds in book-entry form, the Purchaser will, immediately after acceptance of delivery thereof, deposit, or cause to be deposited, the Bond certificates with the Depository, registered in the name of the Depository or its nominee. Principal, premium, if any, and interest will be paid to the Depository or its nominee as the registered owner of the Bonds. The transfer of principal, premium, if any, and interest payments to Participants will be the responsibility of the Depository; the transfer of principal, premium, if any, and interest payments to the beneficial owners of the Bonds (the "Beneficial Owners") will be the responsibility of Participants and other nominees of Beneficial Owners maintaining a relationship with Participants (the "Indirect Participants"). The County will not be responsible or liable for maintaining, supervising or reviewing the records maintained by the Depository, Participants, or Indirect Participants.

If (i) the Bonds are not eligible for the services of the Depository, (ii) the Depository determines to discontinue providing its services with respect to the Bonds, or (iii) the County determines that a continuation of the system of book-entry transfers through the Depository ceases to be beneficial to the County or the Beneficial Owners, the County will either

identify another similar depository to perform such functions or certificates for the Bonds will be delivered to the Beneficial Owners or their nominees, and the Beneficial Owners or their nominees, upon authentication of Bonds and registration of those Bonds in the Beneficial Owners' or nominees' names, will become the owners of the Bonds for all purposes. In that event, the County shall mail an appropriate notice to the Depository for notification to Participants, Indirect Participants, and Beneficial Owners of the substitute Depository or the issuance of bond certificates to Beneficial Owners or their nominees, as applicable.

Officers of the County are authorized to sign agreements with the Depository relating to the matters set forth in this Section; provided, however, that any such agreements must be approved as to form by the County Attorney or the County Attorney's designee.

Notwithstanding any other provision of this Resolution, so long as all of the Bonds are registered in the name of the Depository or its nominee, all payments of principal, premium, if any, and interest on the Bonds, and all notices with respect to the Bonds, shall be made and given by the Registrar/Paying Agent to the Depository as provided in this Resolution and by the Depository to its Participants or Indirect Participants in the manner provided in an agreement or letter of the County to the Depository.

Section 6. If the Registrar/Paying Agent initially appointed hereunder shall resign, or if the County shall reasonably determine that the Registrar/Paying Agent has become incapable of fulfilling its duties hereunder, the County may, upon notice mailed to each registered owner of the Bonds at the address last shown on the registration books, appoint a successor Registrar/Paying Agent. Every such successor Registrar/Paying Agent shall be a bank or trust company located in and in good standing in the United States and having a shareholders equity (e.g., capital stock, surplus and undivided profits), however denominated, of not less than \$10,000,000.

Section 7. Subject to the registration provisions hereof, the Bonds hereby authorized shall be fully negotiable and shall have all the qualities of negotiable paper, and the registered owner or owners thereof shall possess all rights enjoyed by the holders of negotiable instruments under the provisions of the Uniform Commercial Code.

Section 8. The Bonds shall be in substantially the following form:

[Form of Bond]

REGISTERED

REGISTERED

NO. \_\_\_\_\_

\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF NEW MEXICO  
SANTA FE COUNTY, NEW MEXICO  
GENERAL OBLIGATION IMPROVEMENT AND REFUNDING BONDS  
SERIES 2017

Registered Owner: CEDE & CO.

Principal Amount: \_\_\_\_\_ DOLLARS

Interest Rate

Maturity Date

Series Date

CUSIP

\_\_\_\_\_% per annum

July 1, 20\_\_\_\_

\_\_\_\_\_, 2017

\_\_\_\_\_

The Board of County Commissioners (the "Board") on the faith, credit and behalf of Santa Fe County, New Mexico (the "County"), for value received, hereby promises to pay to the registered owner named above, or registered assigns, the principal amount hereof on the Maturity Date and to pay interest on the principal amount at the Interest Rate on January 1 and July 1 of each year (the "Interest Payment Date") from the Series Date to its maturity, commencing on January 1, 2018. The principal of the bonds of the series of which this is one (the "Bonds") and interest due at maturity shall be payable to the registered owner thereof as shown on the registration books kept by the County Treasurer as registrar/paying agent (the County Treasurer and any successor thereto, the "Registrar/Paying Agent") for the Bonds, upon maturity and upon presentation and surrender thereof at the principal office of the Registrar/Paying Agent. If any Bond shall not be paid upon such presentation and surrender at or after maturity, it shall continue to draw interest at the rate borne by the Bond until the principal thereof is paid in full. Payment of interest on the Bonds (other than at maturity) shall be made by check or draft mailed by the Registrar/Paying Agent (or by such other arrangement as may be mutually agreed to by the Registrar/Paying Agent and such registered owner), on or before each Interest Payment Date (or, if such Interest Payment Date is not a business day, on or before the next succeeding business day), to the registered owner thereof as of the close of business on the Record Date (defined below) at his or her address as it appears on the registration books kept by the Registrar/Paying Agent. All such payments shall be made in lawful money of the United States of America. The term "Record Date" as used herein with respect to any Interest Payment Date shall mean the 15th day of the month preceding the Interest Payment Date. The person in whose name any Bond is registered at the close of business on any Record Date with respect to any Interest Payment Date shall be entitled to receive the interest payable thereon on such Interest Payment Date notwithstanding any transfer or exchange thereof subsequent to such Record Date and prior to such Interest Payment Date; but interest on any Bond which is not timely paid or duly provided for shall cease to be payable as provided above and shall be payable to the person in whose name

such Bond is registered at the close of business on a special record date (the "Special Record Date") fixed by the Registrar/Paying Agent for the payment of any such overdue interest. The Special Record Date shall be fixed by the Registrar/Paying Agent whenever moneys become available for payment of overdue interest, and notice of any such Special Record Date shall be given not less than ten days prior thereto, by first-class mail, to the registered owners of the Bonds as of the fifth day preceding the mailing of such notice by the Registrar/Paying Agent, stating the Special Record Date and the date fixed for the payment of overdue interest. If the Bonds are issued in book-entry only form, an authorized officer of the County and the applicable securities depository may make other arrangements for the payments on the Bonds.

The Bonds are fully registered and are issuable in denominations of \$5,000 and any integral multiple thereof (provided that no individual bond may be issued for more than one maturity).

The series of Bonds of which this bond is one is limited to the total principal amount of \$\_\_\_\_\_ of like tenor except as to number, denomination, maturity date, and interest rate, issued by the County. \$\_\_\_\_\_ in principal amount of the Bonds are issued as Improvement Bonds, and represent the first series of general obligation bonds approved by the qualified electors of the County at an election held on November 8, 2016, to provide funds to: (1) acquire, construct, design, equip, and improve roads within the County, (2) acquire, construct, design, equip, and improve water and wastewater projects within the County, (3) acquire, construct, design, equip, and improve fire and other public safety facilities within the County, (4) acquire, construct, design, equip, improve, and restore open space, trails and parks within the County, and (5) acquire, construct, design, equip, and improve community health facilities within the County. \$\_\_\_\_\_ in principal amount of the Bonds are issued as Refunding Bonds, and are issued for the purpose of advance refunding, refinancing, paying and redeeming, on July 1, 2019, the County's General Obligation Bonds, Series 2009 maturing on and after July 1, 2020, outstanding in the amount of \$6,250,000.

The Bonds are issued under the authority of and in full conformity with the Constitution and laws of the State of New Mexico (particularly Sections 4-49-1 *et seq.*, NMSA 1978, Sections 6-15-1 through 6-15-22 NMSA 1978, and acts amendatory and supplemental thereto), and pursuant to the resolution of the Board authorizing the publication of a notice of sale of the Bonds and duly adopted on July 11, 2017 (the "Notice of Sale Resolution"), and the resolution of the Board awarding the Bonds to the best bidder therefore and duly adopted on August 8, 2017 (the "Award Resolution" and, together with the Notice of Sale Resolution, the "Bond Resolution").

The Bonds maturing on and after July 1, \_\_\_\_\_, are subject to prior redemption at the County's option in one or more units of principal of \$5,000 on and after July 1, \_\_\_\_\_, in whole or in part at any time, in such order of maturities as the County may determine, 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/Paying Agent.

The Bonds maturing on July 1, \_\_\_\_\_, are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date. As and for a sinking fund for the redemption of Bonds maturing on July 1, \_\_\_\_\_, the County shall cause to be deposited in the interest and sinking fund for the Bonds a sum which is sufficient to redeem the following principal amounts of such Bonds:

Redemption Dates (July 1)	Principal Amount
	\$

\* Final Maturity.

The Registrar/Paying Agent will maintain the books of the County for the registration of ownership of the Bonds. Upon the surrender for transfer of any Bond at the principal office of the Registrar/Paying Agent, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing, the Registrar/Paying Agent shall authenticate and deliver, not more than three business days after receipt of the Bond to be transferred, in the name of the transferee or transferees, a new Bond or Bonds in fully registered form of the same aggregate principal amount of authorized denominations, and of the same maturity, interest rate and series, bearing a number or numbers not contemporaneously outstanding. Bonds may be exchanged at the principal office of the Registrar/Paying Agent for an equal aggregate principal amount of Bonds of other authorized denominations, and of the same maturity, series and interest rate. The Registrar/Paying Agent shall authenticate and deliver, not more than three business days after receipt of the Bond to be exchanged, a Bond or Bonds which the registered owner making the exchange is entitled to receive, bearing a number or numbers not contemporaneously outstanding. Exchanges and transfers of Bonds as herein provided shall be without charge to the owner or any transferee, but the Registrar/Paying Agent may require the payment by the owner of any Bond requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer.

The person in whose name any Bond shall be registered on the registration books kept by the Registrar/Paying Agent 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 overdue interest; 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, but such registration may be changed upon transfer of such Bond in the manner and subject to the conditions and limitations provided herein. 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/Paying Agent shall, upon receipt of the mutilated Bond and such evidence, information, or indemnity relating thereto as the Registrar/Paying Agent may reasonably require and as may be required by law, authenticate and deliver a replacement Bond or Bonds of a like aggregate principal amount of

authorized denominations, and of the same maturity, interest rate and series, bearing a number or numbers not contemporaneously outstanding. If such lost, stolen, destroyed, or mutilated Bond shall have matured, the Registrar/Paying Agent may pay such Bond in lieu of replacement.

For the punctual payment of the principal of and interest on this bond as aforesaid and for the levy and collection of taxes in accordance with the statutes authorizing the issuance of this bond, the full faith and credit of the County is hereby irrevocably pledged. The Board has, by the Bond Resolution, ordered the creation of an interest and sinking fund for the payment of the Bonds. Such fund is to be held in trust for the benefit of the owner or owners of the Bonds.

It is hereby certified, recited, and warranted that all the requirements of law have been complied with by the proper officials of the County in the issuance of this bond; that the total indebtedness of the County, including that of this bond, does not exceed any limit of indebtedness prescribed by the Constitution or laws of the State of New Mexico; that provision has been made for the levy and collection of annual taxes sufficient to pay the principal of and the interest on this bond when the same become due. This bond shall not be valid or obligatory for any purpose until the Registrar/Paying Agent shall have manually signed the certificate of authentication hereon.

IN TESTIMONY WHEREOF, the Board, constituting the governing board of the County, has caused this bond to be signed and executed with the manual or facsimile signature of the Chairperson of the Board and subscribed and attested with the manual or facsimile signature of the County Clerk, all as of the Series Date.

---

Henry P. Roybal, Chairperson  
Board of County Commissioners  
Santa Fe County, New Mexico

Attest:

---

Geraldine Salazar, County Clerk  
Santa Fe County, New Mexico



## CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds described in the Bond Resolution and has been duly registered on the registration books kept by the undersigned as Registrar/Paying Agent for the Bonds.

Date of Authentication  
and Registration: \_\_\_\_\_

Santa Fe County Treasurer,  
as Registrar/Paying Agent

By: \_\_\_\_\_  
Patrick Varela

## ASSIGNMENT

For value received, the undersigned sells, assigns and transfers unto \_\_\_\_\_ whose social security or tax identification number is \_\_\_\_\_ the within bond and irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer such bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Signature Guaranteed:  
  
\_\_\_\_\_

NOTE: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatsoever.

[End Form of Bond]

Section 9. When the Bonds have been duly executed and authenticated, they shall be delivered to the lawful purchaser thereof named in Section 1 of this Resolution. \$ \_\_\_\_\_ in principal amount of the Bonds are issued as the Series 2017 Improvement Bonds, representing the first series of general obligation bonds approved by the qualified electors of the County at an election held on November 8, 2016, to provide funds (1) to acquire, construct, design, equip, and improve roads within the County, (2) to acquire, construct, design, equip, and improve water and wastewater projects within the County, (3) to acquire, construct, design, equip, and improve fire and other public safety facilities within the County, (4) to acquire, construct, design, equip, improve, and restore open space, trails and parks within the County, and (5) to acquire, construct, design, equip, and improve community health facilities within the County. \$ \_\_\_\_\_ in principal amount of the Bonds are issued as the Series 2017 Refunding Bonds, for the purpose of advance refunding, refinancing, paying and redeeming, on July 1, 2019, the County's General Obligation Bonds, Series 2009 maturing on and after July 1, 2020, outstanding in the amount of \$6,250,000

The purchaser of the Bonds shall in no manner be responsible for the application of or disposal by the County, or any of its officers, of any of the funds derived from the sale thereof.

Section 10. There shall be levied on all taxable property within the County, at the time and in the manner provided by law, in addition to all other taxes, direct annual *ad valorem* taxes sufficient to pay the principal of and interest accruing on the Bonds promptly as the same shall

become due. This Resolution is hereby declared to be the certificate of the Board, as to the amount of taxes necessary to be levied for the purposes herein stated and said taxes shall be certified, levied, and extended upon the tax rolls and collected in the same manner, at the same time, and subject to the same penalties and interest as general state and county taxes are certified, levied, and collected. The taxes, when collected, shall be kept by the County in the County's interest and sinking fund for the County's general obligation bonds to be used solely for the purpose of paying the principal of and interest on the County's general obligation bonds as the same become due or mature; provided that nothing herein contained shall be so construed as to prevent the application of any other funds belonging to the County and available for that purpose, to the payment of the Bonds or the interest thereon, as the same become due and upon such payment the levy or levies of tax provided for in this Section may thereupon to that extent be diminished. If the taxes herein provided for shall not be levied or collected in time to pay the interest on or principal of the Bonds as the same become due or mature, then such interest or principal shall be paid from any other funds belonging to the County, which funds may be reimbursed from the taxes herein provided for when the same are collected.

Section 11. The Chairperson of the Board, County Clerk, County Treasurer and other officers and employees of the County are hereby authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Resolution, including without limiting the generality of the foregoing, the printing of the Bonds, the execution of letters and agreements with the Depository, the printing and execution of the Official Statement relating to the Bonds, the payment of the costs of issuance of the Bonds, the execution and delivery of an escrow agreement relating to the deposit and investment of proceeds of the Refunding Bonds, and such certificates as may be required by the Purchaser or bond counsel relating to, among other things, the signing of the Bonds, the tenure and identity of County officials, the receipt of the purchase price of the Bonds from the Purchaser, the absence of litigation, pending or threatened, if in accordance with the facts, affecting the validity thereof, and the absence and existence of factors affecting the exclusion of interest on the Bonds from gross income for federal income tax purposes.

In order to assist the Purchaser in complying with Securities and Exchange Commission Rule 15c2-12(b)(5), at the time of delivery of the Bonds, the County will undertake, pursuant to a written continuing disclosure agreement, to provide annual financial information and notices of certain events as specified in that continuing disclosure agreement.

The Board hereby approves the Continuing Disclosure Responsibilities Procedures attached to this Resolution as Exhibit "A."

Section 12. The County covenants that it will restrict the use of the proceeds of the Bonds in such manner and to such extent, if any, as may be necessary so that the Bonds will not constitute arbitrage bonds under Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"). The Chairperson of the Board, the County Treasurer and any other officer of the County having responsibility for the issuance of the Bonds shall give an appropriate certificate of the County, for inclusion in the transcript of proceedings for the Bonds, setting forth the reasonable expectations of the County regarding the amount and use of all the proceeds of the

Bonds, the facts, circumstances and estimates on which they are based, and other facts and circumstances relevant to the tax treatment of interest on the Bonds.

The County covenants that it (a) will take or cause to be taken such actions which may be required of it for the interest on the Bonds to be and remain excluded from gross income for federal income tax purposes, and (b) will not take or permit to be taken any actions which would adversely affect that exclusion, and that it, or persons acting for it, will, among other acts of compliance, (i) apply the proceeds of the Bonds to the governmental purpose of the borrowing, (ii) restrict the yield, as required, on investment property acquired with those proceeds, (iii) make timely rebate payments, if required, to the federal government, (iv) maintain books and records and make calculations and reports, and (v) refrain from certain uses of proceeds, all in such manner and to the extent necessary to assure such exclusion of that interest under the Code. The Chairperson of the Board, Treasurer and other appropriate officers are hereby authorized and directed to take any and all actions, make calculations and rebate payments, and make or give reports and certifications, as may be appropriate to assure such exclusion of that interest.

Section 13. Any Bond and the interest thereon shall be deemed to be paid, retired, and no longer outstanding (a "Defeased Bond") hereunder when payment of the principal of such Bond, plus interest thereon to the due date (whether such due date be by reason of maturity, upon redemption, or other) either (a) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption), or (b) shall have been provided for on or before such due date by irrevocably depositing with or making available to a qualified depository for such payment (i) lawful money of the United States of America sufficient to make such payment or (ii) Government Obligations which mature as to principal and interest in such amounts and at such times as will ensure the availability, without reinvestment, of sufficient money to provide for such payment (as verified by a certified or registered public accountant), and when proper arrangements have been made by the County with a qualified depository for the payment of its services until all Defeased Bonds shall have become due and payable. At such time as a Bond shall be deemed to be a Defeased Bond hereunder, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of the *ad valorem* taxes herein levied and pledged as provided in this ordinance, and such principal and interest shall be payable solely from such money or Government Obligations.

Any moneys so deposited with the qualified depository may, at the written direction of the County, also be invested and re-invested in Government Obligations, maturing in the amounts and times required to make payments when due on the Defeased Bonds, and all income from such Government Obligations received by the qualified depository which is not required for the payment of the Defeased Bonds and interest thereon, with respect to which such money has been so deposited, shall be turned over to the County for use in accordance with law. The term "Government Obligations" means direct obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, which may be United States Treasury Obligations, such as its State and Local Government Series, and which may be in book-entry form.

Section 14. Moneys in any fund not immediately needed may be invested as provided by state law and applicable federal statutes and regulations, provided that the Board and the County hereby covenant to the purchasers and the holders of the Bonds from time to time that the County will make no use of the proceeds of the Bonds or any funds reasonably expected to be used to pay the principal of or interest on the Bonds which will cause the Bonds to be arbitrage bonds within the meaning of Section 148 of the Code, as amended, or which would adversely affect the tax status of interest on the Bonds under the Code. This covenant is for the benefit of the purchasers and the holders of the Bonds from time to time.

Section 15. After any of the Bonds have been issued, this Resolution shall constitute a contract between the County and the holder or holders of the Bonds and shall be and remain irrevocable and unalterable until the Bonds and the interest thereon shall have been fully paid, satisfied and discharged, defeased or until such payment has been duly provided for.

Section 16. All prior resolutions or other action of the Board inconsistent with the provisions of this Resolution are hereby repealed, but only to the extent of such inconsistency. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 17. The following notice shall be published one time in a newspaper having general circulation in the County as soon as is practicable following the adoption hereof:

[Form of Notice]

LEGAL NOTICE

NOTICE IS HEREBY GIVEN that the Board of County Commissioners of Santa Fe County, New Mexico, on the 8<sup>th</sup> day of August, 2017, adopted a resolution entitled:

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

**RESOLUTION NO. 2017 – \_\_\_\_**

**A RESOLUTION AWARDING  
THE SANTA FE COUNTY, NEW MEXICO  
GENERAL OBLIGATION  
IMPROVEMENT AND REFUNDING BONDS  
SERIES 2017**

The Resolution directs and authorizes the issuance of Santa Fe County, New Mexico, General Obligation Improvement and Refunding Bonds, Series 2017 in the aggregate principal amount of \$\_\_\_\_\_, to be issued for the purpose of (a) providing funds (1) to acquire,

construct, design, equip, and improve roads within the County, (2) to acquire, construct, design, equip, and improve water and wastewater projects within the County, (3) to acquire, construct, design, equip, and improve fire and other public safety facilities within the County, (4) to acquire, construct, design, equip, improve, and restore open space, trails and parks within the County, and (5) to acquire, construct, design, equip, and improve community health facilities within the County, representing the first series of general obligation bonds approved by the qualified electors of the County at an election held on November 8, 2016; and (b) advance refunding, refinancing, paying and redeeming, on July 1, 2019, the County's General Obligation Bonds, Series 2009 maturing on and after July 1, 2020, outstanding in the amount of \$6,250,000.

The Resolution awards the sale of the bonds to the best bidder therefor and provides for the delivery thereof; provides for the form of the bonds; provides for the levy of *ad valorem* property taxes without limitation as to rate or amount to pay the principal of and interest on the bonds; makes certain covenants with the bond purchaser; approves a form of preliminary official statement; and provides other details concerning the bonds. Complete copies of the Resolution are available for public inspection during normal and regular business hours at the office of the Santa Fe County Clerk, 102 Grant Avenue, Santa Fe, New Mexico. This notice constitutes compliance with Section 6-14-6 NMSA 1978.

DATED this 8<sup>th</sup> day of August, 2017.

/s/

Henry P. Roybal, Chairperson  
Board of County Commissioners  
Santa Fe County, New Mexico

[End Form of Notice]

(Signature page follows)

PASSED, ADOPTED AND APPROVED this 8<sup>th</sup> day of August, 2017.

BOARD OF COUNTY COMMISSIONERS  
SANTA FE COUNTY, NEW MEXICO

By: \_\_\_\_\_  
Henry P. Roybal, Chairperson

ATTEST:

By: \_\_\_\_\_  
Geraldine Salazar, County Clerk

Approved as to Form:

By: \_\_\_\_\_  
Gregory Shaffer, County Attorney

APPROVED AS TO LEGAL FORM AND SUFFICIENCY:

MODRALL, SPERLING, ROEHL, HARRIS & SISK, P.A.  
as Bond Counsel

By: \_\_\_\_\_  
Peter Franklin





## EXHIBIT "A"

### CONTINUING DISCLOSURE RESPONSIBILITIES OF SANTA FE COUNTY, NEW MEXICO IN CONNECTION WITH MUNICIPAL BONDS ISSUED BY THE COUNTY

Santa Fe County, New Mexico (the "County") has entered into continuing disclosure undertakings (each a "CDU") pursuant to SEC Rule 15c2-12 in connection with general obligation bonds and revenue bonds issued by the County. The CDUs typically require:

- That the County disclose certain types of "Annual Financial Information" on an annual basis (typically by providing a copy of the County's audited financial statements for the most recently completed fiscal year); and
- That "Event Information" be reported within 10 business days after the occurrence of specific types of events which could affect the County's Bonds.

"Annual Financial Information," "Audited Financial Statements" and "Event Information" are terms defined in each CDU. Copies of the CDUs for the County's outstanding bonds are included in the bond transcript for each series of bonds and are also available upon request from the County's bond counsel.

Currently, any disclosure required by the CDUs is made by electronically posting the information on the Electronic Municipal Market Access website, known as "EMMA." The matrix appearing below identifies both the periodic and non-routine tasks required for compliance with the County's CDUs, and the County officials and consultants to which those responsibilities are nonexclusively assigned (each a "Responsible Officer"). Such Responsible Officers are authorized to delegate assigned tasks to persons they shall designate; provided, that such designation shall be in writing and shall be approved or ratified by the Board of County Commissioners of the County, as the case may be.

Frequency	Task	Bond Counsel	Financial Advisor	County Finance Director	County Manager
	<b>CONTINUING DISCLOSURE</b>				
At least every 4yrs	Retain or identify Dissemination Agent			x	x
Specified by contract	Payment of Dissemination Agent			x	x
Annually	Provide Annual Financial Information per CDU; verify filing		x	x	x
As needed	Event Reporting	x	x	x	x
As needed	Conference to discuss status of outstanding bonds	x	x	x	x



NOTICE

\$28,775,000\*

SANTA FE COUNTY, NEW MEXICO  
GENERAL OBLIGATION IMPROVEMENT AND REFUNDING BONDS  
SERIES 2017

Preliminary Official Statement, subject to completion,  
Dated August 1, 2017

The Preliminary Official Statement, dated August 1, 2017 (the "Preliminary Official Statement"), relating to the above-described bonds (the "Bonds") of Santa Fe County, New Mexico (the "County"), has been posted as a matter of convenience. The posted version of the Preliminary Official Statement has been formatted in Adobe Portable Document Format (Adobe Acrobat 8.0). Although this format should replicate the Preliminary Official Statement available from the County, appearance may vary for a number of reasons, including electronic communication difficulties or particular user software or hardware. Using software other than Adobe Acrobat 8.0 may cause the Preliminary Official Statement that you view or print to differ in appearance from the Preliminary Official Statement.

The Preliminary Official Statement and the information contained therein are subject to completion or amendment or other change without notice. Under no circumstances shall the Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

For purposes of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Preliminary Official Statement alone, and no other document or information on the internet, constitutes the "Official Statement" that the County has deemed "final" as of its date in respect of the Bonds, except for certain information permitted to be omitted therefrom.

No person has been authorized to give any information or to make any representations other than those contained in the Preliminary Official Statement in connection with the offer and sale of the Bonds and, if given or made, such information or representations must not be relied upon as having been authorized. The information and expressions of opinion in the Preliminary Official Statement are subject to change without notice and neither the delivery of the Official Statement nor any sale made thereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date of the Preliminary Official Statement.

By choosing to proceed and view the electronic version of the Preliminary Official Statement, you acknowledge that you have read and understood this Notice.

Preliminary Official Statement dated August 1, 2017.

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\* Preliminary, subject to change.

PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 1, 2017

NEW ISSUE – Book-Entry-Only

RATINGS: Applied for

*In the opinion of Modrall, Sperling, Roehl, Harris & Sisk, P.A., Bond Counsel, under existing laws, regulations, rulings and judicial decisions, and assuming compliance with certain covenants described in "TAX EXEMPTION" herein, interest on the Bonds (a) is not includible in the gross income of the recipients thereof for federal income tax purposes, and (b) is not a specific preference item for purposes of the federal alternative minimum tax for individuals and corporations, but such interest on the Bonds will be included in the adjusted current earnings of certain corporations. Bond Counsel is also of the opinion, based on existing laws of the State of New Mexico as enacted and construed, that the Bonds and income from the Bonds are exempt from all taxation by the State of New Mexico or any political subdivision thereof. For a more complete description of such opinion of Bond Counsel and a description of certain provisions of the Internal Revenue Code of 1986, as amended, which may affect the federal tax treatment of interest on the Bonds for certain registered owners of such bonds, see "TAX EXEMPTION" herein.*

**\$28,775,000\***

**SANTA FE COUNTY, NEW MEXICO  
GENERAL OBLIGATION IMPROVMENT AND REFUNDING BONDS  
SERIES 2017**

**Dated: Date of Delivery**

**Due: July 1, as shown below**

The Bonds are issuable as fully registered bonds and when initially purchased will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Purchases of the Bonds will be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof, through brokers and dealers who are, or who act through, DTC Participants. Beneficial owners of the Bonds will not be entitled to receive physical delivery of bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the Bonds. Interest on the Bonds is payable on each January 1 and July 1, commencing January 1, 2018. As long as DTC or its nominee is the registered owner of the Bonds, reference in this Official Statement to the registered owner will mean Cede & Co., and payments of principal or interest on the Bonds will be made directly to DTC by the Paying Agent. Disbursements of such payments to DTC Participants is the responsibility of DTC. See "The Bonds -- Book-Entry-Only System" herein. The Santa Fe County Treasurer is the Registrar and Paying Agent for the Bonds.

The Bonds are issuable only as fully registered bonds in denominations of \$5,000 each or any integral multiple thereof. The Bonds will bear interest from the delivery date.

The Bonds are general obligations of Santa Fe County, New Mexico (the "County"), payable from general (*ad valorem*) taxes which shall be levied against all taxable property in the County without limitation as to rate or amount.

The County has undertaken, for the benefit of the owners of the Bonds, to provide certain annual and periodic disclosures described under the caption "CONTINUING DISCLOSURE INFORMATION" herein.

THE BONDS ARE SUBJECT TO OPTIONAL REDEMPTION PRIOR TO MATURITY AS MORE FULLY DESCRIBED HEREIN. See "THE BONDS - Optional Redemption of Bonds" herein.

The Bonds are being issued pursuant to the powers of the Board of County Commissioners under Section 4-49-1 through 4-49-21, inclusive, and Sections 6-15-1 through 6-15-22, NMSA 1978 as amended and supplemented, the Constitution and other laws of the State for the purpose of providing funds to (1) acquire, construct, design, equip and improve roads within the County, (2) acquire, construct, design, equip and improve water and wastewater projects within the County, (3) acquire, construct, design, equip and improve fire and other public safety facilities within the County, (4) acquire, construct, design, equip, improve and restore open space, trails and parks within the County, (5) acquire, construct, design, equip and improve community health facilities within the County, (6) advance refund, refinance, pay, and redeem the County's outstanding General Obligation Bonds, Series 2009 maturing on and after July 1, 2020 and (7) pay costs of issuance of the Bonds. The Bonds are offered when, as and if issued by the County, subject to the approval of Modrall, Sperling, Roehl, Harris & Sisk, P.A., as Bond Counsel, and certain other conditions. It is expected that the Bonds will be available for delivery on or about September 12, 2017, through the facilities of the Depository Trust Company, New York, New York.

Electronic bids will be opened between 9:30 a.m. and 10:00 a.m., prevailing Mountain Time, August 8, 2017  
at the County Commission Chambers, 102 Grant Street, Santa Fe, New Mexico.

Dated: \_\_\_\_\_, 2017.

\* Preliminary, subject to change.

[INSIDE COVER]

MATURITIES, INTEREST RATES AND YIELDS OR PRICES

\$28,775,000\*

SANTA FE COUNTY, NEW MEXICO  
GENERAL OBLIGATION IMPROVEMENT AND REFUNDING BONDS  
SERIES 2017

Year (July 1)	Principal	Interest Rate	Price/Yield	CUSIP
2018	\$ 180,000	%		
2019	1,200,000			
2020	1,175,000			
2021	2,160,000			
2022	1,590,000			
2023	2,040,000			
2024	1,750,000			
2025	1,280,000			
2026	0			
2027	2,490,000			
2028	2,490,000			
2029	2,490,000			
2030	2,490,000			
2031	2,480,000			
2032	2,480,000			
2033	2,480,000			

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\* Preliminary, subject to change.

## USE OF INFORMATION IN THIS OFFICIAL STATEMENT

No dealer, salesman or other person has been authorized by Santa Fe County, New Mexico (the "County") to give any information or to make any statements or representations, other than those contained in this Official Statement, and, if given or made, such other information, statements or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Bonds in any jurisdiction in which such offer or solicitation is not authorized, or in which any person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information set forth or included in this Official Statement has been provided by the County and from other sources believed by the County to be reliable. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall create any implication that there has been no change in the financial condition or operations of the County described herein since the date hereof. This Official Statement contains, in part, estimates and matters of opinion that are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions or that they will be realized.

The Bonds have not been registered under the Securities Act of 1933, in reliance upon exemptions contained in such Act. The registration and qualification of the Bonds in accordance with applicable provisions of the securities law of the states in which the Bonds have registered or qualified and the exemption from registration or qualification in other states cannot be regarded as a recommendation thereof. Neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity, nor any agency or department thereof, has passed upon the merits of the Bonds or the accuracy or completeness of this Official Statement. Any representation to the contrary may be a criminal offense.

This Official Statement is "deemed final" by the County for purposes of Rule 15c2-12 of the Municipal Securities Rulemaking Board. The County has covenanted to provide such annual financial statements and other information in the manner as may be required by regulations of the Securities and Exchange Commission or other regulatory body.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COUNTY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This Official Statement contains statements that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimate," "project," "intend," "expect," and similar expressions are intended to identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof.

**SANTA FE COUNTY, NEW MEXICO**

County Administration Building  
102 Grant Avenue  
Santa Fe, New Mexico 87501  
(505) 986-6200

**BOARD OF COUNTY COMMISSIONERS**

Chair	Henry Roybal
Vice-Chair	Anna Hansen
Commissioner	Robert A. Anaya
Commissioner	Anna Hamilton
Commissioner	Ed Moreno

**OTHER ELECTED OFFICIALS**

County Assessor	Gus Martinez
County Clerk	Geraldine Salazar
County Treasurer	Patrick J. Varela

**ADMINISTRATION**

County Manager	Katherine Miller
County Finance Director	Don Moya
County Attorney	Gregory S. Shaffer

**FINANCIAL ADVISOR**

RBC Capital Markets, LLC  
6301 Uptown Boulevard N.E.  
Suite 110  
Albuquerque, New Mexico 87110

**BOND COUNSEL**

Modrall, Sperling, Roehl, Harris & Sisk, P.A.  
500 Fourth Street, NW  
Albuquerque, New Mexico 87102  
(505) 848-1800

**PAYING AGENT/REGISTRAR**

Santa Fe County Treasurer  
102 Grant Avenue  
Santa Fe, New Mexico 87501

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## OFFICIAL STATEMENT

**\$28,775,000\***

### **SANTA FE COUNTY, NEW MEXICO GENERAL OBLIGATION IMPROVEMENT AND REFUNDING BONDS SERIES 2017**

#### **INTRODUCTION AND SUMMARY**

This Official Statement is furnished to prospective purchasers of the Santa Fe County, New Mexico General Obligation Improvement and Refunding Bonds, Series 2017 (the "Bonds"), issued in the aggregate principal amount of \$28,775,000\* by Santa Fe County, New Mexico (the "County"). The offering of the Bonds is made only by way of this Official Statement and the Official Notice of Bond Sale, authorized by a resolution adopted by the Board of County Commissioners (the "Board") on July 11, 2017 (the "Notice of Sale Resolution"). Additional information concerning the County, the Bonds and other aspects of this offering may be obtained either from the County or from RBC Capital Markets, LLC (the "Financial Advisor") at the addresses set forth in the section entitled "ADDITIONAL INFORMATION."

The following material is qualified in its entirety by the more complete information contained throughout this Official Statement, and detachment or other use of this "INTRODUCTION AND SUMMARY" without the entire Official Statement, including the cover page and the appendices, is unauthorized.

All terms used in this Official Statement that are not defined herein shall have the meanings given such terms in the Notice of Sale Resolution.

#### **The Issuer**

The County is located in north central New Mexico, with a land area of 1,909 square miles and a population of 144,170 (estimated 2016). The City of Santa Fe is the State capital and County seat. The economy is based primarily upon government and related activities, retail trade, tourism, and cultural and recreational activities and facilities.

#### **Authority for Issuance and Purpose**

The Bonds are issued in accordance with the Constitution and laws of the State of New Mexico, in particular, Sections 4-49-1 through 4-49-21 and Sections 6-15-1 through 6-15-22 NMSA 1978, as amended and supplemented. \$22,015,000\* in principal amount of the Bonds (the "Improvement Bonds"), representing the first series of general obligation bonds approved by the qualified electors of the County at an election held on November 8, 2016, to provide funds (1) to acquire, construct, design, equip, and improve roads within the County, (2) to acquire, construct, design, equip, and improve water and wastewater projects within the County, (3) to acquire, construct, design, equip, and improve fire and other public safety facilities within the County, (4) to acquire, construct, design, equip, improve, and restore open space, trails and parks within the County, and (5) to acquire, construct, design, equip, and improve community health facilities within the County, will be allocated among those purposes and to pay a portion of the costs of issuance of the Bonds. \$6,760,000\* in principal amount of the Bonds (the "Refunding Bonds" and, together with the Improvement Bonds, the "Bonds") will be issued to provide funds to advance refund, refinance, pay, and

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\* Preliminary, subject to change.

redeem the County's outstanding General Obligation Bonds, Series 2009 maturing on and after July 1, 2020, and to pay a portion of the costs of issuance of the Bonds.

### The Bonds

The Bonds will be registered as to principal and interest, issued in denominations of \$5,000 each, or integral multiples thereof, in conformance with the Constitution and laws of the State and pursuant to the Resolution. The Bonds shall mature in the principal amounts and on the dates shown on the cover page hereof. Interest shall be payable semiannually on January 1 and July 1 of each year, commencing January 1, 2018 to registered owners shown on the books of the Registrar on the 15<sup>th</sup> day of the month preceding each regularly scheduled interest payment date thereafter (a "Record Date"). The Bonds will be issued only in fully registered form and will be initially registered and delivered to Cede & Co., the nominee of The Depository Trust Company, pursuant to the book-entry-only system described herein.

### Security

The Bonds are secured by the County's full faith and credit and are general obligations of the County payable from *ad valorem* taxes to be levied, without limitation as to rate or amount, against all taxable property within the County. See "SECURITY AND REMEDIES."

### Financial Statements

Excerpts of the County's audited financial statements as of and for the year ended June 30, 2016, including the opinions rendered thereon of certified public accountants, are attached as Appendix B.

### Selected Debt Ratios

The following table sets forth details relating to the ratio of general debt and overlapping debt to population and assessed valuation:

2017 Assessed Valuation <sup>(1)</sup>	\$6,970,747,909
2017 Estimated Actual Valuation <sup>(2)</sup>	\$21,495,235,674
County Net Debt as a Percentage of	
Assessed Valuation	1.87%
Estimated Actual Valuation	0.61%
Direct and Overlapping Debt as a % of	
Assessed Valuation	6.12%
Estimated Actual Valuation	1.99%
Estimated Population	144,170
County General Obligation	
Current Outstanding Debt	\$101,665,000
Series 2017 General Obligation Bonds	\$28,775,000
Minus Debt Service Fund Balance	\$0
County Net General Obligation Debt	\$130,440,000
Estimated Direct & Overlapping GO Debt	\$426,836,296
County Net Debt Per Capita	\$904.77
Direct & Overlapping Debt Per Capita	\$2,960.65

<sup>(1)</sup> Preliminary. Excludes certain protested property. Subject to change.

<sup>(2)</sup> Estimated actual valuation is computed by adding 2016 actual exemptions to the preliminary assessed valuation and multiplying the result by three.

See "DEBT AND OTHER FINANCIAL OBLIGATIONS – General Obligation Debt" herein.

## **Tax Matters**

In the opinion of Modrall, Sperling, Roehl, Harris & Sisk, P.A. ("Bond Counsel"), the interest on the Bonds (a) will be excludable from gross income for federal income tax purposes under existing law, and (b) is not a specific preference item for purposes of the federal alternative minimum tax on individuals and corporations, subject to the matters described under the caption "TAX EXEMPTION" herein. Bond Counsel is also of the opinion, based on existing laws of the State of New Mexico as enacted and construed, that the Bonds and income from the Bonds are exempt from all taxation by the State of New Mexico or any political subdivision thereof.

## **Agents and Advisors**

The County Treasurer will serve as Paying Agent and Registrar.

REDW LLC has audited the County's general purpose financial statements as of and for the year ended June 30, 2016.

Modrall, Sperling, Roehl, Harris & Sisk, P.A., Albuquerque, New Mexico, has acted as bond counsel for the issuance of the Bonds and has also acted as special counsel to the County in connection with the preparation of this Official Statement and the sale of the Bonds. See "LEGAL MATTERS" herein.

RBC Capital Markets, LLC, Albuquerque New Mexico, has acted as Financial Advisor to the County for the issuance of the Bonds. RBC Capital Markets, LLC is employed as Financial Advisor to the County in connection with the issuance of the Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information in this Official Statement.

## **Additional Information**

This Official Statement is accurate only as of its date, and no representation is made that the information contained herein has not changed since that date. This Official Statement is intended to be made available to investors through the Financial Advisor.

The quotations from, and summaries and explanations of, the statutes, regulations and documents contained herein do not purport to be complete, and reference is made to those statutes, regulations and documents for full and complete statements of their provisions. Copies, in reasonable quantity, of those statutes, regulations and documents may be obtained upon request directed to the County, and upon payment to the County of a charge for copying, mailing and handling, at the Santa Fe County Administration Building, 102 Grant Avenue, Santa Fe, New Mexico 87501, telephone number (505) 986-6200, Attention: County Manager.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract between the County and the purchasers or holders of any of the Bonds.

## **THE BONDS**

### **Description**

The Bonds are general obligation bonds to be issued by the County in the total principal amount of \$28,775,000\* and will be dated the Date of Delivery, which is expected to be on or about September 12, 2017. The Bonds will be issued as fully registered bonds in denominations of \$5,000 or integral multiples thereof, bearing interest from their date to maturity at the rates specified on the cover page of this Official Statement payable semiannually on January 1 and July 1 each year, commencing on January 1, 2018, and maturing serially, as set forth on the cover page of this Official Statement.

The Bonds will be issued only in fully registered form and will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC"), pursuant to the book-entry-only system described herein. No physical delivery of the Bonds will be made to the owners hereof. Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the beneficial owners of the Bonds. See "THE BONDS – Book-Entry-Only System" herein.

### **Authorization**

The Bonds are being issued pursuant to the Board's powers under Article IX, Section 10 of the Constitution of the State of New Mexico, and Sections 4-49-1 through 4-49-21 and 6-15-1 through 6-15-22 NMSA 1978, as amended and supplemented, the Notice of Sale Resolution and the resolution of the Board awarding the Bonds to the successful bidder for the Bonds in the public sale held on August 8, 2017 (together, the "Resolution"). A copy of the Official Notice of Bond Sale is attached to this Official Statement as Appendix C.

### **Bond Registrar and Paying Agent**

The County Treasurer will serve as the Bond Registrar (the "Registrar") and Paying Agent (the "Paying Agent") for the Bonds.

### **Payment of Principal and Interest; Record Date**

The principal of the Bonds is payable to the registered owners of the Bonds at the principal office of the Paying Agent. Interest on the Bonds is payable by check or draft of the Paying Agent mailed on or before each interest payment date to the registered owners of the Bonds as of the close of business on the 15th day of the calendar month preceding the interest payment date (the "Regular Record Date") at the addresses appearing in the registration books maintained by the Registrar; but any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the registered owner thereof at the close of business on the Regular Record Date and shall be payable to the person who is the registered owner thereof at the close of business on the date to be fixed by the Registrar whenever moneys become available for the payment of defaulted interest (the "Special Record Date").

### **Mandatory Sinking Fund Redemption**

The Bonds maturing on July 1, 20\_\_ are subject to mandatory sinking fund redemption on July 1 in each of the years and principal amounts stated below at a redemption price of 100% of the principal amount thereof plus interest accrued to the redemption date. As and for a sinking fund for the Bonds so

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\* Preliminary, subject to change.

specified, the County shall cause to be deposited to the Interest and Sinking Fund a sum which is sufficient to redeem the following principal amounts plus interest accrued to the sinking fund redemption date:

<u>Year</u>	<u>Principal Amount</u>
20__*	\$

\*Final maturity.

### **Optional Redemption of Bonds**

The Bonds maturing on and after July 1, 202\_\_, are subject to prior redemption at the County's option in one or more units of principal of \$5,000 on and after July 1, 202\_\_, 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 Bonds of such maturity is called, such selection by lot to be made by the Registrar in such manner as 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 Procedures*

Notice of redemption shall be given by the Registrar by sending a copy of such notice by first-class, postage prepaid mail at least thirty (30) days prior to the redemption date to the registered owner of each Bond, or portion thereof, to be redeemed at the address shown as of the close of business of the Registrar on the fifth day prior to the mailing of notice on the registration books kept by the Registrar. The County shall give notice of optional redemption of the Bonds to the Registrar at least forty-five (45) days prior to the redemption date (unless such deadline is waived by the Registrar). The Registrar's failure to give such notice to the registered owner of any Bond, or any defect therein, shall not affect the validity of the proceedings for the redemption of any Bonds for which proper notice was given. Notices of redemption shall specify the maturity dates and the number or numbers of the Bonds to be redeemed (if less than all are to be redeemed) and if less than the full amount of any Bond is to be redeemed, the amount of such Bond to be redeemed, the date fixed for redemption, and that on such redemption date there will become due and payable upon each Bond to be redeemed at the office of the Paying Agent the principal amount to be redeemed plus accrued interest to the redemption date and that from and after such date interest will cease to accrue on such amount. Notice having been given in the manner hereinbefore provided, the Bond or Bonds so called for redemption shall become due and payable on the redemption date so designated and if an amount of money sufficient to redeem all Bonds called for redemption shall on the redemption date be on deposit with the Paying Agent, the Bonds to be redeemed shall be deemed not outstanding and shall cease to bear interest from and after such redemption date. Upon presentation of the Bonds to be redeemed at the office of the Paying Agent, the Paying Agent will pay the Bond or Bonds so called for redemption with funds deposited with the Paying Agent by the County.

#### *Conditional Redemption*

If money sufficient to pay the optional redemption price of the Bonds to be called for optional redemption is not on deposit with the Paying Agent prior to the giving of notice of optional redemption referred to above, such notice shall state such Bonds will be redeemed in whole or in part on the optional redemption date in a principal amount equal to that part of the optional redemption price received by the Paying Agent on the applicable optional redemption date. If the full amount of the optional redemption price is not received as set forth in the preceding sentence, the notice shall be effective only for those Bonds for which the optional redemption price is on deposit with the Paying Agent. If all Bonds called for optional redemption cannot be redeemed, the Bonds to be redeemed shall be selected in the manner deemed reasonable and fair by the County and the Registrar shall give notice, in the manner in which the original

notice of optional redemption was given, that such money was not received. In that event, the Registrar shall promptly return to the Owners thereof the Bonds or certificates which it has received evidencing the part thereof which have not been optionally redeemed.

### **Exchange or Transfer of Bonds**

The Registrar/Paying Agent will maintain the books of the County for the registration of ownership of the Bonds. Upon the surrender for transfer of any Bond at the principal office of the Registrar/Paying Agent, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing, the Registrar/Paying Agent shall authenticate and deliver not more than three business days after receipt of the Bond to be transferred in the name of the transferee or transferees a new Bond or Bonds in fully registered form of the same aggregate principal amount of authorized denominations, and of the same maturity, interest rate and series, bearing a number or numbers not contemporaneously outstanding. Bonds may be exchanged at the principal office of the Registrar/Paying Agent for an equal aggregate principal amount of Bonds of other authorized denominations, and of the same maturity, series and interest rate. The Registrar/Paying Agent shall authenticate and deliver not more than three business days after receipt of the Bond to be exchanged a Bond or Bonds which the registered owner making the exchange is entitled to receive, bearing a number or numbers not contemporaneously outstanding. Exchanges and transfers of Bonds as herein provided shall be without charge to the owner or any transferee, but the Registrar/Paying Agent may require the payment by the owner of any Bond requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer. See "THE BONDS – Book-Entry-Only System" herein for a description of the system to be utilized initially in regard to ownership and transferability of the Bonds.

### **Tax Covenants**

In the Resolution, the County covenants for the benefit of the owners of the Bonds that it will restrict the use of the proceeds of the Bonds in such manner and to such extent, if any, as may be necessary so that the Bonds will not constitute arbitrage bonds under Section 148 of the Internal Revenue Code of 1986, as amended (the "Code").

The County further covenants that it (a) will take or cause to be taken such actions which may be required of it for the interest on the Bonds to be and remain excluded from gross income for federal income tax purposes, and (b) will not take or permit to be taken any actions which would adversely affect that exclusion, and that it, or persons acting for it, will, among other acts of compliance, (i) apply the proceeds of the Bonds to the governmental purpose of the borrowing, (ii) restrict the yield, as required, on investment property acquired with those proceeds, (iii) make timely rebate payments, if required, to the federal government, (iv) maintain books and records and make calculations and reports, and (v) refrain from certain uses of proceeds, all in such manner and to the extent necessary to assure such exclusion of that interest under the Code. See "TAX EXEMPTION" herein.

### **Book-Entry-Only System**

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

The Depository Trust Company, New York, New York ("DTC"), will act as securities depository for the Bonds. One fully registered bond for each maturity, in the aggregate principal amount of such maturity, will be registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds securities that its participants ("Direct Participants") deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc.; the American Stock Exchange, LLC; and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others, such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly, (the "Indirect Participants"). The rules applicable to DTC and its Direct and Indirect Participants are on file with the Securities and Exchange Commission.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Bonds, except in the event that the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds. DTC's records reflect only the identity of the Direct Participants to whose such accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct Participants will remain responsible for keeping account of their holdings on behalf of their customers.

For every transfer and exchange of Bonds or an interest therein, the Beneficial Owner may be charged a service charge together with a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If fewer than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct



Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy). Principal and interest payments on the Bonds will be made to DTC or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the County or the Paying Agent on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC or such other nominee as may be requested by an authorized representative of DTC is the responsibility of the County, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursements of such payments to the Beneficial Owners is the responsibility of Direct Participants and Indirect Participants.

So long as Cede & Co. or its registered assign is the registered owner of the Bonds, the County will be entitled to treat Cede & Co., or its registered assign, as the absolute owner thereof for all purposes of the Resolution and any applicable laws, notwithstanding any notice to the contrary received by the County, and the County will have no responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any Beneficial Owners of the Bonds.

*When reference is made to any action that is required or permitted to be taken by the Beneficial Owners, such reference relates only to those permitted to act by statute, regulation or otherwise on behalf of such Beneficial Owners for such purposes. When notices are given, they are to be sent to DTC, and the County does not have responsibility for distributing such notices to the Beneficial Owners.*

The County does not have any responsibility or obligation to the DTC Participants or the Beneficial Owners with respect to (a) the accuracy of any records maintained by DTC or any DTC Participant; (b) the payment of DTC or any DTC Participant of any amount due to any Beneficiary Owner in respect of principal of and premium, if any, and interest on the Bonds; (c) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; (d) any consent given or other action taken by DTC, or its nominee, Cede & Co., as Bond Owner; or (e) the distribution by DTC to DTC Participants or Beneficial Owners of any notices received by DTC as registered owner of the Bonds.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the County. Under such circumstances, in the event that a successor securities depository is not obtained, bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered.

## SECURITY AND REMEDIES

### General

The Bonds are general obligations of the County payable from *ad valorem* taxes, which may be levied against all taxable property within the County without limitation of rate or amount. The Bonds are secured by the obligation of the Board of County Commissioners of the County to levy and collect upon all taxable property within the County a tax rate levy sufficient, together with other legally available revenues, to pay the debt service on the Bonds. Such annual levy for debt service creates a personal obligation which is enforceable against the owner of the property on the date on which the property was subject to valuation

for property taxation purposes and a statutory tax lien that can be enforced by sale of the property. Neither the State nor any other political subdivision has any responsibility to pay the debt service on the Bonds.

### **Legal Matters**

Various State laws and constitutional provisions apply to the assessment and collection of *ad valorem* property taxes. There is no assurance that there will not be any amendment, change in the interpretation of, or addition to the applicable laws, provisions and regulations that would have a material effect, directly or indirectly, on the affairs of the County.

### **Limitations on Remedies Available to Owners of Bonds**

There is no provision for acceleration of maturity of the principal of the Bonds in the event of a default in the payment of principal of or interest on the Bonds. Consequently, remedies available to the owners of the Bonds may have to be enforced from year to year.

The enforceability of the rights and remedies of the owners of the Bonds, and the obligations incurred by the County in issuing the Bonds, are subject to the following: the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditor's rights generally, now or hereafter in effect; usual equity principles, which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the federal Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or State government, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

### **PURPOSE AND PLAN OF FINANCING**

The Bonds will be issued in a principal amount of \$28,775,000\*. \$22,015,000\* in principal amount of the Bonds (the "Improvement Bonds"), representing the first series of general obligation bonds approved by the qualified electors of the County at an election held on November 8, 2016, to provide funds to provide funds (1) to acquire, construct, design, equip, and improve roads within the County, (2) to acquire, construct, design, equip, and improve water and wastewater projects within the County, (3) to acquire, construct, design, equip, and improve fire and other public safety facilities within the County, (4) to acquire, construct, design, equip, improve, and restore open space, trails and parks within the County, and (5) to acquire, construct, design, equip, and improve community health facilities within the County, will be allocated among those purposes and to pay a portion of the costs of issuance of the Bonds. \$6,760,000\* in principal amount of the Bonds (the "Refunding Bonds" and, together with the Improvement Bonds, the "Bonds") will be issued to provide funds to advance refund, refinance, pay, and redeem the County's outstanding General Obligation Bonds, Series 2009 maturing on and after July 1, 2020, and to pay a portion of the costs of issuance of the Bonds.

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\* Preliminary, subject to change.

## SOURCES AND USES OF FUNDS

The sources and uses of funds relating to the Bonds, other than accrued interest, are set forth in the following table.

### SOURCES OF FUNDS

Bond proceeds	\$
Reoffering Premium	
<b>TOTAL SOURCE OF FUNDS</b>	<b>\$</b>

### USES OF FUNDS

Deposit to Capital Projects Improvement Fund	\$
Deposit to Defeasance Escrow	
Costs of Issuance	
Underwriter's Discount	
Additional Proceeds	
<b>TOTAL USES OF FUNDS</b>	<b>\$</b>

## DEBT AND OTHER FINANCIAL OBLIGATIONS

### General Obligation Debt

Article IX, Section 13, of the New Mexico Constitution limits the powers of a county to incur general obligation debt in an aggregate amount, including existing indebtedness, exceeding four percent of the value of the taxable property within such county as shown by the last preceding general assessment. A test for maximum general obligation bonds outstanding of the county follows:

2017 Assessed Valuation <sup>(1)</sup>	\$6,970,747,909
2017 Estimated Actual Valuation <sup>(2)</sup>	\$21,495,235,674
<b>Bonded Debt<sup>(3)</sup></b>	
Current Outstanding Debt	\$101,665,000
Series 2017 Bonds	\$28,775,000
Less Debt Service Fund Balance <sup>(4)</sup>	\$0
<b>NET DEBT</b>	<b>\$130,440,000</b>
Ratio of Estimated Net Debt to 2017 Assessed Valuation	1.87%
Ratio of Estimated Net Debt to 2017 Estimated Actual Valuation	0.61%
Per Capita Net Bonded Debt:	\$904.77
Estimated Population	144,170

<sup>(1)</sup> Preliminary. Excludes certain protested property. Subject to change.

<sup>(2)</sup> Estimated actual valuation is computed by adding 2016 actual exemptions to the preliminary assessed valuation and multiplying the result by three.

<sup>(3)</sup> Preliminary, subject to change.

<sup>(4)</sup> The cash balance in the debt service fund was \$\_\_\_\_\_ as of May \_\_, 2017. The amount attributable to principal reduction is \_\_\_\_%.

## Debt Service Requirements to Maturity

The following represents annual debt service expenses on the County's outstanding general obligation debt.

Year	Present Requirement <sup>(1)</sup>			Series 2017 Bonds*			Total Requirements*		
	Principal (July 1)	Interest	Total	Principal (July 1)	Interest	Total	Principal (July 1)	Interest	Total
2018	\$ 9,625,000	\$ 3,901,169	\$ 13,526,169	\$ 180,000	\$ 848,854	\$ 1,008,854	\$ 9,805,000	\$ 4,750,022	\$ 14,555,022
2019	9,225,000	3,539,369	12,764,369	1,200,000	1,000,366	2,200,366	10,425,000	4,539,734	14,964,734
2020	8,655,000	3,233,119	11,888,119	1,175,000	954,986	2,124,986	9,830,000	4,188,104	14,013,104
2021	8,795,000	2,827,869	11,622,869	2,160,000	935,576	3,090,576	10,955,000	3,763,444	14,713,444
2022	9,515,000	2,413,119	11,928,119	1,590,000	880,232	2,465,232	11,105,000	3,293,350	14,393,350
2023	9,515,000	1,959,869	11,474,869	2,040,000	845,042	2,875,042	11,555,000	2,804,910	14,349,910
2024	10,425,000	1,504,119	11,929,119	1,750,000	789,242	2,534,242	12,175,000	2,293,360	14,463,360
2025	11,160,000	1,028,119	12,188,119	1,280,000	746,800	2,026,800	12,440,000	1,774,919	14,214,919
2026	13,000,000	724,594	13,724,594	0	695,600	695,600	13,000,000	1,420,194	14,420,194
2027	4,955,000	332,094	5,287,094	2,490,000	695,600	3,185,600	7,445,000	1,027,694	8,472,694
2028	4,010,000	189,444	4,199,444	2,490,000	596,000	3,086,000	6,500,000	785,444	7,285,444
2029	1,100,000	75,144	1,175,144	2,490,000	496,400	2,986,400	3,590,000	571,544	4,161,544
2030	1,100,000	44,894	1,144,894	2,490,000	396,800	2,876,800	3,590,000	441,694	4,021,694
2031	585,000	13,894	598,894	2,480,000	297,600	2,777,600	3,065,000	311,494	3,376,494
2032	-	-	-	2,480,000	198,400	2,678,400	2,480,000	198,400	2,678,400
2033	-	-	-	2,480,000	99,200	2,579,200	2,480,000	99,200	2,579,200
	\$101,665,000	\$21,786,813	\$123,451,813	\$28,775,000	\$10,476,695	\$39,191,695	\$130,440,000	\$32,263,507	\$162,643,507

<sup>(1)</sup> Excludes refunded amount of 2009A Bonds and related debt service.

\* Preliminary, subject to change.

## Statement of Estimated Direct and Overlapping Debt

The following calculation analyzes the debt load and per capita debt of the County payable from property taxes. In addition to outstanding debt of the County, the calculation takes into account debt attributable to taxing entities that is the responsibility of taxpayers within the boundaries of the County.

Entity	2017 Assessed Valuation <sup>(1)</sup>	GO Debt Outstanding	Percent Applicable	Amount
State of New Mexico <sup>(2)</sup>	\$56,922,567,412	\$326,755,000	12.25%	\$ 40,014,476
Santa Fe County	6,970,747,909	130,440,000	100.00%	130,440,000
City of Santa Fe	4,022,772,806	37,170,000	100.00%	37,170,000
Town of Edgewood	108,019,506	3,415,000	99.94%	3,412,853
City of Española	178,840,087	-	27.39%	-
Española Schools	586,574,089	27,415,000	19.25%	5,277,956
Moriarty Schools	564,989,518	20,650,000	48.36%	9,986,010
Pojoaque Schools	176,808,029	5,945,000	100.00%	5,945,000
Santa Fe Community College	6,407,792,288	18,215,000	100.00%	18,215,000
Santa Fe Schools	6,407,792,288	176,375,000	100.00%	176,375,000

Total Direct and Overlapping Debt \$426,836,296

Ratio of Estimated Direct & Overlapping Debt to 2016 Assessed Valuation: 6.12%

Ratio of Estimated Direct & Overlapping Debt to 2016 Estimated Actual Valuation: 1.99%

Per Capita Direct & Overlapping Debt: \$2,960.65

<sup>(1)</sup> Preliminary. Excludes certain protested property.

<sup>(2)</sup> 2016 Actual Assessed Valuation.

## Other Obligations of the County

The table below summarizes all outstanding revenue bonds and other obligations of the County as of June 30, 2016, except as otherwise noted.

Type and Series of Revenue Obligations	Original Principal Amount	Interest Rate	Date of Final Maturity	Amount Outstanding as of 6/30/16	Pledged Revenues
Gross Receipts Tax Improvement and Refunding Revenue Bonds, Series 2016	\$30,365,000	2.00-5.00%	6/1/2035	\$30,365,000	5/16 of one percent gross receipts tax and 1/8 of one percent HHGRT
Santa Fe Studio Loan Guaranty*	\$6,500,000	n/a	4/2037	\$5,901,083	n/a*
Capital Outlay Gross Receipts Tax Revenue Bonds, Series 2010A-B	\$31,410,000	2.00-5.00%	6/1/2030	\$24,755,000	3/32 of one percent gross receipts tax
Capital Outlay Gross Receipts Tax Revenue Bonds, Series 2009	\$12,090,000	2.00-5.00%	6/1/2029	\$8,995,000	3/32 of one percent gross receipts tax
County Gross Receipts Tax Revenue Bonds, Series 2008	\$30,000,000	3.50-5.00%	6/1/2033	\$1,255,000	5/16 of one percent gross receipts tax
Correctional System Revenue Bonds, Series 1997	\$30,000,000	5.00-6.00%	2/1/2027	\$18,905,000	5/16 of one percent gross receipts tax
Gross Receipts Tax Revenue Bonds, Subordinate Series 1997A	\$6,000,000	5.00-6.00%	2/1/2027	\$3,555,000	5/16 of one percent gross receipts tax
New Mexico Finance Authority/Water Trust Board Loan Grant Sharing Agreement with the City of Santa Fe	\$500,000	0.25%**	6/1/2029	\$354,814	Revenue not pledged by ordinance but is paid from 1/4 of one percent capital outlay gross receipts tax

\* The Loan Guaranty is that certain Pledge of Deposit Account Agreement, dated October 26, 2010, pursuant to which the County pledged an account (the "Lockbox Account") holding \$6,500,000, to Los Alamos National Bank (the "Bank") as security for repayment of a loan (the "Bank Loan") made by the Bank to Santa Fe Film and Media Studios, Inc. and La Luz Holdings, LLC (collectively, the "Studio Developer") in connection with a local economic development act project undertaken by the County, the State, and the Studio Developer pursuant to the Local Economic Development Act, Sections 5-10-1 through 5-10-14 NMSA 1978, as amended. The Lockbox Account was funded with surplus County revenue in excess of the reserve requirements established by Section 7-20E-11 NMSA 1978 and policy of the State Department of Finance and Administration. Under the Loan Guaranty, the maximum amount that the Bank can draw annually from the Lockbox Account is \$900,000. The County has no obligation to replenish any amounts drawn from the Lockbox Account by the Bank, and does not have the right to utilize the Lockbox funds for other County purposes while the Bank Loan is outstanding. The Studio Developer is obligated to reimburse the County for any amounts drawn from the Lockbox Account, which obligations are secured by a mortgage on the project property. The Studio Developer has made all payments required under the Bank Loan.

\*\* Santa Fe County does not pay interest on the Loan/Grant Sharing Agreement, but pays a 0.25% annual administrative cost on the outstanding balance.

## Analysis of Assessed Valuation

Assessed Valuation of property within the County is calculated as follows: Of the total assessed valuation of all taxable property in the County, 33 1/3% is legally subject to *ad valorem* taxes. After deduction of certain personal exemptions, the 2016 Assessed Valuation is \$6,779,951,802. The actual value of personal property within the County (see "Assessments" below) is determined by the County Assessor. The actual value of certain corporate property within the County (see "Centrally Assessed" below) is determined by the State of New Mexico, Taxation and Revenue Department, Property Tax Division. The analysis of Assessed Valuation follows:

	2012	2013	2014	2015	2016	2017*
<b>Assessments</b>						
Value of Land	\$2,202,382,329	\$2,179,391,621	\$2,214,329,809	\$2,242,151,343	\$2,253,958,275	\$ 0
Improvements	4,615,982,628	4,624,028,218	4,244,058,320	4,305,944,881	4,489,599,036	0
Personal Property	62,480,943	63,434,470	59,422,089	58,817,507	60,493,390	0
Mobile Homes	33,738,479	31,148,062	25,038,114	25,603,035	25,742,442	0
Livestock	1,569,237	1,686,888	1,356,690	1,747,281	2,038,102	0
<b>Assessors Total Taxable Value</b>	<b>\$6,916,153,616</b>	<b>\$6,899,689,259</b>	<b>\$6,544,205,022</b>	<b>\$6,634,264,047</b>	<b>\$6,831,831,245</b>	<b>\$ 0</b>
<b>Less Exemptions</b>						
Head of Family	\$ 38,692,370	\$ 40,024,500	\$ 41,202,720	\$ 42,631,183	\$42,922,247	\$ 0
Veterans	58,369,621	60,341,905	60,100,559	62,078,877	65,400,016	0
Other	42,342,346	41,514,375	47,750,621	54,144,928	86,008,386	0
<b>Total Exemptions</b>	<b>\$139,404,337</b>	<b>\$141,880,780</b>	<b>\$149,053,900</b>	<b>\$158,854,988</b>	<b>\$194,330,649</b>	<b>\$ 0</b>
<b>Assessors Net Taxable Value</b>	<b>\$6,776,749,279</b>	<b>\$6,757,808,479</b>	<b>\$6,395,151,122</b>	<b>\$6,475,409,059</b>	<b>\$6,637,500,596</b>	<b>\$6,823,558,703</b>
<b>Centrally Assessed</b>	<b>119,745,937</b>	<b>120,107,484</b>	<b>127,536,772</b>	<b>135,438,597</b>	<b>142,451,206</b>	<b>147,189,206</b>
<b>Total Assessed Valuation</b>	<b>\$6,896,495,216</b>	<b>\$6,877,915,963</b>	<b>\$6,522,687,894</b>	<b>\$6,610,847,656</b>	<b>\$6,779,951,802</b>	<b>\$6,970,747,909</b>

\* Preliminary.

Source: Santa Fe County Assessor's Office.

### History of Assessed Valuation

In 2011 the County Assessor hired an outside consultant firm to assist in a 3-year detailed revaluation of all taxable parcels of real property within County for the purpose of bringing such parcels to current and correct values. The revaluation resulted in the identification of both new parcels and new construction which had not previously been included on the tax rolls, which increased valuation has been offset by significant declines in existing property values stemming from the housing crisis that impacted much of the United States and for which prior year assessed values had not accounted. As reflected in the following table, the revaluation resulted in a total reduction in assessed value by approximately 5.69% for tax year 2014.

Tax Year	City of Santa Fe	Santa Fe County
2012	\$3,710,979,288	\$6,896,495,216
2013	3,723,985,725	6,877,915,963
2014	3,721,987,667	6,522,687,894
2015	3,830,361,250	6,610,847,656
2016	3,930,466,905	6,779,951,802
2017*	4,022,772,806	6,970,747,909

Source: Santa Fe County Assessor's Office.

\* Preliminary

The total assessed value growth for 2017 was approximately 2.81%.

### Tax Rates

Article VIII, Section 2 of the New Mexico Constitution limits the total *ad valorem* taxes for operational purposes levied by all overlapping governmental units within the County to \$20.00 per \$1,000 of assessed value. This limitation does not apply to levies for public debt and levies for additional taxes if authorized at an election by a majority of the qualified voters of the County voting on the question. The following table summarizes the tax situation on residential property located within the County for 2015 and

the previous four years. Except as required to meet debt service on general obligation bonds and as a result of application of the yield control statute, Section 7-37-7.1 NMSA 1978, the County expects no change in the level of its taxes in the foreseeable future but is unable to predict what overlapping entities might do. See "DEBT AND OTHER FINANCIAL OBLIGATIONS – Yield Control Limitation" herein. A high level of taxation may adversely impact the County's ability to repay bonds.

**RESIDENTIAL TAX RATES – Per \$1,000 Assessed Valuation – Tax Years**

<b>Within 20 Mill Limit for General Purposes</b>					
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
State of New Mexico	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Santa Fe County	5.022	5.219	5.911	6.065	5.893
City of Santa Fe	1.165	1.206	1.308	1.327	1.282
Santa Fe Schools	0.128	0.133	0.152	0.156	0.151
<b>Total</b>	<b>\$6.315</b>	<b>\$6.558</b>	<b>\$7.371</b>	<b>\$7.548</b>	<b>\$7.326</b>
<b>Over 20 Mill Limit – Interest, Principal, Judgment, etc.</b>					
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
State of New Mexico	\$ 1.360	\$ 1.360	\$ 1.360	\$ 1.360	\$1.360
Santa Fe County	1.640	1.641	1.731	1.974	1.971
Santa Fe Community College	3.292	3.386	3.625	3.776	3.690
City of Santa Fe	0.564	0.876	0.843	1.045	1.160
Santa Fe Schools	6.920	6.916	8.433	8.416	8.466
<b>Total</b>	<b>\$13.776</b>	<b>\$14.179</b>	<b>\$15.992</b>	<b>\$16.571</b>	<b>\$16.647</b>
<b>Total Levy</b>					
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
State of New Mexico	\$1.360	\$1.360	\$1.360	\$1.360	\$1.360
Santa Fe County	6.662	6.860	7.642	8.039	7.864
Santa Fe Community College	3.292	3.386	3.625	3.776	3.690
City of Santa Fe	1.729	2.082	2.151	2.372	2.442
Santa Fe Schools	7.048	7.049	8.585	8.572	8.617
<b>Total Residential in City of Santa Fe</b>	<b>\$20.091</b>	<b>\$20.737</b>	<b>\$23.363</b>	<b>\$24.119</b>	<b>\$23.973</b>
<b>Total Non-Residential in City of Santa Fe</b>	<b>\$29.581</b>	<b>\$29.890</b>	<b>\$31.447</b>	<b>\$31.737</b>	<b>\$32.212</b>
<b>Total Residential in Unincorporated County</b>	<b>\$18.362</b>	<b>\$18.655</b>	<b>\$21.212</b>	<b>\$21.747</b>	<b>\$21.531</b>
<b>Total Non-Residential in Unincorporated County</b>	<b>\$26.200</b>	<b>\$26.197</b>	<b>\$27.804</b>	<b>\$27.983</b>	<b>\$28.256</b>

Source: New Mexico Department of Finance and Administration.



## Major Taxpayers

The ten largest taxpayers in Santa Fe County have a combined valuation of \$171,795,390, representing 2.53% of the total assessed valuation within the County.

Name	Type of Business	2016 Assessed Valuation	% of Assessed Valuation
Public Service Company of NM	Electric Utility	\$57,338,301	0.85%
Mid-America Pipeline Co	Pipeline	15,415,263	0.23%
Truzaf Limited Partnership	Real Estate	14,930,524	0.22%
New Mexico Gas Company	Gas Utility	14,770,502	0.22%
Qwest Corporation	Telecommunications	14,530,740	0.21%
Guadalupe Hotel Investment LLC	Hotel	13,769,343	0.20%
C & Z LLC	Real Estate	12,840,821	0.19%
BNSF	Railroad	12,299,967	0.18%
La Fonda Holdings LLC	Real Estate	10,075,371	0.15%
Comcast	Cable	5,824,558	0.09%
Total		\$171,795,390	2.53%

Source: Santa Fe County Assessor's Office; as of March 2017.

## Yield Control Limitation

State law limits property tax increases from the prior property tax year. Specifically, no taxing entity may set a rate or impose a tax (excluding oil and gas production *ad valorem* taxes, oil and gas production equipment *ad valorem* taxes, and copper mineral property *ad valorem* taxes) or assessment that will produce revenues that taxes exceed the prior year's tax revenues from residential and non-residential property multiplied by a "growth control factor." The growth control factor is the percentage equal to the sum of (a) "percent change I" plus (b) the prior property tax year's total taxable property value plus "net new value," as defined by Statute, divided by such prior property tax year's total taxable property value; but if that percentage is less than 100 percent, then the growth control factor is (a) "percent change I" plus (b) 100%. "Percent change I" is based upon the annual implicit price deflator index for state and local government purchases of goods and services (as published in the United States Department of Commerce monthly publication entitled "Survey of Current Business," or any successor publication) and is a percent (not to exceed 5%) that is derived by dividing the increase in the prior calendar year's index over the index for the calendar year next preceding the prior calendar year (unless there was a decrease, in which case zero is used) by the index for such calendar year next preceding the prior calendar year.

The growth control factor applies to authorized operating levies and to any capital improvements levies, but does not apply to levies for paying principal and interest on public general obligation debt.

## Limitations on Residential Property Tax Increases

A 1998 amendment to the State Constitution allows the State Legislature to enact legislation providing for the assessment of residential properties at levels different than the current estimated market value of a home on the basis of age, income, or home ownership. Section 7-36-21.2 NMSA 1978, as amended, limits increases in the value of residential property for taxation purposes beginning with Tax Year 2001 (the "Statutory Valuation Cap"). The statute provides that, with respect to properties within a county assessing properties in the aggregate at or greater than 85% of their market value, a property's new valuation shall not exceed 103% of the previous year's valuation or 106.1% of the valuation two years prior to the tax year in which the property is being valued. This does not apply to residential properties in their first year of valuation, physical improvements made to the property or instances where the owner or the

zoning of the property has changed in the year prior to the tax year for which the value of the property is being determined.

The constitutionality of the property tax limitation has been challenged in a number of venues. On March 28, 2012, the New Mexico Court of Appeals upheld the statutory valuation cap and its application under Section 7-36-21.2 NMSA 1978, which ruling was affirmed by the New Mexico Supreme Court in June, 2014.

Other amendments to State laws affecting residential property taxes are proposed from time to time and may be proposed in the future by the Legislature. Such amendments, if enacted, could result in an increase to the tax rate imposed on residential property tax within the County in order to pay the principal of and interest on general obligation bonds issued by the County, including the Bonds.

### **Tax Collections on Locally Assessed and Centrally Assessed Property**

General (*ad valorem*) taxes for all units of government are collected by the county treasurer and distributed monthly to the State and various political subdivisions to which they are due. Property taxes are due in two installments. The first half installment is due on November 10 and becomes delinquent on December 10. The second half installment is due on April 10 and becomes delinquent on May 10. Collection statistics for all political subdivisions for which the county treasurer collects taxes are presented here:

#### **Property Tax Collections for Santa Fe County**

Tax Year	Fiscal Year	Net Taxes Charged to Treasurer	Current Tax Collections <sup>(1)</sup>	Current Collections as a % of Net Levied	Current/ Delinquent Tax Collections <sup>(2)</sup>	Current/ Delinquent Collections as a % of Net Levied <sup>(2)</sup>
2015	15/16	\$164,860,838	\$158,750,208	96.29%	\$158,750,208	96.29%
2014	14/15	159,131,951	152,201,398	95.64%	156,831,863	98.55%
2013	13/14	150,684,994	143,534,371	95.25%	149,307,082	99.09%
2012	12/13	148,116,681	140,793,416	95.06%	147,353,972	99.49%
2011	11/12	150,685,186	142,374,476	94.48%	149,940,121	99.51%
2010	10/11	148,919,734	140,663,676	94.46%	148,673,322	99.83%
2009	09/10	142,298,704	132,269,257	92.95%	142,161,438	99.90%
2008	08/09	133,476,019	124,332,592	93.15%	133,367,678	99.92%
2007	07/08	121,777,496	114,182,071	93.76%	121,163,150	99.50%
2006	06/07	105,207,519	99,380,102	94.46%	104,983,265	99.79%

Source: Santa Fe County Treasurer's Office.

<sup>(1)</sup> As of June 30 each year.

<sup>(2)</sup> As of June 2016.

### **Interest on Delinquent Taxes**

Pursuant to Section 7-38-49 NMSA 1978, if property taxes are not paid for any reason within thirty days after the date they are due, interest on the unpaid taxes shall accrue from the thirtieth day after they are due until the date they are paid. Interest accrues at the rate of one percent (1%) per month or any fraction of a month.

### **Penalty for Delinquent Taxes**

Pursuant to Section 7-38-50 NMSA 1978, if property taxes become delinquent, a penalty of one percent of the delinquent tax for each month, or any portion of a month, they remain unpaid shall be

imposed, but the total penalty shall not exceed five percent (5%) of the delinquent taxes. The minimum penalty imposed is \$5.00. A county can suspend application of the minimum penalty requirement for any tax year.

If property taxes become delinquent because of an intent to defraud by the property owner, 50% of the property taxes due or \$50.00, whichever is greater, shall be added as a penalty.

### **Remedies Available for Non-Payment of Taxes**

Pursuant to Section 7-38-47 NMSA 1978, property taxes are the personal obligation of the person owning the property on the date on which the property was subject to valuation for property taxation purposes. A personal judgment may be rendered against the taxpayer for payment of taxes that are delinquent, together with any penalty and interest on the delinquent taxes.

Taxes on real property are a lien against the real property. A lien runs in favor of the State and secures the payment of property taxes and any penalty and interest until such payments are made. Such lien is a first lien and paramount to any other interest in the property, perfected or unperfected. Pursuant to Section 7-38-65 NMSA 1978, delinquent taxes on real property may be collected by selling the real property on which taxes are delinquent.

Pursuant to Section 7-38-53 NMSA 1978, delinquent property taxes on personal property may be collected by asserting a claim against the owner(s) of the personal property for which taxes are delinquent.

### **Protest**

Pursuant to Section 7-38-39 NMSA 1978, after receiving his or her property tax bill and after making payment prior to the delinquency date of all property taxes due in accordance with the bill, a property owner may protest the value or classification determined for his or her property for property taxation purposes, the allocation of value of his or her property to a particular governmental unit, the application to his or her property of an administrative fee adopted pursuant to Section 7-38-36.1 NMSA 1978 or a denial of a claim for an exemption by filing a claim for refund in the district court. Pursuant to Section 7-38-41 NMSA 1978, the portion of any property taxes paid to the County Treasurer that is not admitted to be due and is the subject of a claim for refund will be deposited in a "property tax suspense fund." Moneys in the property tax suspense fund may not be used for the payment of debt service on the Bonds.

## **FINANCES OF THE COUNTY**

### **Budget Process**

The County's budget is based on a fiscal year beginning July 1 and ending June 30 of the following year. The County Administration is responsible for preparing the budget. Prior to June 1, the Board is required to submit a working draft of the budget to the Local Government Division of the State Department of Finance and Administration (the "Finance Department") for its approval. By July 1 of the new fiscal year, the Finance Department approves and certifies to the County an operating budget for use pending approval of the final budget. Prior to August 1, the County submits a final budget to the Finance Department for approval. Prior to the first Monday in September, the Finance Department must certify the final budget with whatever adjustments it deems necessary to comply with State statutes. Approval of the Finance Department is required for all budget increases, cash transfers between funds, and budget transfers between departments or between funds. If adequate fund balances are available from the prior year, the County

budgets expenditures in excess revenues. The County was awarded the National Government Finance Officers' Association award for its Fiscal Years 2012, 2013, 2014 and 2016 budget presentations.

### **Financial Statement**

The following Statement of Revenues, Expenditures and Changes in Fund Balances has been included herein for informational purposes only. Figures were taken from the audit reports prepared by the County's independent auditors. Audited figures are excerpts of the audit reports and do not purport to be complete. Reference is made to the complete audit reports which are available upon request. The County has not requested the consent of REDW LLC, which performed the audit of the County's Financial Statements for the fiscal year ended June 30, 2016, to the inclusion of the fiscal year 2016 audit report and excerpts thereof in this Official Statement, and the auditor has not conducted a post-audit review of those Financial Statements.

## General Fund

### Statement of Revenues, Expenditures and Changes in Fund Balances Fiscal Years Ended June 30, 2012 through 2016

	2012	2013	2014	2015	2016	2017*
<b>REVENUES</b>						
Property taxes	\$28,008,593	\$45,631,432	\$48,196,257	\$49,591,262	\$50,589,623	\$50,302,866
Gross receipts taxes	7,882,901	8,291,976	8,572,788	7,965,027	8,860,000	14,172,928
Other taxes & assessments	1,303,214	992,488	1,262,783	1,208,574	1,359,218	1,396,993
Licenses, permits & fees	503,423	587,595	703,243	704,766	694,899	682,121
Charges for services	1,938,303	1,923,265	1,849,949	1,643,483	1,220,900	1,276,271
Fines & forfeitures	1,705	1,518	660	300	160	100
Interest income	1,608,197	1,886,843	1,576,111	1,754,926	2,175,770	1,103,328
Grants (federal and state)	862,173	939,382	477,289	134,429	371,736	263,193
Other	301,856	224,575	845,126	184,856	191,758	-
Intergovernmental	741,488	682,763	668,483	698,926	845,349	914,782
<b>Total Revenues</b>	<b>\$43,151,853</b>	<b>\$61,161,837</b>	<b>\$64,152,689</b>	<b>\$63,886,549</b>	<b>\$66,309,413</b>	<b>\$70,112,582</b>
<b>EXPENDITURES</b>						
Current						
General government	\$18,558,010	\$20,404,024	\$21,102,917	\$23,262,055	\$24,051,047	\$24,313,233
Public safety	-	395,226	212,281	34,395	49,984	14,410
Culture & recreation	931,569	1,102,763	910,187	1,011,500	1,190,550	1,289,013
Public works	4,287,209	5,227,894	5,693,737	5,084,907	4,666,662	4,924,609
Highways & streets	555,547	166,315	-	-	-	-
Health & welfare	2,207,956	1,984,886	1,804,825	1,772,798	1,874,476	1,935,582
Housing	47,256	54,114	173,059	147,686	84,481	83,272
Capital Outlays	1,841,533	1,943,334	916,729	501,217	1,644,674	241
<b>Total expenditures</b>	<b>\$28,429,080</b>	<b>\$31,278,556</b>	<b>\$30,813,735</b>	<b>\$31,814,558</b>	<b>\$33,561,874</b>	<b>\$32,560,360</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$14,722,773</b>	<b>\$29,883,281</b>	<b>\$33,338,954</b>	<b>\$32,071,991</b>	<b>\$32,747,539</b>	<b>\$37,552,222</b>
<b>Other financing sources (uses):</b>						
Transfers from other funds	2,376,100	341,490	640,520	658,000	672,440	670,289
Transfers to other funds	(3,706,891)	(32,290,271)	(30,512,822)	(30,970,649)	(28,900,401)	(32,343,443)
<b>Net other financing sources (uses)</b>	<b>(1,330,791)</b>	<b>(31,948,781)</b>	<b>(29,872,302)</b>	<b>(30,312,649)</b>	<b>(28,227,961)</b>	<b>(31,673,154)</b>
<b>Net Change in Fund Balance</b>	<b>13,391,982</b>	<b>(2,065,500)</b>	<b>3,466,652</b>	<b>1,759,342</b>	<b>4,519,578</b>	<b>5,879,068</b>
Restatement	-	(96,353)	-	-	-	-
<b>Fund balance beginning of year</b>	<b>58,210,406</b>	<b>71,602,388</b>	<b>69,440,535</b>	<b>72,907,187</b>	<b>74,666,529</b>	<b>79,186,107</b>
<b>Fund balance, end of year</b>	<b>\$71,602,388</b>	<b>\$69,440,535</b>	<b>\$72,907,187</b>	<b>\$74,666,529</b>	<b>\$79,186,107</b>	<b>\$85,065,175</b>

\* Estimated, subject to change.

The audited figures for fiscal years ended June 30, 2016, 2015, 2014, 2013 and 2012 were taken from audit reports prepared by the County's independent auditors and are presented for informational purposes only. Reference is made to the complete audit reports, which are available upon request. The figures for the fiscal year ending June 30, 2017 are based on estimated actual revenues and expenditures and are unaudited.

## General Fund - Balance Sheet, Fiscal Years Ended June 30, 2012 through 2016

	2012	2013	2014	2015	2016
<b>ASSETS</b>					
Cash and investments	\$55,378,765	\$54,372,546	\$62,719,467	\$64,883,357	\$71,120,321
Cash and investments - restricted	8,315,290	6,500,000	8,099,490	7,873,099	7,718,777
Receivables	819,060	626,366	587,429	543,843	215,394
Taxes receivable	7,494,690	7,243,583	6,950,608	6,854,870	6,105,611
Interest receivable	-	-	-	-	281,486
Grantor agencies receivable	-	-	-	-	37,867
Prepays & other	-	48,450	122,035	130,298	211,881
Due from other funds	6,395,766	8,491,887	1,345,930	1,475,458	130,629
<b>Total assets</b>	<b>\$78,403,571</b>	<b>\$77,282,832</b>	<b>\$79,824,959</b>	<b>\$81,760,925</b>	<b>\$85,821,966</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 1,084,000	\$ 1,128,867	\$ 907,243	\$ 1,089,211	\$ 987,012
Accrued payroll (wages & benefits)	649,361	679,394	828,959	955,737	1,178,532
Due to other funds	-	-	6,062	6,062	-
Deferred revenue	4,911,836	5,868,456	5,033,410	4,844,498	4,308,829
Deposits held for others	131,477	142,589	119,671	192,423	143,179
Other current liabilities	24,509	22,991	22,427	6,465	18,307
<b>Total Liabilities</b>	<b>6,801,183</b>	<b>7,842,297</b>	<b>6,917,772</b>	<b>7,094,396</b>	<b>6,635,859</b>
<b>FUND BALANCE</b>					
Nonspendable	-	48,450	112,035	130,298	211,881
Restricted	27,022,089	30,269,798	28,659,177	21,136,967	20,494,028
Committed	21,000,000	33,800,000	37,800,000	20,468,186	25,351,705
Assigned	-	-	-	26,834,420	27,630,343
Unassigned	23,580,299	5,322,287	6,325,975	6,096,658	5,498,150
<b>Total fund balances</b>	<b>71,602,388</b>	<b>69,440,535</b>	<b>72,907,187</b>	<b>74,666,529</b>	<b>79,186,107</b>
<b>Total liabilities and fund balances</b>	<b>\$78,403,571</b>	<b>\$77,282,832</b>	<b>\$79,824,959</b>	<b>\$81,760,925</b>	<b>\$85,821,966</b>

## THE COUNTY

### General

Santa Fe County (pop. 144,170, estimated 2016) is located in north central New Mexico and occupies a land area of 1,909 square miles. The City of Santa Fe, which is the state capital and a popular tourist community, is located within the County. Also located in the County are a variety of Native American Pueblos, agricultural villages, bedroom communities and ranching communities, spread over terrain that includes river valleys and mountain ranges. Forty percent of the land within the County is comprised of federal land (Native American, National Forest and Bureau of Land Management). The County offers year-round tourism possibilities, with a dry climate, national parks and forests, and historic landmarks as the principal attractions.

The economy of the County is based upon government and related activities, retail trade, tourism, arts and entertainment, and recreation.

### Board of County Commissioners and Other Elected Officials

The Board of County Commissioners consists of five individuals elected for four-year terms. The County is divided into five districts, each represented by an elected Commissioner. The function of the County is briefly addressed in the grant of powers provided all New Mexico counties pursuant to Section

4-37-1 NMSA 1978. The function is “to provide for the safety, preserve the health, promote the prosperity and improve the morals, order, comfort and convenience of the county or its inhabitants.” The Board and other elected officials noted oversee:

1. the assessment, collection and distribution of *ad valorem* taxes by an elected Assessor and Treasurer;
2. law enforcement by an elected Sheriff;
3. recording and filing by an elected County Clerk;
4. fire protection and ambulance service by County and Volunteer Fire Departments;
5. road construction and maintenance by the Public Works Department;
6. managerial and administrative services by an appointed County Manager; and
7. planning, health, welfare, recreation and cultural affairs by County staff and appointed citizen advisory boards.

The members of the Board of County Commissioners, other elected officials of the County, and their respective terms are as follows:

Member	Position	Term Expires
Henry Roybal	Chair	12/31/18
Anna Hansen	Vice-Chair	12/31/20
Robert A. Anaya	Commissioner	12/31/18
Anna Hamilton	Commissioner	12/31/20
Ed Moreno	Commissioner	12/31/20
Gus Martinez	County Assessor	12/31/18
Geraldine Salazar	County Clerk	12/31/20
Patrick J. Varela	County Treasurer	12/31/20

The current members of the County Administration are as follows:

Katherine Miller has served as the County Manager since September, 2010. From 2006 through August 2010, Ms. Miller was the Secretary of the Department of Finance and Administration under Governor Bill Richardson. She had previously served as director of the Mortgage Finance Authority as well as Deputy Chief of Staff of Policy and Projects under Governor Richardson. Ms. Miller has extensive experience in local, state and federal government finance and policy and has worked in the private sector managing finance programs and government contracts. Ms. Miller has a bachelor's degree in business from Wright State University in Dayton, Ohio. She previously worked as Santa Fe County's procurement manager from 1997 to 1999 and as finance director from 1999 to 2003.

Don Moya joined Santa Fe County in April of 2016 as the Budget Administrator. He served as Interim Finance Director from November 2016 through January of 2017 when he was selected as the Finance Director. From 2010 through 2016 Mr. Moya was the Chief Financial Officer for the Albuquerque public schools where he oversaw a \$1.3 billion annual operating budget and \$1.1 billion capital program. Mr. Moya brings over 20 years of diverse experience in government finance and policy to his leadership role having served for seven years as Deputy Cabinet Secretary for Finance and Operations and Chief Financial Officer for the New Mexico Public Education Department under Governor Richardson. Mr. Moya has also served the New Mexico State Legislature, Children Youth and Families Department and the Santa Fe Public School District. Mr. Moya has a BA in Business Administration from the College of Santa Fe.

Gregory S. Shaffer has served as County Attorney since May 5, 2014. Prior to moving to Santa Fe in 2004, he practiced in the field of complex commercial litigation in New York City, primarily with a national law firm. He began his career in public service when he moved to Santa Fe, working as an Assistant Santa Fe County Attorney for approximately two years and three months before working for the State of New Mexico for approximately seven years and nine months, primarily with the New Mexico Department of Finance and Administration ("DFA"). From November, 2010, to May, 2014, he was DFA's General Counsel. Mr. Shaffer is a 1997 graduate of the New York University ("NYU") School of Law, where he was a member of the editorial staff of NYU's Law Review.

## **Retirement Plan; Other Post-Employment Benefits**

### ***Public Employees Retirement Association***

The County participates in a pension plan organized on a statewide basis and operated by the State of New Mexico. The Public Employees' Retirement Association of New Mexico ("PERA"), established by Section 10-11-1 *et seq.* NMSA 1978, as amended, requires contributions to its plan (the "Plan"), computed as a percentage of salary, from both employee and employer for all full-time employees. The majority of State and municipal employees in New Mexico participate in the Plan. As required by State law, the County contributes to the plan amounts which vary from 9.15% to 21.25% of eligible employees' salaries. The County's contractual obligation under the Plan is limited to the periodic employer contributions that it is required to make for its participating employees. The contribution requirements of the plan members and the County are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The County's contributions to PERA for the fiscal years ended June 30, 2016, 2015 and 2014 were approximately \$8.9M, \$8.7M and \$8.3M, respectively, which were equal to the amount of the contributions due for each year.

On June 25, 2012, the Governmental Accounting Standards Board approved Statement No. 68 which requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. Statement No. 68 requires governmental participants in cost-sharing multi-employer plans, such as the County, to record a liability and expense equal to their proportionate share of the collective net pension liability and expense for the cost-sharing plan. Statement No. 68 became effective for fiscal years beginning after June 15, 2014. As reported in the County's fiscal year 2016 audited financial statements, the County's proportionate share of PERA's net pension liability was \$36,409,439 at June 30, 2016, or \_\_\_\_%. These amounts were reported in the County's audited financial statements for Fiscal Year 2016 along with other information required by GASB Statement No. 68.

PERA issues a publicly available financial report that includes financial statements and additional information. A copy of this report can be obtained from PERA at [www.nmpera.org/financial-overview](http://www.nmpera.org/financial-overview).



Actuarial information, as of June 30, 2016 is shown below:

**State of New Mexico Public Employees Retirement Fund  
Summary Information as of June 30, 2016**

Membership <sup>(1)</sup>	100,974
Actuarial Information	
Actuarial Accrued Liability <sup>(2)</sup>	\$19,474,241,384
Actuarial Value of Assets	14,654,814,373
Unfunded Actuarial Accrued Liability	4,819,427,011

Source: PERA Annual Actuarial Valuation

<sup>(1)</sup> Includes active, inactive and retired members from all divisions.

<sup>(2)</sup> Includes accrued liability of both the retired and active members.

In Fiscal Year 2013, PERA reported an Unfunded Actuarial Accrued Liability ("UAAL") of \$4.6 billion, approximately \$1.6 billion less than the previous fiscal year. The decline in the UAAL was the result of comprehensive pension reform legislation proposed by the PERA Board and enacted by the State Legislature during the 2013 legislative session. Senate Bill 27 significantly amended the Public Employees' Retirement Act by creating a new tier of reduced benefits for new hires. The law reduces the cost of living adjustments for all current and future retirees; delays the application of cost of living adjustments for certain future retirees; suspends the cost of living adjustments for certain return-to-work retirees; provides for an increase in the statutory employee contribution rate of 1.5% (subject to certain requirements) for employees earning \$20,000 or more in annual salary; provides for an increase in the statutory employer contribution of 0.4% beginning in Fiscal year 2015; increases age and service requirements; lengthens the base average salary calculation amount from three to five years for future employees; increases the vesting period for employees from five to eight years for most members; lowers the annual service credit by 0.5% for most members; and makes several other clarifying and technical changes. Also as a result of the passage of pension reform legislation, PERA's 30 year projected funded ratio increased from 29% to 108.8%. PERA saw a further \$300 million decline in the UAAL, and increase in the 30-year projected funded ratio to 133% at the end of Fiscal Year 2014. The improvement in Fiscal Year 2014 was due largely to excess investment returns. PERA's Fiscal Year 2014 return was 17.03%, higher than the 7.75% return assumption.

In Fiscal Year 2016, PERA reported an audited Net Pension Liability ("NPL") of \$6.2 billion, using methods and assumptions required under GASB Statement No. 67, the reporting standard applicable to pension plans. PERA annually prepares a "Schedule of Employer Allocations and Pension Amounts" that provides employer participants the information they need to comply with GASB Statement No. 68, including each employer's proportionate share of the NPL. This Schedule is audited by PERA's independent auditors and is reviewed by the New Mexico State Auditor.

### **New Mexico Retiree Health Care Authority**

The County contributes to the State-sponsored New Mexico Retiree Health Care Fund, a cost-sharing multiple employer defined benefit postemployment healthcare plan administered by the Retiree Health Care Authority ("NMRHCA"). The NMRHCA administers the New Mexico Retiree Health Care Act, Sections 10-7C-1 through 10-7C-19 NMSA 1978, for the purpose of providing comprehensive group health insurance coverage for persons who have retired from certain public service in the State and eligible dependents. The RHCA plan is financed on a pay-as-you-go basis. The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The Retiree Health Care Act establishes the required contributions of participating employers. For employees who were members of an enhanced retirement plan during fiscal year 2015, the statute required each participating employer to contribute 2.50% of each participating employee's annual salary, and each participating employee to

contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during fiscal year 2016, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary, and each participating employee to contribute 1.0% of their salary. The County's contributions to the NMRHCA for the years ended June 30, 2016, 2015 and 2014 were \$816,514, \$799,879 and \$780,883, respectively, which equal the required contributions for each of those years.

### **County Insurance Coverage**

The County maintains insurance on its assets and operations as is customary and adequate, in its opinion, for similar entities insuring similar operations and assets. The County carries workers compensation, general liability, auto damage, errors and omissions coverage, emergency medical and law enforcement liability primarily with the New Mexico County Insurance Authority Workers' Compensation Pool and Multi-Line Pool, and accident coverage for volunteer fire fighters through a private carrier. In addition, the County maintains medical malpractice liability insurance for medical providers employed at the Adult Detention Facility and Youth Development Program, environmental pollution insurance for specified locations, and builders' risk insurance through private carriers. There can be no assurance, however, that the County will continue to maintain the present level of coverage or that the insurance maintained will be sufficient.

## **THE ECONOMY**

### **General**

Santa Fe County is located in the north-central part of New Mexico in the Rio Grande corridor. The area's economy is based primarily on government and related activities, retail trade, tourism, arts and entertainment, and recreation.

### **State Government**

The State Government is one of the largest employers in the County, employing approximately 8,968. Government offices, including the Office of the Governor and the State Legislature, occupy the State Capitol Building, known as the Roundhouse. The majority of major state offices and agencies, including the Office of the Treasurer, Office of the Attorney General, Office of the State Engineer, and the Departments of Finance and Administration, Health, Environment, Transportation, Energy, Minerals and Natural Resources, General Services, Corrections, Public Education and Higher Education, are located in the City of Santa Fe.

### **Education**

#### *Santa Fe Public Schools*

The Santa Fe Public School District is a political subdivision of the State organized for the purpose of operating and maintaining an education program for school-age children residing within its boundaries. Currently the District operates and maintains a variety of facilities in meeting its obligation to provide an educational program within its boundaries that cover 1,016 square miles with an estimated population of 125,000. The District is the 5th largest school district in the State with a 2016-2017 enrollment of 13,275 students. The District operates 31 school sites, including 21 elementary schools, 6 middle schools, 3 high schools, and 1 international magnet school. These schools include 5 community schools, 4 charter schools,

1 academy and 1 early childhood center. The District's educational program includes vocational, technical and occupational training.

#### *Santa Fe Community College*

Santa Fe Community College is a co-educational community college offering 2-year Associate of Arts, Associate of Science, and Associate of Applied Science degrees. The Community College occupies 366 acres within the County of Santa Fe, with a faculty of approximately 425 (full and part-time), serving approximately 5,921 students (credit enrollment).

#### *St. John's College*

St. John's College is a private, co-educational 4-year liberal arts college. The College's undergraduate program is an all-required course of study based on the classic works of western civilization. The College has an enrollment of approximately 475 students, with a faculty-student ratio of 1:8. The College offers a graduate degree program leading to a Master of Arts in Liberal Arts degree.

#### *Santa Fe University of Art and Design*

Formerly known as the College of Santa Fe, the Santa Fe University of Art and Design is a private, co-educational 4-year liberal arts college. The University offers Bachelor of Arts degrees in contemporary music, creative writing and literature, moving image arts, performing arts, photography and studio arts; Bachelor of Fine Arts degrees in graphic design, performing arts, photography and studio arts; and Master degrees in arts in education. The University is operated by Laureate International Universities and leases the campus from the City of Santa Fe. The University is expected to close in the spring of 2018 and is not accepting applications for admission at this time.

#### *New Mexico School for the Deaf*

The New Mexico School for the Deaf is a state institution serving New Mexico children with permanent hearing loss from birth through age 22. The School provides a rigorous academic program that focuses on language and literacy development and critical thinking skills. The School's curriculum conforms to New Mexico state standards and benchmarks. The School's 30-acre campus is located in the City of Santa Fe and provides housing for up to 96 residential students.

#### *Institute Of American Indian Arts*

The Institute of American Indian Arts ("IAIA") is a tribal college chartered by the U.S. Congress, offering Associate of Arts, Associate of Fine Arts, Bachelor of Arts and Bachelor of Fine Arts degrees to both native and non-native students. IAIA also offers numerous certificate programs, including Business and Entrepreneurship. IAIA operates the Museum of Contemporary Native Arts in Santa Fe, which maintains a collection of nearly 8,000 pieces of artwork. As a 1994 Tribal and Land Grant Institution, IAIA is also responsible for promoting New Mexico tribal programs in the area of food and agricultural science. The school enrolls approximately 700 students.

#### *Santa Fe Indian School*

The Santa Fe Indian School ("SFIS") is owned by the 19 pueblos of New Mexico and enrolls approximately 700 middle- and high school students, including day students and dorm students who live

on campus. SFIS offers academic preparation for both college and career readiness, while maintaining Native American Cultural values.

### **Trade**

The County's major retail products include furniture, jewelry, publishing, technology transfer, clothing, and accessories. Approximately 14.44% of the County's workforce was employed in the retail trade sector as of the end of the third quarter of 2016.

### **Tourism**

The tourism industry plays a significant role in the County economy due, in part, to the historic City of Santa Fe and its proximity to national parks and monuments, state parks and recreation areas, and numerous museums and cultural facilities.

### **Indian Arts and Crafts**

Indian arts and crafts, both production and marketing, have always played a significant role in the County's economy where large amounts of turquoise and silver jewelry are crafted. Numerous shops and galleries in Santa Fe make the City a center in the Southwest for original Native American art and southwest arts and crafts.

### **Health**

The County is served by Christus St. Vincent Regional Medical Center, a 501(c)(3) organization. The Medical Center serves a 7-county region and is the largest hospital facility north of Albuquerque and south of Pueblo, Colorado. The Medical Center is the only Level III Trauma Center in northern New Mexico. The Center maintains 268 licensed beds, 380 staff physicians representing 34 medical specialties, and treats over 52,000 emergency/fast track patients annually and more than 5,500 outpatient surgery patients annually.

## **ECONOMIC AND DEMOGRAPHIC STATISTICS**

This section contains general information concerning the economic and demographic conditions in and surrounding the County. The information presented was obtained from the sources indicated, and the County makes no representation as to the accuracy or completeness of the data presented. All data in this subsection is presented on a calendar year basis.

## Population

The following chart sets forth historical population data for the City of Santa Fe, Santa Fe Metropolitan Statistical Area ("MSA"), and the State.

Census Year	City of Santa Fe	Santa Fe MSA	State of New Mexico
1940	20,325	30,826	531,818
1950	27,998	38,153	681,187
1960	33,394	44,970	951,023
1970	41,167	53,756	1,017,055
1980	49,160	75,360	1,303,303
1990	57,605	98,928	1,515,069
2000	62,203	129,292	1,819,046
2010	67,947	144,170	2,065,826
2020*	n/a	164,006	2,351,724
2030*	n/a	178,124	2,613,332

Source: U.S. Department of Commerce, Bureau of the Census.

\* Projected.

## Age Distribution

The following table sets forth the age distribution profile for the Santa Fe MSA, the State and the United States.

### Percentage of Population

Age Group	Santa Fe MSA	New Mexico	United States
0 - 17	19.18%	23.91%	22.77%
18 - 24	7.80%	9.80%	9.75%
25 - 34	11.06%	13.28%	13.43%
35 - 44	11.58%	11.87%	12.62%
45 - 54	12.90%	11.91%	13.09%
55 and Older	37.48%	29.23%	28.34%

Source: The Nielsen Company, 2017.

## Employment

The following table provides a ten-year history of employment in the County, the State and the United States.

Year	Santa Fe County		State of New Mexico		United States
	Labor Force	Percent Unemployed	Labor Force	Percent Unemployed	Percent Unemployed
2017*	72,802	5.3%	930,766	6.6%	4.6%
2016	72,512	5.1%	927,355	6.7%	4.9%
2015	71,658	5.4%	924,114	6.6%	5.3%
2014	71,564	5.6%	922,388	6.7%	6.2%
2013	72,592	5.6%	923,571	7.0%	7.4%
2012	73,156	5.8%	927,795	7.1%	8.1%
2011	73,079	6.3%	930,356	7.5%	8.9%
2010	73,760	6.8%	936,088	8.1%	9.6%
2009	76,501	6.6%	940,352	7.5%	9.3%
2008	78,172	3.8%	944,548	4.5%	5.8%

Source: New Mexico Department of Workforce Solutions.

\* Average for January-May, 2017.

## Major Employers

Some of the largest employers in the Santa Fe MSA are set forth below. No independent investigation into their affairs has been made and consequently there can be no representation as to the stability or financial condition of the companies listed hereafter, or the likelihood that such companies will maintain their status as major employers in the area.

Employer	Business Type	Number of Employees
State of New Mexico	Government	19,655
Los Alamos National Laboratory	Government	9,543
Christus St. Vincent Hospital	Health Care	2,021
Santa Fe Public Schools	Education	1,763
City of Santa Fe	Government	1,500
Santa Fe Community College	Education	909
Santa Fe County	Government	846
Peters Corporation	Real Estate	730
Buffalo Thunder	Casino	700
Santa Fe Opera	Fine Arts	630
Total		38,297

Source: Santa Fe Chamber of Commerce, 2015.

## Wage and Salary Employment

The New Mexico Department of Workforce Solutions publishes quarterly and annual reports of covered employment and wages according to the North American Industry Classification System (NAICS).

Sector	2012	2013	2014	2015	2016 <sup>(1)</sup>
Grand Total	60,249	60,681	60,426	61,229	61,358
Total Private	43,312	43,774	43,496	44,481	45,661
Agriculture, Forestry, Fishing & Hunting	156	157	172	166	185
Mining	99	86	102	146	134
Utilities	125	124	125	131	127
Construction	2,662	2,789	2,566	2,588	2,639
Manufacturing	776	828	839	865	846
Wholesale Trade	913	947	921	985	1,010
Retail Trade	8,884	8,934	8,799	8,648	8,711
Transportation & Warehousing	525	559	602	558	559
Information	745	846	785	816	887
Finance & Insurance	1,776	1,781	1,649	1,583	1,547
Real Estate & Rental & Leasing	747	799	815	798	857
Professional & Technical Services	2,468	2,389	2,342	2,432	2,429
Management of Companies & Enterprises	192	194	182	230	231
Administrative & Waste Services	1,733	1,830	1,754	1,845	1,915
Educational Services	1,411	1,492	1,561	1,624	1,822
Health Care & Social Assistance	8,434	8,220	8,288	8,693	8,912
Arts, Entertainment & Recreation	924	969	1,060	1,116	1,060
Accommodation & Food Services	8,296	8,379	8,444	8,703	9,289
Other Services, Ex. Public Administration	2,446	2,452	2,491	2,555	2,501
Total Government	16,938	16,907	16,930	16,748	15,697
Federal	980	958	945	943	964
State	8,747	8,782	8,903	8,792	7,584
Local	7,211	7,167	7,082	7,013	7,149

Source: New Mexico Department of Workforce Solutions.

<sup>(1)</sup> Average, Fourth Quarter 2016.

The following table reflects median household Effective Buying Income ("EBI") and the percent of households by EBI groups as reported by The Nielsen Company. EBI is personal income less personal tax and non-tax payments. Personal income includes wages and salaries, other labor income, proprietors' income, rental income, dividends, personal interest income and transfer payments. Deductions are made for federal, state and local taxes, non-tax payments such as fines and penalties, and personal contributions for social security insurance.

Effective Buying Income Group	Santa Fe MSA	New Mexico	United States
Under \$25,000	22.03%	27.94%	21.90%
\$25,000 - \$34,999	10.61%	10.75%	9.70%
\$35,000 - \$49,999	12.71%	14.08%	13.20%
\$50,000 - \$74,999	17.98%	16.63%	17.40%
\$75,000 and over	36.67%	30.60%	37.80%
2012 Est. Median Household Income	\$51,780	\$41,958	\$49,581
2013 Est. Median Household Income	\$42,553	\$43,273	\$49,297
2014 Est. Median Household Income	\$48,526	\$44,292	\$51,579
2015 Est. Median Household Income	\$51,473	\$45,633	\$53,706
2016 Est. Median Household Income	\$54,229	\$45,445	\$55,551
2017 Est. Median Household Income	\$56,475	\$47,043	\$56,671

Source: The Nielson Company, 2017.

### Gross Receipts

The following table shows the total reported gross receipts and total reported retail gross receipts generated in Santa Fe County and the State of New Mexico for the past ten years. For the purposes of these tables, gross receipts means the total amount of money received from selling goods and services in the State of New Mexico, from leasing property employed in the State, and from performing services in the State. Gross receipts includes, among other things, food sales and services such as legal and medical services.

Calendar Year	Santa Fe County		State of New Mexico	
	Retail Trade	Total	Retail Trade	Total
2016	\$1,962,554,053	\$5,729,375,018	\$22,482,505,329	\$ 98,244,656,248
2015	2,044,992,624	6,053,019,578	24,112,463,895	107,453,457,101
2014	2,221,772,493	6,175,973,341	25,072,496,013	110,639,143,254
2013	1,941,541,077	5,876,040,030	24,116,215,735	108,239,126,926
2012	1,859,420,700	5,953,009,319	23,910,163,876	106,632,199,576
2011	1,836,341,592	6,084,796,929	23,855,318,981	105,936,319,986
2010	1,797,277,395	6,381,191,771	23,403,179,267	99,473,361,994
2009	1,876,521,470	6,100,659,339	24,033,507,374	95,490,408,754
2008	2,154,370,796	7,043,378,575	25,028,647,037	114,741,598,593
2007	2,202,020,641	7,101,914,301	25,229,534,306	106,729,488,766

Source: New Mexico Taxation and Revenue Department.

### Services Available to County Residents

The County provides its residents with police and fire protection. Water service and sanitary sewer service are provided in certain unincorporated areas of the County, while other areas are served by private or community water systems. The largest supplier and distributor of electricity is the Public Service Company of New Mexico. CenturyLink is the largest provider of telephone service. Comcast is the largest provider of cable television services. The County operates a solid waste collection and disposal system.



## TAX EXEMPTION

In the opinion of Modrall, Sperling, Roehl, Harris & Sisk, P.A., Bond Counsel, to be delivered at the time of original issuance of the Bonds, under existing laws, regulations rulings and judicial decisions, and assuming compliance with covenants described herein, interest on the Bonds is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax for individuals or corporations. Bond Counsel is also of the opinion, based on existing laws of the State of New Mexico as enacted and construed, that the Bonds and income from the Bonds are exempt from all taxation by the State of New Mexico or any political subdivision thereof.

The Internal Revenue Code of 1986, as amended (the "Code"), imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal tax purposes of interest on obligations, such as the Bonds. The County has made various representations and warranties with respect to, and has covenanted in the Resolution and other documents, instruments and certificates to comply with certain guidelines designed to assure that interest on the Bonds will not become includible in gross income. Failure to comply with these covenants or the inaccuracy of these representations and warranties may result in interest on the Bonds being included in gross income from the date of the issue of the Bonds. The opinion of Bond Counsel assumes compliance with the covenants and the accuracy of such representations and warranties.

Although Bond Counsel will render an opinion that interest on the Bonds is not a specific preference item for purposes of the alternative minimum tax provisions contained in the Code, interest on the Bonds will be included in the adjusted current earnings of certain corporations, and such corporation's adjusted current earnings over its alternative minimum taxable income (determined without regard to this adjustment and prior to reduction for certain net operating losses).

Although Bond Counsel will render an opinion that interest on the Bonds is excludable from gross income for federal income tax purposes, the accrual or receipt of interest on the Bonds may otherwise affect the federal income tax liability of the recipient. The extent of these other tax consequences will depend upon the recipient's particular tax status or other items of income or deduction. Bond Counsel expresses no opinion regarding any such consequences. Purchasers of the Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of Social Security or Railroad Retirement benefits, taxpayers otherwise entitled to claim the earned income credit, or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations are advised to consult their tax advisors as to the tax consequences of purchasing or owning the Bonds.

The opinions to be rendered by Bond Counsel will be based upon existing legislation as of the date of issuance and delivery of the Bonds, and Bond Counsel will express no opinion as of any date subsequent thereto or with respect to any pending legislation.

From time to time, there are legislative proposals in Congress that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Each purchaser of the Bonds should consult his or her own tax advisor regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

### **Original Issue Discount**

The Bonds may be offered at a discount ("original issue discount") equal generally to the difference between public offering price and principal amount. For federal income tax purposes, original issue discount on a bond accrues periodically over the term of the bond as interest with the same tax exemption and alternative minimum tax status as regular interest. The accrual of original issue discount increases the holder's tax basis in the bond for determining taxable gain or loss from sale or from redemption prior to maturity. Holders of Bonds offered at an original issue discount should consult their tax advisors for an explanation of the accrual rules.

### **Original Issue Premium**

The Bonds may be offered at a premium ("original issue premium") over their principal amount. For federal income tax purposes, original issue premium is amortizable periodically over the term of a bond through reductions in the holders' tax basis in the bond for determining taxable gain or loss from sale or from redemption prior to maturity. Amortizable premium is accounted for as reducing the tax-exempt interest on the bond rather than creating a deductible expense or loss. Holders of Bonds offered at an original issue premium should consult their tax advisors for an explanation of the amortization rules.

### **Internal Revenue Service Audit Program**

The Internal Revenue Service (the "Service") has an ongoing program auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service will treat the County as the taxpayer and the Bond owners may have no right to participate in such procedure. Neither the initial purchasers of the Bonds nor Bond Counsel is obligated to defend the tax-exempt status of the Bonds. The County has covenanted in the Resolution not to take any action that would cause the interest on the Bonds to lose its exclusion from gross income except to the extent described above for the owners thereof for federal income tax purposes. Neither the County, the Financial Advisor nor Bond Counsel is responsible to pay or reimburse the costs of any Bond owner with respect to any audit or litigation relating to the Bonds.

## **CONTINUING DISCLOSURE INFORMATION**

In connection with the issuance of the Bonds, the County will execute a Continuing Disclosure Undertaking, in the form attached hereto as Appendix D, under which it will agree for the benefit of the owners of the Bonds to provide audited annual financial statements of the County when available after the end of each Fiscal Year, and to provide certain annual financial information and operating data relating to the County and timely notice of certain events.

### **Compliance with Prior Undertakings**

The County has previously entered into continuing disclosure agreements in accordance with SEC Rule 15c2-12. The County did not timely file a Moody's rating change in August 2013 related to its County Gross Receipts Tax Bonds and Capital Outlay Gross Receipts Tax Bonds. The rating change resulted from a Moody's surveillance rating process. The rating change was disclosed on EMMA immediately following the discovery that the rating change had not been filed. The County adopted a Continuing Disclosure compliance procedure policy on April 14, 2015. Except as indicated in this paragraph, the County believes

that it has been in material compliance with the requirements of outstanding continuing disclosure agreements entered into in connection with bonds issued by the County over the past five years.

### **LITIGATION**

At the time of the original delivery of the Bonds, the County will deliver a no-litigation certificate to the effect that no litigation or administrative action or proceeding is pending or, to the knowledge of the appropriate County officials, threatened, restraining or enjoining, or seeking to restrain or enjoin, the issuance and delivery of the Bonds, effectiveness of the Resolution, or contesting or questioning the proceedings and authority under which the Bonds have been authorized and are to be issued, sold, executed or delivered, or the validity of the Bonds.

### **RATINGS**

The Bonds have received a rating of “\_\_\_” from Standard & Poor’s Ratings Services (“S&P”). An explanation of the significance of the rating given by S&P may be obtained from S&P at 55 Water Street, New York, New York 10041.

Such rating reflects only the views of S&P, and there is no assurance that such rating will continue for any given period of time after obtained or that such rating will not be revised downward or withdrawn entirely by the S&P if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds. Neither the County (including its employees, advisors, and attorneys) nor the initial purchasers of the Bonds have undertaken any responsibility to bring to the attention of the owners of the Bonds any proposed change in or withdrawal of such rating once received or to oppose any such proposed revision.

### **FINANCIAL ADVISOR**

RBC Capital Markets, LLC (“RBC CM”) is employed as Financial Advisor to the County in connection with the issuance of the Bonds. The Financial Advisor’s fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. RBC CM may also receive a fee for conducting a competitive bidding process regarding the investment of certain proceeds of the Bonds. RBC CM, in its capacity as Financial Advisor, has relied on the opinion of Bond Counsel and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

The Financial Advisor to the County has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the County and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information in this Official Statement.

## **LEGAL MATTERS**

The legality of the Bonds will be approved by Modrall, Sperling, Roehl, Harris & Sisk, P.A., Albuquerque, New Mexico, Bond Counsel, whose unqualified opinion approving the legality of the Bonds will be furnished at the closing.

## **TRANSCRIPT AND CLOSING DOCUMENTS**

A complete transcript of proceedings and a no-litigation certificate (described above under "LITIGATION") will be delivered by the County when the Bonds are delivered. The County will at that time also provide a certificate relating to the accuracy and completeness of this Official Statement.

## **ADDITIONAL INFORMATION**

All summaries of the statutes, resolutions, opinions, contracts, agreements, financial and statistical data and other related reports described in this Official Statement are subject to the actual provisions of such documents. The summaries do not purport to be complete statements of such provisions and reference is made to such documents, copies of which are either publicly available or available for inspection during normal business hours at the offices of the County located at the County Administration Building, 102 Grant Avenue, Santa Fe, New Mexico 87504-0276 or at the offices of RBC Capital Markets, LLC, 6301 Uptown Blvd. NE, Suite 110, Albuquerque, New Mexico 87110.

## OFFICIAL STATEMENT CERTIFICATION

As of the date hereof this Official Statement is true to the best of my knowledge, complete and correct in all material respects, and does not include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made herein, in light of the circumstances under which they are made, not misleading.

The preparation of this Official Statement and its distribution have been authorized by the Board. The Official Statement is hereby duly approved by the Board as of the date on the cover page hereof.

SANTA FE COUNTY, NEW MEXICO

By: \_\_\_\_\_ /s/  
Henry Roybal, Chair  
Board of County Commissioners

## APPENDIX A

### OPINION OF BOND COUNSEL

\_\_\_\_\_, 2017

Board of County Commissioners  
Santa Fe County, New Mexico

We have acted as bond counsel to Santa Fe County, New Mexico (the "County") in connection with the issuance of its \$\_\_\_\_\_ General Obligation Improvement and Refunding Bonds, Series 2017 (the "Bonds") dated \_\_\_\_\_, 2017, with interest payable on January 1, 2018, and semi-annually thereafter on each January 1 and July 1 until maturity, and being bonds in registered form maturing on July 1 in the years 2018 through 20\_\_\_\_, inclusive.

\$\_\_\_\_\_ in principal amount of the Bonds, representing the first series of general obligation bonds approved by the qualified electors of the County at an election held on November 8, 2016 to provide funds to (1) acquire, construct, design, equip and improve roads within the County, (2) acquire, construct, design, equip and improve water and wastewater projects within the County, (3) acquire, construct, design, equip and improve fire and other public safety facilities within the County, (4) acquire, construct, design, equip, improve and restore open space, trails and parks within the County, (5) acquire, construct, design, equip and improve community health facilities within the County, and will be issued and allocated among those purposes and to pay a portion of the costs of issuance of the Bonds. \$\_\_\_\_\_ in principal amount of the Bonds will be issued to provide funds to advance refund, refinance, pay, and redeem the County's outstanding General Obligation Bonds, Series 2009 maturing on and after July 1, 2020 and to pay a portion of the costs of issuance of the Bonds.

We have examined the transcript of proceedings (the "Transcript") relating to the issuance of the Bonds and the law under authority of which the Bonds are issued. Based on our examination, we are of the opinion that, under the law existing on the date of this opinion, subject to the provisions of federal bankruptcy law and other laws affecting creditors' rights:

1. The Bonds constitute valid and binding general obligations of the County, and the principal of and interest on the Bonds, unless paid from other sources, are to be paid from the proceeds of the levy of *ad valorem* taxes on all property within the County subject to *ad valorem* taxes levied by the County, which levy is unlimited as to rate or amount.

2. Assuming continuing compliance by the County with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), and with the covenants of the County regarding the use, expenditure and investment of Bond proceeds, interest on the Bonds is excludable from the gross income of the owners of the Bonds for purposes of federal income taxation. Interest on the Bonds is not treated as an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations. However, interest on the Bonds is included as an adjustment in calculating corporate alternative minimum taxable income and may therefore affect a corporation's alternative minimum tax. Failure of the County to comply with its covenants and with the requirements of the Code may cause interest on the Bonds to become includable in gross income for federal income tax purposes retroactive to their date of issuance.

3. The Bonds and the income from the Bonds are exempt from all taxation by the State or any political subdivision of the State.

The opinions set forth above in paragraph 2 are subject to continuing compliance by the County with covenants regarding federal tax law contained in the proceedings and other documents relevant to the issuance by the County of the Bonds. Failure to comply with these covenants may result in interest on the Bonds being included in gross income retroactive to their date of issuance.

The opinions expressed herein are based upon existing laws as of the date of issuance and delivery of the Bonds. We express no opinion as of any date subsequent hereto, and our engagement with respect to the Bonds has concluded with their issuance. We disclaim any obligation to update this opinion.

The obligations of the County related to the Bonds are subject to the reasonable exercise in the future by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of the powers (including bankruptcy powers) delegated to it by the United States Constitution. The obligations of the County and the security provided therefor, as contained in the Bond Resolution, may be subject to general principles of equity which permit the exercise of judicial discretion and are subject to the provisions of applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect.

The foregoing opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of result. We express no opinion with respect to any pending legislation.

We are passing upon only those matters set forth in this opinion and are not passing upon the accuracy or completeness of any statement made in connection with any sale of the Bonds or upon any tax consequences arising from the receipt or accrual or interest on, or the ownership of, the Bonds except those specifically addressed in paragraphs 2 and 3 above.

Respectfully,

## **APPENDIX B**

### **AUDITED FINANCIAL STATEMENTS – JUNE 30, 2016**

The County has not requested the consent of REDW LLC, which performed the audit of the County's Financial Statements, to the inclusion of the audit report and excerpts thereof in this Official Statement, and the auditor has not conducted a post-audit review of those Financial Statements.



## **APPENDIX C**

### **OFFICIAL NOTICE OF BOND SALE**

**\$28,775,000**

**SANTA FE COUNTY, NEW MEXICO  
General Obligation Improvement and Refunding Bonds  
Series 2017**

**PUBLIC NOTICE IS HEREBY GIVEN** that electronic bids will be received by the Board of County Commissioners (the "Board") of Santa Fe County, New Mexico (the "County"), for the purchase of all of the County's General Obligation Improvement and Refunding Bonds, Series 2017 (the "2017 Bonds"), more particularly described below. The Board will meet in regular session at 2:00 p.m., prevailing Mountain Time, August 8, 2017, to take official action awarding the 2017 Bonds.

Bids for the purchase of the 2017 Bonds will be accepted through the Grant Street Group electronic bidding web site ("Grant Street Group") at [www.grantstreet.com](http://www.grantstreet.com). No other method of submitting bids will be accepted. The date and time for submitting bids will be as follows:

**Bid Date: August 8, 2017**  
**Bid Time: Between 11:30 a.m. and 12:00 p.m. Eastern Time**  
**(Between 9:30 a.m. and 10:00 a.m. Mountain Time)**  
**Submit Bid to: [www.grantstreet.com](http://www.grantstreet.com)**

**Information related to this auction can be obtained from Grant Street Group Auction Support at (412) 391-5555 (x370), attention John Carver.**

To bid, bidders must have both (1) completed the registration form on the Grant Street Group website and (2) requested and received admission to the County's auction, as described under "TERMS OF SALE - Submission of Bids" below. The use of Grant Street Group shall be at the bidder's risk and expense, and the County shall have no liability with respect thereto.

None of the County, Grant Street Group, the Financial Advisor, or Bond Counsel shall be responsible for, and each bidder expressly assumes the risk of, any incomplete, inaccurate, or untimely bid submitted by Internet transmission by such bidder, including, without limitation, by reason of garbled transmissions, mechanical failure, engaged telephone or telecommunications lines, or any other cause arising from delivery by Internet transmission. Additionally, the Grant Street Group time stamp will govern the receipt of all bids. The official bid clock does not automatically refresh. Bidders must refresh the auction page periodically to monitor the progression of the bid clock and to ensure that their bid will be submitted prior to the termination of the auction. All bids will be deemed to incorporate the provisions of this Official Notice of Bond Sale.

This Official Notice of Bond Sale, and the information set forth herein, are not to be treated as a complete disclosure of all relevant information with respect to the 2017 Bonds. The information set forth herein is subject, in all respects, to a more complete description of the 2017 Bonds and the security therefore set forth in the Preliminary Official Statement dated August 1, 2017 (the "Preliminary Official Statement").

## BOND DETAILS

The 2017 Bonds will be issued in the aggregate principal amount of \$28,775,000. The 2017 Bonds and the interest thereon are general obligations of the County. The County has prepared the Preliminary Official Statement relating to the 2017 Bonds, which is deemed by the County to be final as of its date for purposes of allowing bidders to comply with Rule 15c2-12 of the Securities Exchange Commission ("the Rule"), except for the omission of certain information as permitted by the Rule. Details of the 2017 Bonds, including maturities, redemption provisions, payment dates and security for payment are contained in the Preliminary Official Statement. The Preliminary Official Statement is subject to revision, amendment and completion in a Final Official Statement.

**Official Statement.** The Preliminary Official Statement may be viewed and downloaded from [www.grantstreet.com](http://www.grantstreet.com) or a physical copy may be obtained by contacting the County or the Financial Advisor, see "Information" below.

The County will make available to the winning bidder, within seven business days after the award of the sale of the 2017 Bonds, the Final Official Statement which is to be downloaded from [www.grantstreet.com](http://www.grantstreet.com). One physical copy of the Final Official Statement also will be provided to the winning bidder at that time; provided, however, the winning bidder must cooperate in providing the information required to complete the Final Official Statement. Additional copies of the Final Official Statement may be provided at the expense of the winning bidder.

The winning bidder shall comply with the requirements of Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board.

## TERMS OF SALE

**Submission of Bids.** All bids must be submitted only by electronic bidding on Grant Street Group at [www.grantstreet.com](http://www.grantstreet.com). No other provider of bidding services and no other means of delivery (i.e. telephone, telefax or physical delivery) will be accepted. Bidding for the 2017 Bonds will begin at 11:30 a.m., Eastern Time (9:30 a.m. Mountain Time), as indicated above. The receipt of bids will end promptly at 12:00 p.m., Eastern Time (10:00 a.m. Mountain Time), unless extended in accordance with the two-minute rule described herein. If any bid becomes a leading bid two (2) minutes prior to the end of the auction, then the auction will be automatically extended by two (2) minutes from the time such new leading bid was received by Grant Street Group. The auction end time will continue to be extended, indefinitely, until a single leading bid remains the leading bid for at least two (2) minutes.

To bid, bidders must first visit the Grant Street Group website where, if they have not previously registered with Grant Street Group, they can register and then request admission to bid on the 2017 Bonds. Bidders will be notified prior to the scheduled bidding time of their eligibility to bid. Only NASD registered broker-dealers and dealer banks with DTC clearing arrangements will be eligible to bid. Bidders who have previously registered with Grant Street Group may call (412) 391-5555, x 370, attention John Carver, for their ID Number or password.

**Rules of Grant Street Group.** Bidders must comply with, and all bids must be made in accordance with, the Rules of Grant Street Group in addition to the requirements of this Official Notice of Bond Sale. The Rules of Grant Street Group can be viewed on the Grant Street Group website and are incorporated herein by reference. In the event the Rules of Grant Street Group conflict with this Official Notice of Bond Sale, this Official Notice of Bond Sale shall prevail.

**Bidding Parameters.** Bidders are required to submit unconditional all-or-none bids specifying the rate of interest at which the bidder will purchase all of the 2017 Bonds. Interest shall be bid in multiples of 1/20<sup>th</sup> or 1/8<sup>th</sup> percentum and only one interest rate may be bid for each maturity of the 2017 Bonds. The maximum interest rate may not exceed 5% and the maximum interest rate specified for any maturity of the 2017 Bonds may not exceed the minimum interest rate specified for any maturity of the 2017 Bonds by more than 3 percent (3%). The maximum net effective interest rate of the 2017 Bonds shall not exceed ten percent (10%) per annum.

**The 2017 Bonds will not be sold at less than 100% of par.**

**Term Bonds.** A bidder may elect to have all or a portion of the 2017 Bonds scheduled to mature in consecutive years issued as one or more term bonds ("Term Bonds") scheduled to mature in the latest of the consecutive years and subject to mandatory redemption requirements consistent with the schedule of serial maturities set forth in the Preliminary Official Statement, however, not less than all Bonds of the same serial maturity shall be converted to Term Bonds with mandatory redemption requirements.

**Adjustment of principal amounts, modification or clarification prior to examination of bids.** The County Manager, in consultation with the County's financial and bond advisors, in the County Manager's sole discretion and prior to the examination of bids, may (i) adjust the aggregate principal amount set forth herein or may adjust the principal amount of each series without increasing the aggregate principal amount of Bonds; (ii) adjust individual maturities, and/or (iii) modify or clarify any other term hereof, including the date on which bids for the 2017 Bonds will be received, by issuing a notification of the adjusted series, amounts, modification or clarification via Thomson Municipal News ("TM3") and/or Grant Street Group platform and/or Bloomberg Financial Services no later than 8:00 a.m., Mountain Time, on the Bid Date.

**Adjustments to principal amounts after determination of best bid.** The aggregate principal amount of the 2017 Bonds is subject to increase or reduction, and each scheduled maturity thereof is subject to increase or reduction, by the County Manager after the determination of the Best Bid (defined below). Such adjustments will be made within no more than two (2) hours after the end of the time of bid examination and will be in the sole discretion of the County. To cooperate with any adjustment in the principal amounts, the Purchaser is required to indicate by e-mail to Don Moya at [ddmoya@santafecountynm.gov](mailto:ddmoya@santafecountynm.gov) or such other address as may be indicated by the County Manager within one-half (1/2) hour after the end of the time of bid examination, the amount of any original issue discount or premium on any maturity of the 2017 Bonds, the initial offering price of each maturity, the cost of bond insurance, if any, and the amount received from the sale of the 2017 Bonds to the public that will be retained by the Purchaser as its compensation.

The County Manager, in consultation with the County's financial and bond advisors, may change the dollar amount bid by the Purchaser if the aggregate principal amount of the 2017 Bonds is adjusted as described below, but the interest rates specified by the Purchaser for all maturities will not change. The County Manager, in consultation with the County's financial and bond advisors, will make every effort to ensure that the percentage net compensation to the Purchaser (i.e., the percentage resulting from dividing (i) the aggregate difference between the offering price of the 2017 Bonds to the public and the price to be paid to the County, less any bond insurance premium to be paid by the bidder, by (ii) the principal amount of the 2017 Bonds) does not increase or decrease from the amount of such compensation if no adjustment was made to principal amounts shown in the maturity schedule. The County will notify the Purchaser of the final principal amounts and the resulting adjusted prices no later than 12:00 p.m. Mountain Time on the day of the sale and award of the 2017 Bonds. THE PURCHASER MAY NOT WITHDRAW OR MODIFY ITS BID ONCE SUBMITTED TO THE COUNTY FOR ANY REASON, INCLUDING, WITHOUT

LIMITATION, AS A RESULT OF ANY INCREASE OR DECREASE IN THE FINAL PRINCIPAL AMOUNTS AND THE AGGREGATE PURCHASE PRICE OF THE 2017 BONDS.

**Information Regarding Bids.** Bidders may change and submit bids as many times as they wish during the bidding, provided, however, that each bid submitted subsequent to a bidder's initial bid must result in a lower true interest cost ("TIC") with respect to a bid when compared to the immediately preceding bid of such bidder. During the bidding, no bidder will see any other bidder's bid, but each bidder will be able to see its own ranking (*i.e.*, "Leader," "Cover," "3<sup>rd</sup>," etc.).

**Bids Constitute an Irrevocable Offer.** Each bid submitted through Grant Street Group shall be deemed an irrevocable offer to purchase the 2017 Bonds on the terms provided in this Official Notice of Bond Sale and shall be binding upon the bidder.

**Basis of Award.** The 2017 Bonds will be sold to the bidder or bidders offering to purchase the same at the lowest true interest cost. The actuarial yield on the 2017 Bonds using the true interest cost method will be computed at that yield which, if used to compute the present value of all payments of principal and interest on the 2017 Bonds as of August 8, 2017, produces an amount equal to the aggregate bid price. Such calculation will be made based upon a 360-day year and a semiannual interval for compounding.

The winning bid or bids will be indicated on Grant Street Group and the auction results, as posted on such website, will be subject to verification by the County. The County will verify the auction results immediately following the close of the bidding period and notice of confirmation by the County of the winning bidder or bidders will be made by a posting on Grant Street Group stating "Auction Results Verified and Confirmed."

An award may be made by the County to any bidder in a principal amount less than the principal amount of the 2017 Bonds for which the bid is submitted. Further, in the event of an award by the County for a principal amount less than the principal amount the bidder submitted, any premium bid shall be ratably reduced. If two or more bids have the same true interest cost, the first bid submitted, as determined by reference to the time stamp displayed on Grant Street Group, shall be deemed to be the leading bid.

**Sale Reservations.** The County reserves the right (a) to reject any and all bids for any Bonds, (b) to reoffer any Bonds for public sale, and (c) to waive any irregularity or informality in any bid.

**Good Faith Deposit Not Required to Bid.** A good faith deposit will not be required in connection with the submission of any bid for the 2017 Bonds. The winning bidder will be required to submit a Bid Award Deposit (see "Bid Award Deposit" below).

**Bid Award Deposit.** Not later than 12:00 p.m., Mountain Time on August 8, 2017, the winning bidder is required to submit a Bid Award Deposit of \$580,000.00. All Bid Award Deposits must be made in good funds by wire transfer of the required amount to an account specified by the County Manager and provided to the winning bidder after the sale of the 2017 Bonds.

No interest will be paid by the County on the amount of the Bid Award Deposit. The proceeds of the Bid Award Deposit of the winning bidder will be applied to the purchase price of the 2017 Bonds, or in the event of the failure of a winning bidder to take up and pay for the 2017 Bonds in compliance with the terms of the bid, at the option of the County, its Bid Award Deposit may be retained as liquidated damages, as partial payment of actual damages or as security for any other remedy available to the County.

***Manner and Time of Delivery.*** The 2017 Bonds will be delivered to DTC for the account of the winning bidder or bidders at the expense of the County on September 12, 2017, or such later date as the County and the winning bidder may agree. Payment of the purchase price due at delivery must be made in Federal Reserve funds for immediate and unconditional credit to the County.

***Continuing Disclosure Undertaking.*** The County has covenanted to provide, in a timely manner, on the Electronic Municipal Market Access (EMMA) Website maintained by the Municipal Securities Rulemaking Board notice of the occurrence of specified, material events. The County has not failed to comply with any of its previous undertakings under Rule 15c2-12, except as may be disclosed in the Preliminary Official Statement.

***State Securities Laws.*** The County has taken no action to qualify the offer or sale of the 2017 Bonds under the securities laws of any state. Should any such qualification be necessary, the County agrees to cooperate with the winning bidder in such matters, provided that the County reserves the right not to consent to service of process outside its boundaries and expenses related to any such qualification shall be the responsibility of the winning bidder.

***CUSIP Numbers.*** CUSIP numbers will be issued and printed on the 2017 Bonds at the expense of the County. Any error or omission in printing such numbers on the 2017 Bonds will not constitute cause for any winning bidder to refuse delivery of any Bond.

***Legal Opinion, Certificates and Transcript.*** The validity and enforceability of the 2017 Bonds will be approved by the County's Bond Counsel. A copy of the form of the opinion of Bond Counsel is attached as an exhibit to the Preliminary Official Statement.

The purchaser of the 2017 Bonds will receive a certified transcript of legal proceedings which will include, among other items:

(a) a certificate of the County to the effect that, as of its date, the Preliminary Official Statement was deemed final within the meaning of Rule 15c2-12, except for the omissions permitted under Rule 15c2-12;

(b) a certificate of the County to the effect that there is no litigation pending or, to its knowledge, threatened affecting the validity of the 2017 Bonds as of the date of their delivery; and

(c) a certificate of the County to the effect that, as of the date of the Official Statement and at all times to and including the date of delivery of the 2017 Bonds, the Official Statement did not contain any untrue statement of a material fact or omit any statement of a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

***Establishment of Issue Price (Hold-the-Offering-Price Rule May Apply if Competitive Sale Requirements are Not Satisfied).***

The winning bidder shall assist the Issuer in establishing the issue price of the Bonds and shall execute and deliver to the County at closing an "issue price" or similar certificate, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the County and Bond Counsel. All actions to be taken by the County to establish the issue price of the Bonds may be taken on behalf of the County by the County's municipal advisor identified herein and any notice or report to be provided to the County may be provided to the County's municipal advisor.

(a) The County intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

(i) the County shall disseminate a Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;

(ii) all bidders shall have an equal opportunity to bid;

(iii) the County may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and

(iv) the County anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to the Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

In the event that the competitive sale requirements described above in subparagraph (a) are not satisfied, the County shall so advise the winning bidder. The County may determine to treat (i) the first price at which 10% of each maturity of the Bonds is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity (the "hold-the-offering-price rule"), in each case applied on a maturity-by-maturity basis. The winning bidder shall advise the County if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds. The County shall promptly advise the winning bidder, at or before the time of award of the Bonds, which maturities of the Bonds shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule during the Holding Period, as defined in subparagraph (d)(i) below. Bids will not be subject to cancellation in the event that the Issuer determines to apply the hold-the-offering-price rule to any maturity of the Bonds.

(b) By submitting a bid, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the Holding Period, as defined in subparagraph (c)(i) below.

(c) The following terms are defined below:

(i) *Hold the Offering Price Maturity* means a maturity of the Bonds of which less than 10% has been sold to the Public on the Sale Date.

(ii) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (a) the close of the fifth business day after the Sale Date, or (b) the date on which the winning bidder sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Holding-the-Offering-Price Maturity.

(iii) *Maturity* means Bonds with the same credit and payment terms. Bond with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(iv) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(v) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is August 8, 2017.

(vi) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the to the Public).

***Postponement of Sale.*** The County reserves the right to postpone the date and time established for the receipt of bids. Any such postponement will be announced by posting on Grant Street Group prior to commencement of the bidding. If any date and time fixed for the receipt of bids and the sale of the 2017 Bonds is postponed, an alternative sale date and time will be announced at least one business day prior to such alternative sale date. On any such alternative sale date and time, any bidder may submit bids electronically as described above for the purchase of the 2017 Bonds in conformity in all respects with the provision of this Official Notice of Bond Sale, except for the date and time of sale and except for any changes announced by posting on Grant Street Group at the time the sale date and time are announced, or in accordance with the section of this Official Notice of Bond Sale entitled ***Adjustment of principal amounts, modification or clarification prior to examination of bids.***

***Rating.*** A rating has been applied for to Standard and Poor's Ratings Services.

***Information.*** Copies (in reasonable quantities) of this Official Notice of Bond Sale, the Preliminary Official Statement, and other information concerning the County and the 2017 Bonds may be obtained from:

Erik Harrigan, Director  
RBC Capital Markets  
6301 Uptown Blvd., Ste. 110  
Albuquerque, NM 87110  
Phone: (505) 872-5999  
Fax: (505) 872-5979

The date of this Official Notice of Bond Sale is July 11, 2017.

**SANTA FE COUNTY, NEW MEXICO**

**SANTA FE COUNTY, NEW MEXICO**  
**General Obligation Improvement and Refunding Bonds**  
**Series 2017**

**OFFICIAL BID FORM (August 8, 2017)**

Santa Fe County, New Mexico  
c/o RBC Capital Markets, LLC  
6301 Uptown Boulevard NE, Suite 110  
Albuquerque, New Mexico 87110  
Attention: County Manager

Members of the Board of County Commissioners:

Pursuant to your "Official Notice of Bond Sale," dated August 1, 2017, relating to the County's General Obligation Improvement and Revunding Bonds, Series 2017 (the "2017 Bonds") in the principal amount of \$28,775,000 which by reference is made a part hereof, we submit the following bid:

For your legally issued Bonds as described in the Official Notice of Meeting and Bond Sale, we will pay you par, plus accrued interest, if any, from the date of the Bonds to the date of delivery to us, provided the Bonds bear interest per annum as follows:

**2017 Bonds**

Maturing (July 1)	Principal Amount	Interest Rate	Yield
2018			
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			



If this bid is the best bid for the Bonds, we will send a wire transfer to Santa Fe County, in the amount of \$580,000.00 prior to the acceptance of our bid by the Board of County Commissioners, which wire transfer will be our good faith deposit and submitted in accordance with the terms set forth in the Official Notice of Bond Sale. We will pay the CUSIP Service Bureau charge, if any, for the assignment of CUSIP numbers.

The undersigned agrees to complete, execute, and deliver to the City a Certificate Regarding Issue Price or a similar certificate relating to the "issue price" of the 2017 Bonds, in the form attached hereto as Exhibit A.

We understand and agree that no more than fifty (50) copies of the final Official Statement, including any amendments or supplements thereto will be supplied to us at the County's expense and that any additional copies requested will be subject to a charge to us. By accepting this bid, you agree to provide such copies of the final Official Statement and of any amendments or supplements thereto in accordance with the Official Notice of Bond Sale, and you undertake your other obligations described therein, as contemplated by Rule 15c2-12 of the Securities and Exchange Commission.

Respectfully submitted,

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

By: \_\_\_\_\_  
Authorized Representative

\* (Strike inapplicable words)

For informational purposes only, our calculation of the True Interest Cost is as follows:

True Interest Cost: (stated as a nominal annual percentage) \_\_\_\_\_%

Additionally, for informational purposes only, the following is requested:

Gross Interest Cost: \$ \_\_\_\_\_

Less Premium Bid: \$ \_\_\_\_\_

Net Interest Cost: \$ \_\_\_\_\_

[2017 Bonds Bid Form]

ACCEPTANCE CLAUSE

The above bid is hereby accepted by Santa Fe County, New Mexico, this 8<sup>th</sup> day of August, 2017.

SANTA FE COUNTY, NEW MEXICO

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Henry Roybal, Chairperson

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Geraldine Salazar, County Clerk

[2017 Bonds Bid Form]

## EXHIBIT A

[to 2017 Bonds Bid Form]

### ISSUE PRICE CERTIFICATE

The undersigned hereby certifies on behalf of \_\_\_\_\_ (the "Underwriter") as follows with respect to the \$28,775,000 principal amount of the Santa Fe County, New Mexico General Obligation Improvement and Refunding Bonds, Series 2017 (the "Bonds").

1. *Reasonably Expected Initial Offering Price.*

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the Underwriter are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the Underwriter in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by the Underwriter to purchase the Bonds.

(b) The Underwriter was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Underwriter constituted a firm offer to purchase the Bonds.

2. *Defined Terms.*

(a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is August 8, 2017.

(d) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Underwriter's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the County with respect to certain of the representations set forth in the Tax Compliance Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Modrall, Sperling, Roehl,

Harris & Sisk, P.A., as Bond Counsel in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the County from time to time relating to the Bonds.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Dated: \_\_\_\_\_

ISSUE PRICE CERTIFICATE  
SCHEDULE A

EXPECTED OFFERING PRICES  
(Attached)

ISSUE PRICE CERTIFICATE  
SCHEDULE B

COPY OF UNDERWRITER'S BID  
(Attached)

(End of Form of Official Notice of Public Meeting and Bond Sale)

## APPENDIX D

### FORM OF CONTINUING DISCLOSURE AGREEMENT

#### CONTINUING DISCLOSURE AGREEMENT

Section 1. Recitals. This Continuing Disclosure Agreement (the "Agreement") is executed and delivered by Santa Fe County, New Mexico (the "County") in connection with the issuance of the Santa Fe County, New Mexico General Obligation Improvement and Refunding Bonds, Series 2017 (the "Bonds"). The Bonds are being issued pursuant to the Notice of Sale Resolution adopted on July 11, 2017 (the "Notice of Sale Resolution") and the Award Resolution adopted on August 8, 2017 (the "Award Resolution," and together with the Notice of Sale Resolution, the "Bond Resolution"). Pursuant to the Bond Resolution, to allow the purchaser of the Bonds to comply with the Rule (defined below), the County is required to make certain continuing disclosures for the benefit of owners (including beneficial owners) of the Bonds (the "Owners"). This Agreement is intended to satisfy the requirements of the Rule.

Section 2. Definitions.

(a) "Annual Financial Information" means the financial information or operating data with respect to the County, delivered at least annually pursuant to Sections 3(a) and 3(b) of this Agreement, consisting of information of the type set forth in "DEBT AND OTHER FINANCIAL OBLIGATIONS - History of Assessed Valuation" and "FINANCES OF THE COUNTY" in the Official Statement. Annual Financial Information will include Audited Financial Statements if available.

(b) "Audited Financial Statements" means the County's annual financial statements prepared in accordance with generally accepted accounting principles, as in effect from time to time ("GAAP"), for governmental units as prescribed by the Governmental Accounting Standards Board ("GASB"), which financial statements have been audited as may then be required or permitted by the laws of the State.

(c) "EMMA" means the MSRB's Electronic Municipal Market Access System located on its website at [emma.msrb.org](http://emma.msrb.org).

(d) "Event" means any of the following events with respect to the Bonds:

1. principal and interest payment delinquencies;
2. non-payment related defaults, if material;
3. unscheduled draws on debt service reserves reflecting financial difficulties;
4. unscheduled draws on credit enhancements reflecting financial difficulties;

5. substitution of credit or liquidity providers, or their failure to perform;
6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. modifications to the rights of the holders of the Bonds, if material;
8. bond calls, if material, or tender offers;
9. defeasances;
10. release, substitution or sale of property securing repayment of the securities, if material;
11. rating changes;
12. bankruptcy, insolvency, receivership or a similar event with respect to the County or an obligated person;
13. the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. appointment of a successor or additional trustee, or a change of name of a trustee, if material.

(e) "Event Notice" means written or electronic notice of an Event.

(f) "MSRB" means the Municipal Securities Rulemaking Board.

(g) "Official Statement" means the Official Statement dated August 8, 2017, delivered in connection with the original issue and sale of the Bonds.

(h) "Report Date" means March 31 of each year, beginning in 2018.

(i) "Rule" means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934, as amended (17 C.F.R. Part 240, § 240.15c2-12), as the same may be amended from time to time.

(j) "SEC" means the Securities and Exchange Commission.



- (k) "State" means the State of New Mexico.

Section 3. Provision of Annual Financial Information and Reporting of Events.

(a) The County shall, while any Bonds are Outstanding, provide the Annual Financial Information on or before March 31 of each year (the "Report Date"), beginning in 2018, to EMMA. The County may adjust the Report Date if the County changes its fiscal year by providing written notice of the change of fiscal year and the new Report Date to EMMA, provided that the new Report Date shall be 270 days after the end of the new fiscal year and provided further that the period between the final Report Date relating to the former fiscal year and the initial Report Date relating to the new fiscal year shall not exceed one year in duration. It shall be sufficient if the County provides to EMMA the Annual Financial Information by specific reference to documents previously provided to EMMA or filed with the Securities and Exchange Commission and, if such a document is a final official statement within the meaning of the Rule, available from the MSRB.

(b) If not provided as part of the Annual Financial Information, the County shall provide the Audited Financial Statements when and if available while any Bonds are Outstanding to EMMA.

(c) If an Event occurs while any Bonds are outstanding, the County will provide an Event Notice in a timely manner not more than 10 business days after the Event to EMMA. Each Event Notice shall be so captioned and shall prominently state the date, title and CUSIP numbers of the Bonds.

(d) The County shall provide notice to EMMA, in a timely manner not more than 10 business days after the occurrence, of any failure by the County while any Bonds are Outstanding to provide Annual Financial Information on or before the Report Date.

Section 4. Method of Transmission. The County shall employ such methods of information transmission as shall be requested or recommended by EMMA, the MSRB or the Securities and Exchange Commission.

Section 5. Termination of Continuing Disclosure Obligation. The continuing obligation hereunder of the County to provide Annual Financial Information, Audited Financial Statements, if any, and Event Notices shall terminate immediately once Bonds no longer are Outstanding. This undertaking or any provision hereof, shall be null and void in the event that the County delivers to EMMA an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which require this undertaking, or any such provision, are invalid, have been repealed retroactively or otherwise do not apply to the Bonds. This undertaking may be amended without the consent of the Owners, but only upon the delivery by the County to EMMA of the proposed amendment and an opinion of nationally recognized bond counsel to the effect that such amendment, and giving effect thereto, will not adversely affect the compliance of this undertaking by the County with the Rule.

Section 6. Beneficiaries. This agreement shall inure solely to the benefit of the County and the Owners from time to time of the Bonds, and shall create no rights in any other persons or entity.

Section 7. Enforcement. Each Owner is authorized to take action to seek specific performance by court order to compel the County to comply with its obligations under this Agreement, which action will be the exclusive remedy available to it or any other Owner. The County's breach of its obligations under this Agreement will not constitute an event of default under the Bond Resolution, and none of the rights and remedies provided by the Bond Resolution will be available to the Owners with respect to such a breach.

Section 8. Term. The County's obligations under this Agreement will be in effect from and after the issuance and delivery of the Bonds and will extend to the earliest of (i) the date all principal and interest on the Bonds has been paid or legally defeased pursuant to the terms of the Bond Resolution; (ii) the date on which the County is no longer an "obligated person" with respect to the Bonds within the meaning of the Rule; or (iii) the date on which those portions of the Rule which require this Agreement are determined to be invalid or unenforceable by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Bonds.

Section 9. Amendments. The County may amend this Agreement from time to time, without the consent of any Owner, upon the County's receipt of an opinion of independent counsel experienced in federal securities laws to the effect that such amendment:

(a) is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law or a change in the identity, nature or status of the County;

(b) this Agreement, as amended, would have complied with the Rule at the time of the initial issue and sale of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any changes in circumstances; and

(c) the amendment does not materially impair the interests of the Owners.

Any Annual Financial Information containing amended operating data or financial information will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided. If an amendment changes the accounting principles to be followed in preparing financial statements, the Annual Financial Information and Audited Financial Statements for the year in which the change is made will present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 10. Governing Law. This Agreement is governed by and is to be construed in accordance with the law of the State.

Dated: \_\_\_\_\_, 2017

SANTA FE COUNTY, NEW MEXICO

By: \_\_\_\_\_  
Henry Roybal, Chair  
Board of County Commissioners





