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SANTA FE

BOARD OF COUNTY COMMISSIONERS

SPECIAL MEETING

January 6, 2004

Jack Sullivan, Chairman
Paul Campos
Paul D. Duran
Michael D. Anaya
Harry B. Montoya

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This special meeting of the Santa Fe Board of County Commissioners was called to order at approximately 12:35 p.m. by Chairman Jack Sullivan, in the Santa Fe County Commission Chambers, Santa Fe, New Mexico.

Following the Pledge of Allegiance, roll was called and indicated the presence of a quorum as follows:

Members Present:

Commissioner Jack Sullivan, Chairman
Commissioner Paul Campos
Commissioner Paul Duran [late arrival]
Commissioner Mike Anaya
Commissioner Harry Montoya

Members Absent:

[None]

IV. Approval of the Agenda

CHAIRMAN SULLIVAN: Gerald, do you want to point out any changes in the agenda for us?

GERALD GONZALEZ (County Manager): Be glad to Mr. Chair. We have, under Section VI, Matters from the County Manager, addition of item B, Resolution No. 2004-___, authorizing County staff to offer qualified current Cornell employees or current positions as County employees. And although we have indicated the executive session under Matters from the County Attorney, at this time, unless there are specific matters that the Commission may want to meet in executive session the County Attorney has nothing to bring forward.

CHAIRMAN SULLIVAN: Is there a resolution? I don't see a resolution. I see it on the agenda.

MR. GONZALEZ: I thought that had been passed out yesterday.

CHAIRMAN SULLIVAN: Oh, okay. It came in the other amended notice.

Okay, there it is. I got it.

MR. GONZALEZ: Okay.

CHAIRMAN SULLIVAN: They brought it by yesterday.

MR. GONZALEZ: That's all I had, Mr. Chair.

CHAIRMAN SULLIVAN: Okay, any other amendments or additions or changes to the agenda?

COMMISSIONER MONTOYA: Move for approval.

COMMISSIONER ANAYA: Mr. Chair.

CHAIRMAN SULLIVAN: Commissioner Anaya.

COMMISSIONER ANAYA: Are we going to elect -- it says election of chairman -- and vice chairman?

CHAIRMAN SULLIVAN: I think that's implied. We'll need to elect both, so we want to make that correction on the agenda. Is that appropriate? Election of chairman and vice chairman?

MR. GONZALEZ: That would be fine, Mr. Chair.

CHAIRMAN SULLIVAN: Okay, so we have a motion for approval. Would that be as amended, Commissioner?

COMMISSIONER MONTOYA: Yes, sir.

COMMISSIONER ANAYA: Second.

CHAIRMAN SULLIVAN: And second from Commissioner Anaya.

The motion to approve the agenda as amended passed by unanimous [4-0] voice vote. [Commissioner Duran was not present for this action.]

V. Matters from the Commission

A. Election of Chairman and Vice Chairman

CHAIRMAN SULLIVAN: This is an item I've been looking forward to, which is the election of the chairman and the vice chairman for the year, and then, after that, I understand that I'll continue through this meeting and whoever's the new chair will take effect at the next regular meeting. So let's go then to item V. A. Do we have any discussion, volunteers?

COMMISSIONER ANAYA: Mr. Chair.

CHAIRMAN SULLIVAN: Commissioner Anaya.

COMMISSIONER ANAYA: First of all, I'd like to thank you for doing a good job as chairman.

CHAIRMAN SULLIVAN: Thank you, sir.

COMMISSIONER ANAYA: And Commissioner Campos, I want to thank you for doing a good job as vice chair. And with that, I'd like to make a motion to elect Commissioner Campos as chairman of Santa Fe County Board of County Commissioners.

COMMISSIONER MONTOYA: Second.

CHAIRMAN SULLIVAN: Motion and a second. Is there discussion?

The motion to name Commissioner Campos as Commission Chairman passed by unanimous [4-0] voice vote. [Commissioner Duran was not present for this action.]

CHAIRMAN SULLIVAN: As outgoing Chair I'd like to take a point of personal privilege to make a motion for the vice chairman to nominate Commissioner Mike Anaya as vice chairman for the upcoming year.

COMMISSIONER MONTOYA: Second.

CHAIRMAN SULLIVAN: We have a motion and a second. Is there discussion on that motion?

The motion to name Commissioner Anaya as vice chairman of the BCC passed by unanimous [4-0] voice vote. [Commissioner Duran was not present for this action.]

CHAIRMAN SULLIVAN: Thank you gentlemen and congratulations.

COMMISSIONER CAMPOS: Thank you.

COMMISSIONER MONTOYA: Thank you for your leadership.

CHAIRMAN SULLIVAN: I feel better already. I do want to say that it's been an excellent year of working with everyone as the Chair and I will pledge to give the Chair and the Vice Chair the same respect and help that everyone gave me in my term as chairman. Thank you very much.

Are there any other Matters from the Commission? Commissioner Campos.

COMMISSIONER CAMPOS: One thing I'd like, Mr. Chair, is an update on the water issues that we have, that we discussed last year. Some of the litigation, some of the discussions about the water service agreement with the City. The desalination project, the wellfield project maybe briefly. I know we don't have a Utility head right now and it may be a little difficult, but in the near future I'd like to have some updates so we can get that issue back in focus.

MR. GONZALEZ: Be glad to do that, Mr. Chair. Obviously, we're concerned about the wheeling agreement and at this point I think need to move forward with putting together the committee that had been suggested earlier during an RPA meeting in order to commence the negotiation process with the City that needs to occur.

With respect to the -- and these are just very thumbnail kind of sketches but just responding quickly to Commissioner Campos -- with respect to the desalination project in the Estancia Basin, after some technical questions were raised about the ability to move forward using the hydrological model that the applicants had been suggesting, what we did was basically keep them moving forward by indicating to them that we would talk to the Commission about giving, perhaps, say, a letter of commitment in terms of becoming a user, which would allow them to move forward with their process before the State Engineer without having the County

immediately spend any funding. So that will be coming forward. We'll brief you in a little more detail some time in the near future after we've had a chance to continue the discussion with those participants.

And then the other projects, we'll also give you a briefing shortly so that you're up to date on what's going on.

CHAIRMAN SULLIVAN: Anything else, Commissioner Campos?

COMMISSIONER CAMPOS: No, sir.

CHAIRMAN SULLIVAN: Commissioner Montoya.

COMMISSIONER MONTOYA: Mr. Chair, I too just want to thank you for running some good meetings this year, and I've enjoyed this first year on the Commission and look forward, Commissioner Campos, to your leadership as well. I was just talking to Becky briefly before the meeting and some of you, probably a lot of you know that Sam, Samuel Montoya, our former County Manager here underwent surgery and is doing fine and I just ask that you keep him in your prayers and that he have a good and full recovery so that we can have him back with the Association of Counties. That's all I have, Mr. Chair. Thank you.

CHAIRMAN SULLIVAN: Thank you, Commissioner. Commissioner Anaya.

COMMISSIONER ANAYA: Mr. Chair, I just want to wish everyone a happy new year and I look forward to working with staff and the manager and the Commissioners. And I had a good 2003. Thank you, Mr. Chair.

CHAIRMAN SULLIVAN: Thank you, Commissioner. Okay then. I've said my piece so we'll move on to Matters from the County Manager.

VI. Matters from the County Manager

A. Adoption of the Annual Open Meetings Resolution

MR. GONZALEZ: I believe you have before you the redrafting of the current resolution following the same format, so unless there are changes that the Commission would want to make in the existing resolution, this simply rolls it forward for another year.

CHAIRMAN SULLIVAN: I noticed Gerald that you mentioned, or Steve mentioned there's a change in including language that addresses notice for a closed meeting. What's the difference between a closed meeting and an executive session?

STEVE ROSS (County Attorney): Well, in this context it means that you have a closed executive session apart from a regular meeting. You might schedule an executive session for a time when you're not normally meeting.

CHAIRMAN SULLIVAN: And that would be the only thing you did was the executive session.

MR. ROSS: Right.

CHAIRMAN SULLIVAN: Like we did when we were interviewing candidates for the County Manager's job.

MR. ROSS: That's right.

CHAIRMAN SULLIVAN: That would be a closed session. Okay.

MR. ROSS: That's right. The resolution was silent on how to address a notice of meetings like that so I included language so that we wouldn't have that uncertainty in the future if we had to schedule a meeting.

CHAIRMAN SULLIVAN: Okay, other questions on this resolution or changes or --

COMMISSIONER MONTOYA: Mr. Chair, move for approval.

CHAIRMAN SULLIVAN: Motion for approval.

COMMISSIONER ANAYA: Second.

CHAIRMAN SULLIVAN: And second of Resolution 2004-1. Any further discussion?

The motion to approve Resolution 2004-1 passed by unanimous [4-0] voice vote. [Commissioner Duran was not present for this action.]

VII. B. Resolution to authorize County staff to offer qualified Cornell employees their current positions as County employees

CHAIRMAN SULLIVAN: Gerald, would you like to explain this to us?

MR. GONZALEZ: I'll turn it over to Helen, but basically what we wanted to do was get the Commission's authorization to move forward with the implementation of the decision that was made to take over the operation of the juvenile facility and a piece of that that we had not specifically addressed for purposes of obtaining the Commission's approval was to be able to offer the positions in order to move those current Cornell employees straight across over to the County. Helen?

HELEN QUINTANA (Personnel Director): [Ms. Quintana's opening remarks were inaudible due to the microphone being off]... .. adopt a resolution that will allow current full-time Cornell employees Any positions not filled during this initial transition will become County vacancies and recruiting efforts will follow the rules set forth in our human resources rules and regulations. Staff recommends approval and adoption of the resolution and I stand for any questions.

CHAIRMAN SULLIVAN: Have we developed a chart or an organization chart for positions that we need? I understand that there are some 60 positions there that are currently being utilized and I assume we are also going to be using Bernalillo to help us in defining the exact roles that these individuals will play. We're not necessarily committed to staffing precisely the way Cornell staffed, are we?

MS. QUINTANA: Mr. Chair, at this time, in order, like I say, expedite the process, we are following the organizational chart as it stands currently with the Youth Development program.[Exhibit 1] We have determined that at this time, because the operation functions effectively we don't want to make any major changes at this time but in the future we are going to evaluate each of the jobs that are listed and work with the program and see if

there's any efficiencies that we can develop ourselves.

CHAIRMAN SULLIVAN: I guess my only question is if the County is blanket hiring everyone and then we come back and determine that that individual's position is not needed, that would seem to cause some problems.

MS. QUINTANA: Mr. Chair, right now, not all of the positions are currently filled as it stands. All of these boxes here do not have a person that's attached to each one. So in terms of the lower level positions, that may not cause a big issue. And we're not sure at this time until we go through the transition process if all of the positions will be filled, if those current employees will want to transfer over to Santa Fe County employees. So at this time we don't have a real solid ideas of how many openings there will be or how many positions we need to change as a result of that.

CHAIRMAN SULLIVAN: Commissioner Montoya.

COMMISSIONER MONTOYA: I think you partially answered the question, Helen, but currently, is there a facility director and administrator?

MS. QUINTANA: Commissioner Montoya, yes, there is currently a facility director and an administrator for the facility. I don't know until we go through the process whether or not those two people will apply for their positions or not.

COMMISSIONER MONTOYA: What's the difference?

MS. QUINTANA: The administrator, Commissioner Montoya, is like an office business manager.

COMMISSIONER MONTOYA: Oh, okay.

MS. QUINTANA: The person that currently holds that position.

COMMISSIONER MONTOYA: So basically, they have the opportunity if they wish to apply for these positions.

MS. QUINTANA: That's correct.

COMMISSIONER MONTOYA: And then they'll be on what? one-year probation?

MS. QUINTANA: One-year probationary status.

COMMISSIONER MONTOYA: Okay. So then that gives us a chance to do a thorough review then in terms of the positions that are needed or may not be needed in terms of function.

MS. QUINTANA: Yes.

COMMISSIONER MONTOYA: Okay.

COMMISSIONER CAMPOS: Mr. Chair.

CHAIRMAN SULLIVAN: Commissioner Campos.

COMMISSIONER CAMPOS: Ms. Quintana, how many employees are involved and what kind of payroll are we looking at? Just roughly?

MS. QUINTANA: I'd like to defer that question in terms of the dollars to Susan. I'm not sure exactly what all that is going to involve in terms of the dollars but right now we are looking at 62 employees, potentially, 62 employees as it was presented on the 16th.

SUSAN LUCERO (Finance Director): Mr. Chair, Commissioner Campos,

what we're looking at as Helen described, 62 positions and a budget for salaries and benefits of approximately \$2.9 million.

COMMISSIONER CAMPOS: As far as hiring these folks, I guess the County staff is going to evaluate all of these people and offer jobs to some or most. Is that right?

MS. QUINTANA: The intention is, Commissioner Campos, is that we would offer the positions to as many of them as we can to make sure first of all that they are qualified for the jobs that they currently hold and that they would fulfill the pre-employment process that we will go through. We will have a selection process, an interview process and we will review their current employment files just to ensure that they're the right person for the job.

COMMISSIONER CAMPOS: And how is the hiring going to be done? By your office? By the County Manager's office? How does that work?

MS. QUINTANA: The hiring process would involve, the majority of it from my office, but an involvement from the entire jail team that will be participants with the interview process. The background checks will be done by the Sheriff's Department.

COMMISSIONER CAMPOS: Thank you very much.

MS. QUINTANA: And if I may, we will be coming back, Mr. Chair, on the 13th of January during our regular meeting with a finalized proposal for the organization and how it relates to the County organizational chart.

CHAIRMAN SULLIVAN: Another question, Helen, will these employees all necessarily receive the same salary as they're receiving now?

MS. QUINTANA: Mr. Chair, that is our intent, to bring them over at the same salary as they currently have.

CHAIRMAN SULLIVAN: And how did Cornell's benefits compare with Santa Fe County's benefits?

MS. QUINTANA: I don't know the extent of all of their benefit packages and I wouldn't be able to explain the whole part of it to you. I know that our benefits in terms of our retirement benefits are much better than theirs and I know that many of the employees are very excited about becoming Santa Fe County employees because of that.

CHAIRMAN SULLIVAN: And your screening or pre-employment, what process, what does that consist of?

MS. QUINTANA: Mr. Chair, it would involve the application process and reviewing their qualifications as it relates to the positions that they currently hold. It would also involve pre-employment testing, which includes a physical and drug screening. It would also include a background check done by the Sheriff's Department and an interview.

CHAIRMAN SULLIVAN: What would be grounds for non-employment? Obviously probably not minor traffic violations but what level do we have of cut-off for that?

MS. QUINTANA: Any bona fide qualification that we require for their position, if they don't meet that qualification, but it has to be a bona fide reason. If there was a conviction that related to child molestation and they're a counselor or a life skill worker. That might be something that would disqualify them for the job. If they fail our pre-employment testing, that would disqualify them for the job.

CHAIRMAN SULLIVAN: Do we have job descriptions for all these jobs?

MS. QUINTANA: We have current job descriptions. We are utilizing the same job descriptions that Cornell is using at this time and so we have time to evaluate and rework those to meet our needs. But in the meantime there may be some situations where an employee faces a conviction or something in the interim from the time that they've been hired to the time that we bring them on as Santa Fe County employees and that's what we will be reviewing.

CHAIRMAN SULLIVAN: It just seems that the level of review, this is a more sensitive type of position that some others in the County might be in, that the level of review should be commensurate with that. I don't know exactly what it is but obviously when you're dealing with incarcerated individuals you have to have a different standard.

MS. QUINTANA: Mr. Chair, all of those employees have already gone through an extensive background check just to become Cornell employees. Our Major Madrid from the Sheriff's Department has to sign off on all of those employees even prior to them being Santa Fe County as they were Cornell employees, he had to sign off on those employees as well. So they go through quite an extensive background check anyway, just to even be certified and qualified for the jobs that they're holding as it is.

CHAIRMAN SULLIVAN: Any other questions for Ms. Quintana?

COMMISSIONER ANAYA: Mr. Chair.

CHAIRMAN SULLIVAN: Commissioner Anaya.

CHAIRMAN SULLIVAN: Helen, I've heard "qualified" about five or six times and I'm glad that we're going to get qualified people in there. And I think the only, the good way to do it is to just transfer those people over to Santa Fe County employees. But my question is, let's say there's an employee there that we transfer over into Santa Fe County, will they know that we are going to re-evaluate them and if there is a problem that they could possibly lose their job?

MS. QUINTANA: Mr. Chair, Commissioner Anaya, I am going to be meeting with all of the employees prior to the actual application and interview process to explain all of that to them. And I'll be meeting with the entire team there.

COMMISSIONER ANAYA: Okay. So you'll make it clear to them that just because we transferred them over doesn't really mean you have the job until a one-year period has been completed?

MS. QUINTANA: That's correct.

COMMISSIONER ANAYA: Okay. Thank you. Thank you, Mr. Chair.

CHAIRMAN SULLIVAN: Thank you. Now, the last thing was that basically I guess the reason we're doing this is so you don't have to meet the requirement of internal or external posting. If we fall short, if we have either, because of lack of qualifications or some employees obviously may decide to go on with Cornell somewhere else or whatever. If we fall short of the numbers that we need, then what's the process?

MS. QUINTANA: Mr. Chair, then we would follow our regular recruiting process, which means that we would post the positions, both internally and externally and go through the whole recruiting.

CHAIRMAN SULLIVAN: Okay. So once you've gone through the existing Cornell employees who are at the facility and come up with your manning, if you're short, then we revert back to the County procedures for hiring, including posting and interviews and screening and so forth.

MS. QUINTANA: Yes. That's correct.

CHAIRMAN SULLIVAN: Okay. Other questions? I don't hear any. So we have Resolution 2004-2 in front of us. What's the wishes of the Commission?

COMMISSIONER CAMPOS: Mr. Chair.

CHAIRMAN SULLIVAN: Commissioner Campos.

COMMISSIONER CAMPOS: Move to adopt Resolution 2004-2.

CHAIRMAN SULLIVAN: Motion, and --

COMMISSIONER MONTOYA: Second.

CHAIRMAN SULLIVAN: And a second by Commissioner Montoya.
Discussion?

The motion to approve Resolution 2004-2 passed by unanimous [4-0] voice vote.
[Commissioner Duran was not present for this action.]

CHAIRMAN SULLIVAN: Next is Matters from the County Attorney. Mr. Ross.

MR. ROSS: Mr. Chair, we don't need an executive session today and I have nothing else to bring before you at this time.

CHAIRMAN SULLIVAN: A good start to the new year. That's the last time you'll hear an attorney say "I have nothing further to say." With due respect to all attorneys, listening or in the audience.

VIII. Study session to review and assess the fiscal impact study for the Santa Fe Community College District, prepared by Dan Guimond of Economic and Planning Systems, Inc. (EPS) of Denver, Colorado [Exhibits 2 and 3 attached]

JACK KOLKMEYER (Planning Director): Thank you, Mr. Chair. Good afternoon. Happy New Year to all of you and congratulations to Commissioner Campos and Commissioner Anaya. I look forward to working with you guys this year. A lot of stuff coming up, so it won't be boring that's for sure. Commissioner Sullivan, thank you for serving this year. We appreciate everything that you've done. The purpose for meeting this afternoon is to have a final presentation and thorough discussion of the fiscal impact study that was prepared for the Santa Fe Community College District. And you may recall, the Board of County Commissioners asked for this study and we entered into a professional services agreement back in December of 2002. We've been at this for a little while. We did this study with Economic and Planning Systems, Inc. of Denver. They came in and have worked on this with us. I'd like

to take just a brief moment to introduce Walter Kieser. He's from the San Francisco office of EPS, Dan Guimond, who is from the Denver office, the local consultant -- actually there were two of them working on this project with us -- were Bob Odland from Santa Fe and also Al Pitts who participated in some of the demographic information that was prepared for this study.

Just quickly to review a couple of things that were important regarding this study is that the scope of services for this study included a market analysis, the initiation of the project, a review of existing conditions, economic and demographic trends and forecasts, Community College District Plan residential development forecast, commercial development forecast, a look at alternative development scenarios, an actual fiscal analysis, a look at infrastructure financing, implementation and management, and fiscal and financing model applications, were all a part of this project.

County staff, including Land Use, Public Works, Utilities, Sheriff, Fire, Finance and the Assessor's office all provided detailed data to EPS. A stakeholders group was convened to provide additional information to EPS about the current project. This included both members from the development community as well as the residential community in the Community College District. Infrastructure estimates and a market analysis were presented to staff and the stakeholders at a meeting back in July of last year, and an update was made to you, the Board, in October of last year, so this will be the final presentation and hopefully will be a really good discussion about the fiscal impact study and also a chance for us to discuss future policy implications and an implementation strategy that need to follow from this study.

There was a -- those were some of the details that were in the fiscal impact study. I'd just like to go over what we believe were the five really important purposes for doing this study and then I'm going to turn it over to EPS to go over the particulars with you.

Number one, the first purpose was to determine the potential fiscal impacts of the Community College District Plan upon Santa Fe County. That was the question that I believe, Commissioner Campos, you originally asked was now that we have this sort of new form of development in this Community College District, will it pay for itself? And so that guided us through this and that's the question that we focused on as we moved through the study.

Secondly, another important thing that the study resulted in was that we've now created a baseline of data and projections for the central part of the county. We did this in concert, not only with this study but also with the Regional Planning Authority. We felt it was time and important that we really all had the same data that we were going to work with for all of these projects and concepts that are going to come up over the next couple of years. And I think it's important to remind ourselves that Al Pitts worked with the consultants and we worked with Diane Quarles from RPA so that we could get all of this sort of on the same baseline footing.

Thirdly, we wanted to identify fiscal and financial mechanisms needed to implement the plan, that is the Community College District Plan.

Fourth, we also wanted to identify refinements that might be needed to the Community College District Plan, indicated by the market forecasts and the fiscal analysis that was undertaken.

And the fifth purpose was that we wanted to provide direction on the subsequent master

plan approval process as this fiscal impact study was originally made a condition for several of those master plans. So having stated that, thank you for being here with us this afternoon and I would like to introduce once again Walter Kieser from EPS.

WALTER KIESER: Thank you very much, Jack. It has been a pleasure for myself and my staff to work on this project this past year. I would note that our notion today with this presentation is a workshop intended to -- you have materials that we provided in our draft report as well as this recent memo. We'll be making a presentation. We're here to discuss, answer your questions, and all of that. So that's our purpose for being here today. So feel free at any time to interrupt myself or Dan or Bob as we're making our presentations.

As Jack said, we did have a cooperative working process, and that's always a pleasure, when we have that opportunity to work with staff and others involved and work towards a common objective. So that's been a real positive aspect, and I think hopefully we'll benefit, not only the work we've done but also the decisions that you're going to make moving forward on this and other projects.

The thing that's important about this fiscal analysis that may distinguish it from others is that we really weren't, in all cases, evaluating something that existed. We had to do a lot of things to create, in effect, what we are evaluating. So the question, really, that we're answering in the context of what Jack was saying is how to approach development in the Community College District in a fiscally and financially valid way. So it's not as much saying, "This has or will not have this effect," but rather, "What are the steps that you need to take to make sure that the outcomes that you want do in fact occur?" So our study was really focused on answering that question and providing you with not only the analysis but also methods. And we're going to talk about this more as we go through our presentation.

Another point that I would make initially is that we have not resolved all of the questions. We have created an analytical framework, we've established baseline data as Jack has said, but there's a number of important questions that need yet to be resolved, such as how the furthering of the existing water agreements with the City and the County and others will actually yield water here or not. And obviously that's a fundamental question. There's also questions regarding the institutional framework for regional roads in the Community College District and how parks and open space that serve the broader community will be handled. So there's a number of questions of that nature that certainly should be resolved, in our view, as we move forward that we haven't come up with an answer to. We've answered a number of other questions, but not those.

I'd just like to reiterate a little bit about what Jack said in some more detail about what we actually accomplished. First of all, as Jack I think mentioned, was we established a forecast for development. This is very important, because when you're doing an analysis of this sort, you better be evaluating something close to what's "real," meaning what the market's actually going to do. In that regard, we've worked with AI and also coordinated with the Regional Planning folks to make sure that what we are doing there is consistent with the regional look. And in fact, the work that we did in this regard not only helped us but also helped the whole central county in refining a bit about how growth will occur and where it will in the sub-

regional analysis. So that was kind of the first thing we did.

We also looked at service demands. Service demands from the standpoint of okay, you're going to have a population out there. They're going to demand police, roads, fire, these other services. What are those demands? And we looked at that in some detail, working not only with the project developers and landowners, but also the service providers directly.

Following that, of course, we look at the question of costs of these services. How much will it cost to provide these services? How will they in fact be delivered? There we have to look at the question of governance. Who is providing the services? And in this case, some of the services will be provided by the County on an ongoing basis. Some will be provided by special districts that either exist or will exist. And some will be provided through private mechanisms that have typically been used here in Santa Fe County.

So we had to answer all those questions before we answered this cost question. But what we were looking for, of course, was those residual costs that come back to the County, that are your ongoing responsibility as this project moves forward. And then we compare those with the revenues that will be derived, the property taxes, sales taxes, other public revenues that you'll be receiving. And that gets us to our fiscal conclusion. Dan will be going into that precisely in a moment. But I just want to make the point that we are looking at specifically the impact on the County in the context of a broader recommendation for how services are going to be delivered by a number of different entities, including the County.

We're looking at these impacts over a range of time periods. Obviously, development is going to occur in this area over a long period, fifty years perhaps. So we needed to look at this in different time periods. We're looking at it right now, we're looking at it in about five years, we're going to look at it in about twenty years, and then the long term, so maybe build-out. This gives us an opportunity to look at how the project and services will be required over a long period of time. We don't really know how much time it's going to take and what exactly is going to happen in time. But we do, in analysis, want to get a pretty good idea of being able to handle all of that, no matter when it happens.

We've also specified management and implementation efforts. This comes back to my first point, that with respect with this project what we needed to do was to assert or define or identify a number of things so analysis could be conducted. We've articulated those as a series of implementation efforts, management efforts that you need to do in moving forward with this project.

There are also a number of plan refinements. Now, as you know, there are these plans that are out there that have been approved by the County in the past, and they're not altogether perfect, as you can imagine. So, based on our work, we're suggesting a few changes to the plans, either as amendments to the plans themselves or as specifying the next round of planning, the so-called preliminary plans that would be submitted following this fiscal effort that we're engaged in.

The final thing that we did in our work was recommend how this work that we're doing, this fiscal work and financial work, can be used over time. This is not designed as a one-time piece of information sort of go/no-go for you, but rather a process to make sure that the

decisions that you take over time are sound decisions based on sound fiscal and economic information. So this work that we've done, we intend for it to live, to go on and be refined and updated and used when individual applications and decisions face you in the future.

Regarding these last points, one final point I'll make before turning it over to Dan is that we think that this really relates to what's going to happen from right here today. We're here to talk with you and take any input or comments from the public and finalize our report . We've written a memo which does reflect our analysis at this point. We may stand to refine that further, but sometime in the very near future, hopefully in a matter of days, produce a final report.

What we'd like, though, is for you to take another step beyond that to officially recognize some of the steps, the implementation steps, these plan refinements, in some kind of official action that will guide the subsequent planning process, whether it's work on the part of the County staff or directives to the development community as they submit their plans. We think it would be wise for the board to adopt a series of specific guidelines that follow from the work that we've done. And that would make it official and give everybody a sense of how to move forward and be real clear. And we think it's very important to convert this work that we've done into something quite official. So we would certainly recommend that you do that.

I'd be happy to answer any general questions you may have, or I can turn it over to Dan. Any questions? No? Well, thank you very much for your attention, and Dan, if you wouldn't mind providing the findings.

DAN GUIMOND: Mr. Chair, fellow Commissioners, thank you for setting aside this time to consider the study in some greater detail than you normally do in your regular sessions. I think it does warrant extended discussion and dialogue with you.

I wanted to review the major findings that are in the memo that was provided to you that also reflect the findings in the report that you received in November. There have been some minor revisions of the numbers in the report that are reflected in the memo as a result of our last go-around of meetings with department heads here in December. And then, because I think, Commissioner Campos you weren't here, the decision was to table this for another month to this day.

Starting with the findings on page two of the memo. From the market perspective, certainly everything that we found indicates that this Community College District Plan is really responding to the market, and is a very distinct and dynamic development area that will continue to grow in the county as other areas of the county build out. Certainly with all the caveats regarding provision of water and utilities being available, which of course are fully within the control of the County, should those utilities be available, the market is there for this to become a distinct and dynamic development area that's forecast to grow to, over the 2003 to 2007 period, to account for eleven percent of county growth, and over the 2007 to 2020 period, to account for an average of 221 units or 17 percent of county growth. And although we expect it will start slower, an important point is that the plan allows for a significant amount of non-residential growth as well, both in the form of employment centers, which tend to be located on the edges of the Community College District, near the major highway access point, and also as

part of the neighborhood and community centers the mixed use of elements that is contained in the plan.

On the fiscal impact, again under the development model that we analyzed, and I will talk a little bit more about that, but the district is expected to have a positive net fiscal impact on the County general and road funds and on the fire and EMS funds over the forecast period. Based on our recommended allocation of operating and maintenance responsibilities between the County and the Homeowners Association, the general fund is positive by less than \$100,000 in 2007 and growing to over a million per year by 2020. And the fire and EMS funds have a similar and even more beneficial overall fiscal impact.

The district is very much a different development model from the traditional rural development pattern in the county. And it does assume that a series of -- well, one, it requires assumptions and decisions that you will make as a policy body about what the County is going to take over in terms of responsibilities, what logically you should do, and what logically should be done by the homeowners. It also, as we have indicated, we have made some recommendations of where a special district or districts can be used to facilitate the provision of these services. And we'll talk specifically about what services we think the County should do and what services the homeowners should do and what services should be allocated to a special district, or perhaps to some inter-governmental agreement amongst the parties.

The general principles that would apply here, which would apply both in terms of being sensitive to what the fiscal capabilities of the County are, but also other development situations in other areas of the country where you're basically developing on the periphery of an urbanized area within that structure. Those have both informed our recommendations in this matter. But generally our recommendations are in the district for regional systems, systems that go beyond the individual master plan development, to be owned and operated by the County. Or in situations where the County is providing a differential level of services to the Community College District that it can't apply elsewhere in the County, to establish a special district that allows those regional services to be provided. And then secondly, for local services and facilities to be retained by the homeowners or potentially by a collection of homeowners associations with the developers that's referred to as an association.

Next point. In terms of alternative development scenarios or comparisons to the existing rural development pattern, our analysis is that the continuation of the rural development pattern in this area averaging one unit per two and a half acres would have a greater fiscal impact on the County, greater negative fiscal impact on the County, than the Community College District Plan as it is envisioned. And there's three points in this respect that I'd like to make.

One, the County has a number of service provision problems that it has providing to areas like El Dorado in terms of adequate funds for road maintenance, for providing community facility services, and for parks and open space maintenance, for which there are not existing fiscal sources. The Community College District plan provides many of these desirable services to this area. Admittedly, this area will require and expect different services that the rural development area will. But further, it provides a means of mitigation or a means of obtaining the revenues that are necessary to provide for any negative impact through either

service delivery mechanisms or through other development agreements.

Third, the point is in terms of the development mix in the Community College District, it provides a denser pattern of development that provides a greater level of revenue and efficiency of utility services. It also provides -- the market analysis indicates that the level of mixed-use development is going to provide a much greater level of revenues than would be prevalent in a rural development pattern. By example, the non-residential development forecast in 2020 is estimated to generate annually a total of five million dollars in property tax and GRT tax in 2020, compared to only \$1.6 million for the residential development in the district. So, clearly, as we all know, non-residential development and GRT pays for the predominant portion of the County revenue.

As Walter indicated earlier, the fiscal was not intended as a path of analysis. We have to assume a fiscally viable development model as we're moving forward. And turning to page four, where the matrix indicates our recommendations in terms of operation and maintenance responsibilities in the future. As you know, the developer is primarily responsible for the construction of almost all of the capital infrastructure. But the real issue is what happens when the developer goes away. What does the County pay, what are the County's responsibilities, what are the homeowners responsibilities and what might be assigned to other entities?

In terms of our recommendations -- and these have been worked out in cooperation with the County department staff and chiefs, the recommendations are summarized here. In terms of the roads, the individual master plans are responsible currently for the construction and financing of both the primary and secondary roads. The primary roads should be billed and dedicated to the County and meet County standards. The local roads should remain the responsibility of the local homeowners associations in each of the subdivisions.

And these stipulations, of course, need to be encoded with the development community, because as the fiscal analysis right now assumes that the County is going to own and operate these primary and arterial roads and the homeowners are going to operate the local roads. If, for instance, the County ended up with all the local roads, you'd have a much bigger operational burden than you are prepared to deal with. So those need to be explicitly outlined in the master plan and preliminary development plans with the developers.

With respect to utilities, water and wastewater, water -- the County Utility Department will provide water service to the Community College District. It is within your water service area. You've made those commitments, except for the portion of the district that's currently served by City water, which includes the Thornburg projects and the Community College and the IAIA. Individual developments will be required to provide deliverable water rights to the County or to pay for the cost of acquiring and delivering that water by the County, should the County have it available to sell.

With respect to wastewater -- and this is, Mr. Chair, a clarification based on our conversation and some additional follow-up with the Utility Department -- the recommendation is that wastewater collection and treatment is recommended to be a County utility responsibility in the future. As you know, right now Rancho Viejo provides its own utility services. But because of its relationship to water and because controlling the utility is really the County's

greatest control over when development takes place in a timely manner, it is very important that the County utility be in the controlling position. Further, the Utility Department does have the capability to provide wastewater services to the district, either through expansion of the existing Rancho Viejo plan, use of the existing capacity as a penitentiary plant, and/or the development of another system if that's warranted. But ultimately, the important defining factor is that your Utility Department is the managing entity with regard to wastewater services.

Storm drainage -- essentially, storm drainage would flow with the property underlying it, so that any storm drains associated with major roads would become the County's responsibility, and any storm drains associated with local roads or with open space would flow to that responsibility.

On park trails and open space -- this is one of the areas of the plan that we found was not very well defined in terms of who should do what, and also an issue where it's clear that the intent of the Community College District Plan in terms of providing parks, recreation, and open space is very different from what exists elsewhere in the rural portions of the county. So to that extent, there are going to be greater parks and recreation facilities, more open space and regional trails. But there also is a greater responsibility and cost for operating and maintaining this facility. The issue --two issues. One is there are adequate revenues to pay for those operations and maintenance? And two, if even if there was adequate revenue coming from existing County sources of revenue, would there be an issue of differential benefit between the residents of this district and other residents in the County.

We think, for both reasons, that it would be recommended that a regional district be established for the Community College District that would have the operations and maintenance of these regional and park trail facilities. There are still opportunities, for instance, on the athletic fields for cost-sharing agreements between the district and school districts regarding who's using what. But it's clearly an area of some future evaluation and study that needs to be done.

The fiscal analysis conclusions assumed, for purposes of cost analysis -- we assumed that the regional parks were County and that the local parks and plazas were homeowners' responsibilities. We assumed that half the cost of maintaining the athletic facilities was borne by the school district and half was born by the County. So that's a very conservative assumption in terms of the cost. Because what we really think is going to make sense here is that a special district with its own funding source be established to maintain and operate these parks.

The police protection system is expected to remain under the County Sheriff. Our analysis indicates that by 2020 the method of patrol would allow the department to provide a more efficient use of a patrol district with a shift system of using vehicles. Because you've got basically a concentrated area of development. So that's just a cost-saving measure. We didn't analyze it further.

Fire protection will be provided by the County. There will be a fire station in Rancho Viejo, billed for 2004. Our analysis, in working with the Fire Marshal, indicates that somewhere around 2007, if our development forecasts come to fruition, the call volume will make sense that the County move from a volunteer to a paid fire staff within the Community

College District. And the fiscal analysis indicates that there's adequate revenues to pay for a paid staff by then. But there are some restrictions on the use of funds, specifically restrictions on the use of the fire excise tax for paid salaries. So that would either have to be adjusted or some other funds within the Fire Department would have to be allocated. But in overall revenues, they would be there. So the Fire Department would either be faced with some management decisions about either changing the allocations of existing resources or perhaps even delaying having paid staff for a year or two because it gets very close paying for itself at that point in time.

As I said earlier, there are some recommendations regarding region-wide facilities and services. I'll briefly reiterate those points that I haven't made. We do think that, as I said, regarding the park plan that there are some specifics of how the parks are to be operated and maintained within the district that need to be worked out, and we would recommend that you direct staff to evaluate the feasibility of this recommended special district. And we'll talk a little bit about the type of district. The public improvement district is what we're talking about as at least one viable mechanism for operating and maintaining parks, open space, trails, and potentially library services in the future, should we get to that point.

We also recommend that you direct staff to evaluate the feasibility of an approach to ensuring that the regional road system gets built throughout the district in a timely manner. The issue here is that even if each of the individual master plans is responsible for the roads within their master plan development, there are segments of the regional road system that bisect or cross portions of the Community College District that are not under master plan at this point in time. So they'd essentially be crossing undeveloped property. So a system amongst the master plans, either through development agreements or alternately the use of a special district to build and construct these roads between the individual districts could be addressed to build those road segments.

On the parks again, we recommend that the land use staff, planning staff, in association with the Project Facilities & Management Division, really do a more detailed parks and trails plan for the Community College District to analyze the need for what's recommended in the plan as one or more regional parks within the district. And essentially, to determine specifically which parks should be regional, which should be local responsibility. I don't think this is anything that's imminent, that needs to be done tomorrow. But certainly it's something that needs to be done in the next two to three years as we move forward, because as the master plans get developed, there will be aspects, parks and master plan areas, that will be dedicated.

Fourth, as we said, there are significant responsibilities that exist today that lie with the homeowners. But as we move forward and other master plans are approved, as a legal requirement we would suggest that you direct staff to evaluate the process of how these homeowners are noted regarding what their ongoing responsibilities are for operation and maintenance of certain facilities so that they're not basically coming back to you in five years and asking for local roads that were intended to be maintained by the homeowners so the County could take them over.

On the water and wastewater utilities, I reiterate that I do believe the County is in the

most advantageous position that it can be by being the County utility that's providing services for the district. The Utility Department has the ability to require development in the district to either pay for water prior to the approval of master plans, as well as the approval to charge whatever's necessary to cover the cost of water acquisition and development in the form of a connection fee or a utility expansion charge. It is presumed that the County will continue to update its utility master plan and adjust its hook-up charges to cover the capital costs of servicing the district as well as other developments within its water service area.

In terms of recommendations, we would suggest that you direct all involved County departments to engage in an annual five-year capital improvement program that provides the cost basis for establishing these fees. And as it relates specifically to water and wastewater, your existing utility master plan should be updated so that the utility connection fees and charges that you require from developments cover the cost of both providing and delivering the water and wastewater infrastructure services to the district.

On police and fire, as I said, there will be a new fire station, and it's anticipated that call volume somewhere in the 2007-2008 period is anticipated to suggest the need for a paid fire staff as opposed to a volunteer staff. I know you've addressed that in other areas of the county, but the suggestion is that you direct fire and EMS to continue to monitor that call volume and establish when the timing needs to be, and also to ensure that the revenue levels are sufficiently paid for. If not, revenue enhancements would need to be put in place.

[Commissioner Paul Duran arrived at 1:30]

The revenue systems should be sufficient to pay for that in that time period.

And further, regarding police protection, to request the Sheriff to evaluate the most efficient approach to the provision of public safety services in the district. We wouldn't anticipate any significant changes for the near future here. This is a long-term recommendation, that as the district reaches a more mature level that a police service sub-area or beat system might be the more cost-efficient way of providing services.

I'm going to turn it over to Bob Odland to discuss the recommended modifications to the plan and ordinance procedures that are outlined on the last few pages.

BOB ODLAND: Mr. Chair, members of the Commission, I'm Bob Odland. I'll briefly go through the eight recommendations. Actually the discussion begins at the bottom of page six and the recommendations start on page seven.

The first set of recommendations deals with the concept of community centers. The plan was prepared with the idea of having six community centers or neighborhood centers as an integral part of the plan. We think that's a good approach. It seems to be the trend of the future in that more and more development projects are going this way. However, the idea of having six community centers, and by that I mean a community center being something that would have something like a supermarket, there simply does not appear to be the market to support those. The economists have told us that probably three of us are supported as community centers and the rest should be developed into smaller-scale neighborhood centers. This is a common thing that's happening with this type of development in the United States. There's simply not enough commercial demand to have a shopping center in every neighborhood. It just

doesn't work out that way, for better or worse.

So the first recommendation is to allow two types of these centers to occur, the community centers, which would be larger, most likely having a shopping center, and then the neighborhood centers, which may have commercial on a smaller scale, but they may also be oriented around recreational uses or educational and recreational uses, or something else. And secondly, and again I'm at the top of page seven, define the nature of the community and the neighborhood centers. If you do have a neighborhood center which is intended to be smaller, you don't want a big retail store coming in there, for example. You want to exclude those kinds of stores from a neighborhood center. You want more a people-friendly center.

The way to do this which we're recommending is that for each one of these six centers to require a plan to be submitted by the proponents, saying what the scale of this would be. And then at that time the staff working with the developers and landowners could hammer out the nature of these centers and the size and the scale of the centers.

Moving on to the middle of page seven, number two, there's a third type of center, and that's an employment center. And that's intended to be primarily a place where people work, producing something -- it's intended to be primarily an employment center as opposed to a retail center. And one of the things that could happen, and it's certainly not intended by this plan, is that these employment centers, if they tend to be along existing highways, could develop into retail centers and therefore would take the market away from your internal community and neighborhood centers. So we suggest limiting the type of development that would go into these employment centers and trying to make them more of true employment centers with some services of course that would be available to the employees, so they wouldn't have to get in a car and drive a long distance. And also at the same time, to develop some site planning and design guidelines for these employment centers so they're just not a hodgepodge of development along your major highways. They can and they should be an attractive form of development.

Moving on to some of the procedural issues, 3A basically says that it appears, we think, that these various changes can be implemented through changes to your zoning ordinance, rather than going back to making changes in the plan itself. As far as the nature of the centers, the timing of the centers, and issues such as this, we don't believe that amendments at this time would be required to the plan itself. There's some ambiguity in the language of the existing ordinance, and I know the ordinance is being rewritten, but specifically on this portion about the procedures for coming in for a preliminary plan that would have to be shown and so on and so forth. This is maybe not a unique type of development, but it's certainly a different type of development and we want to make sure the procedures that you have for reviewing this kind of development are appropriate for what you want to achieve in the plan.

Finally, because this is a large-scale project, it has multiple owners, it's one of the more difficult types of development for a local government to control, we think that a decision-free approach, i.e. if this developer decides to do this, then the County staff goes back and has some guidance as to what types of decisions have to be next. You can't really propose a static, a rigid, static plan for a project like this that would last over the next thirty years or whatever.

You have to develop a process. As events occur, and all kinds of events might occur, you have to have a process where you can respond to these and take the appropriate action. These implementation steps that I've been talking about in regard to the plan and the zoning deal less with infrastructure than they do with trying to make the development a better development and trying to make the process a better process. And I'll turn it back to Dan, who will summarize the next steps.

MR. GUIMOND: Just in conclusion, Mr. Chair, fellow Commissioners, the little glitch under "Next Steps" there, I'll just read you the sentence that should have been on your copy: "The planning and implementation actions are summarize on Table 2 with a time line and estimate and suggested responsibility." All we did was take the recommended plan refinements that Bob just outlined, as well as the recommended additional steps regarding financial and operational refinements, and list them and suggest a potential timing and which County departments would be responsible for those. We just want to put them in a summary matrix for you.

That essentially concludes our presentation of the summary and conclusions from our study. And we're all here available to answer questions that you have.

CHAIRMAN SULLIVAN: Thank you very much.

MR. GUIMOND: Thank you.

CHAIRMAN SULLIVAN: Let me start with just a couple, since the Community College District is in my district, and then we'll get others. On page fifteen -- and we haven't had an opportunity to review this memorandum you just handed out, so it's a little difficult for us to comment in depth on that -- but on your study dated November 26th, on page fifteen under "Master Plan Impacts," I was interested in the sentence that said that "the market forecast indicates that the amount of development in the approved master plans is in proportion to the development's forecasts through roughly 2030, as shown in Table 10." And when I looked at Table 10, I thought it was really quite out of proportion. As I read it, and correct me if I'm wrong, Table 10 indicates that we have a need for 2.8 million square feet of commercial space in 2020, we have a need for of 4.1 million square feet of commercial space in 2030, and we've already approved 5.3 million square feet of commercial space, according to your estimate.

So it seems that we've already gone beyond this issue that you brought up of the commercial development occurring in areas where they might dilute, I think is the term you used in the summary, the community centers within the district. We already have about twice the amount of commercial approved that we can even forecast for 2020. And then, going back then to page fifteen at the bottom, you say: "There is, however, no assurance that all of these master plans will develop as quickly as expected, or even at all. The County will therefore need to consider these factors in considering additional master plan approvals for unplanned Community College District land areas." Now, what does that mean? What are you recommending? We have 5.1 million approved and developer A comes in with an additional multi-purpose development including residential and commercial. What are you suggesting?

MR. GUIMOND: It is a mouthful, I would agree. But let me try and clarify

what I think our recommendations are to you. When I say that they are roughly in proportion, again, I'm focusing on that third column which says "Approved and Proposed Master Plans," which says that there are 5,000 units approved, compared to 8,000 demanded. In that case, there is a forecast of more residential demands than is currently in the master plan. However, as you pointed out, on the non-residential side the estimate is 4.1 million by 2030, and these existing approved and proposed master plans have somewhat more than that.

We don't think that if you look out to 2030 that you can be totally prescriptive about the amount of development that's going to occur. I mean, development's going to occur slower or faster than we forecast, and those are all going to be in consideration. I guess I would say those numbers are roughly within twenty percent of one another, which I would say for a long-term forecast is roughly in proportion. It does suggest, however, as I think is one the points you were making, as you look to the future capacity of the district in terms of if you filled it out at that current ratio and the build-out, that you'd have way too much non-residential development. I think in general we would expect, as these forecast suggest, that residential is probably going to occur at a faster rate than planned and commercial is not going to occur quite as fast as the current development plans anticipate. That is probably typical of many developers who will come in before you with a master plan with a bunch of commercial that, in some cases, never gets developed.

I think the most significant issue as it relates to the feasibility of the land use plan is the one that Bob alluded to earlier, and that's our suggesting that, as it relates to the community centers and the village centers, that we feel that they are over-planned. That the amount of community centers that are shown on the plan won't be supported by the market. So if the plan goes forward the way it exists today with community centers, those red dots that are on the plan that are suggested as community centers, then we think in the next 20 to 30 years only three out of those six dots would get developed. The others would be largely vacant parcels in the middle of development. And for that reason we would suggest that the plan be adjusted to allow the community centers, the other community centers, to develop as smaller-scale neighborhood centers that don't have as much commercial development in them, that may be just the focal point for civic and multi-family development community centers. Things that would be a focal point within the neighborhood. But the expectation that you would get a community shopping center with a supermarket in all six of those is just unrealistic.

CHAIRMAN SULLIVAN: I understand that point, and I think it's a good point. I think it makes sense. But my question is, as a policy-maker, we now have master plans that are approved essentially along Route 14 and along Richards Avenue, which is the gateway to the district and on the periphery of the district, in the order of over five million square feet. We don't need five million square feet until long after 2030. What is your suggestion? Do we de-approve that?

MR. GUIMOND: That was what I was trying to suggest, is that I don't feel that there is any need to de-approve. That I think, particularly as it relates to employment centers, that development will either occur at perhaps a lower density than was suggested earlier or perhaps some of that development would come back for amendment of land use.

CHAIRMAN SULLIVAN: Okay. One of your suggestions, as I recall, today and also in the report, was that you change the character of the employment centers. You make them more employment centers and less commercial centers. And so even though we may have approved employment centers with this almost totally inclusive list of things that you can do, I think everything up to but excluding a slaughterhouse, that your recommendation is that we narrow that down somewhat. So that although we'll have 5.1 million square feet of commercial approved, that that commercial gives us some opportunity for these community centers to develop, i.e. with the grocery store, which seems to really be the focal point of a community center.

MR. GUIMOND: It is a focal point. It is really the one element that allows a community center to happen. So I don't think we're suggesting major revisions in the definition of the employment center. I just think we want to exclude those community level retail uses that are more appropriately located in a community center. We do think there may be some regional-level commercial that could locate in the employment centers, because they're out near either State Route 14 or on the highway interchanges where you do have regional access. So some larger, more regional, big-box type retail could be appropriately located in those employment centers, as long as it's designed appropriately. So it's a fairly minor change in the definition of commercial uses in the employment centers that were suggested to be made.

CHAIRMAN SULLIVAN: Let me ask another question. In the report on page 35 and 36, you talk about the alternative scenario for fiscal impacts, which basically was comparing the Community College District to what it may have been before, which was residential lot development on two and a half acres and that type of development that's been occurring out there in the past. On page 36 you say: "A quantification of the differences between the existing development pattern and the Community College District plan is largely beyond the level of assumptions of data available at this time." Back on page 35 you say: "Existing rural development pattern is largely, by definition, fiscally viable." Then on your report distributed today, on page three, you say that: "It's expected that the continuance of rural development averaging one unit per two and a half acres would have greater fiscal impacts on the County." So did you get religion between November and now, or what data became available to you that was not in this November report that led you to conclude that?

MR. GUIMOND: Well, we did make changes in the language there based on questions that we received, both from you and from staff. I want to explain the two statements that sound contradictory, but in my mind aren't necessarily contradictory. The original statement is just if you look at -- what I meant is if you look at the entire land-use balanced in the County, residential, non-residential, throughout the entire County, implicitly your budget as it exists today is fiscally balanced in terms of you're getting revenues from your entire existing development pattern, and non-residential and supporting residential, which doesn't pay for itself.

In terms of -- and the statement related to our difficulty in trying to analyze this issue specifically is if we were to make a direct comparison between the development program of the Community College District plan and what development program might happen on this

property if it were not the Community College District Plan, if we were to have to go and make some rather gross assumptions about exactly what the land use development plan would be, how much residential versus non-residential, what the housing values would be in the district. And that's what I meant by "beyond the level of the data available."

However, the statement made in the clarifications, we're trying to get a little more specific about the fact that even within your existing budget, we know that non-residential developments are developments paying GRTs, paying a significant burden of the cost. And if you just isolate an existing land use pattern that's primarily rural/residential from the Community College District, which assumes a lot of non-residential development, a lot of mixed-use development, I just provided the numbers that really illustrate how much of the revenues in the district are coming from non-residential compared to residential.

CHAIRMAN SULLIVAN: Okay, so in your -- I guess the data that's new, you've provided two new numbers, one estimated at five million dollars in property and gross receipts tax for commercial development and 1.6 for residential. So I'm assuming you didn't make an estimate of the cost of services of that alternative scenario. You're just simply saying that it's just going to generate that much money, but you haven't told us what the cost of services would be in that scenario.

MR. GUIMOND: That's correct.

CHAIRMAN SULLIVAN: Okay.

MR. GUIMOND: What I did was really not generate any new numbers, but I just said--

CHAIRMAN SULLIVAN: This is a little editorializing.

MR. GUIMOND: By example, these are the numbers that are implied in the existing analysis.

CHAIRMAN SULLIVAN: Let me ask about your assumptions in Appendix 2, Table 11. As I read this, basically these numbers are developed on roads, fire, and EMT. And one of the road numbers I see cropping up throughout the analysis is -- and I'm looking at the 2007, because I think that's a period that we can logically estimate to with some reasonable certainty and shoot for. But your estimated annual operating and maintenance cost for roads in the Community College District is \$85,554 dollars. That seems low to me. That pays for one operator and one grader. And I was just wondering where that number came from.

MR. GUIMOND: Well, it comes from a dollars-per-mile assumption of --

CHAIRMAN SULLIVAN: You had some national averages and so forth that you put in there, right?

MR. GUIMOND: Some of them were national averages and some of them were really existing cost figures we either got from Rancho Viejo or from the County Public Works Department.

CHAIRMAN SULLIVAN: I'm just having trouble -- I understand the national averages per mile per square foot per yard and things like that. And I'm not disputing those, because I don't know if they're right or wrong. But when you calculate it out and extend it into numbers, it just seems in the year 2007, which is four years from now, we'd be pretty lucky to

only be paying \$85,00 a year to maintain roads out there.

MR. GUIMOND: Well, again, I think we're just talking about the primary arterial roads that were assumed to be the County's responsibility. I'm flipping to the table in the report where the costs of road mile were.

CHAIRMAN SULLIVAN: Yes, I recall those costs. And the roads were broken out into three other categories, and came up with that \$85,000. I found that that was in Table 20 on page 30, if you want to find it. But that was an issue.

MR. GUIMOND: And I think the operating factor is \$3,000 per mile.

CHAIRMAN SULLIVAN: Yes, and I know that our Road Department uses that kind of a figure, kind of countywide, in trying to assess what it costs to maintain county roads, gravel roads and so forth. But we're talking a look here at arterials, and a pretty substantial investment of infrastructure. I just have a gut feeling that, notwithstanding your numbers, that \$85,000 seems a little thin for that effort.

MR. GUIMOND: Yes. I know, as an engineer, that your intimately familiar with these figures. And I understand. We'll just go back and document our assumptions in that area. I would distinguish, again, that we calculate two levels of cost on the roads. We calculated the annual maintenance cost of the road and then we calculated separately a capital replacement that allows for re-surfacing these roads and rebuilding them over a period of time as a second figure.

CHAIRMAN SULLIVAN: Yeah, and that was a different number. The \$85,000 doesn't include capital replacement.

MR. GUIMOND: Right.

CHAIRMAN SULLIVAN: But since you brought up that issue about capital replacement, I had a concern about that as well. As I read your assumptions, you assumed the life of the road was twenty years, and that in seven years it would be re-surfaced or overlaid, and then nothing would happen to it for another thirteen years, at which time it would be re-constructed. I think that's fairly optimistic. I think the seven years is probably fairly accurate, maybe five, six, seven, when you get to the point, due to our climate, when a road becomes brittle and starts to crack and needs some overlay treatment. But when you overlay a road, you're really only buying time. And you certainly couldn't expect an overlaid road to last the same period of years as the new road did, which was seven years. So at the most an overlay could last seven, and I think more realistically four or five.

So I think when you're looking at a road, after about twelve years you really need to look at reconstruction. Now that doesn't necessarily mean building the new basecourse for the road, but it means going in and totally tearing up the asphalt and recycling it and reconstructing drainage and that type of thing. So I found that twenty year road-life assumption to be a little optimistic for our climate, particularly when we have such low volumes on our roads, that we don't have that working of the asphalt.

One last question for the minute, and then I'll have some later, I'm sure. When you talk at the bottom of page 21, that: "For the purposes of a fiscal analysis, water and sewer services is assumed to be self-funding." And I know you've discussed special districts and various ways

that all this money can be provided to fund these things. But I really think that one of the big problems we have that's not addressed yet in this study is the cost of water. We only have, according to your figures, 909 residences in the district now. And you project 1447 in 2007. That number of residences can't support a district. That district has got to be the county. Now maybe in 20 years it can support a district. I don't know. But unless those residents are paying just exorbitantly higher rates than the rest of the county, which would be a political problem for us, I just don't see -- I mean, we're expending money now, millions of dollars, purchasing water rights and making agreements for testing of wells, legal fees. It's a great deal of money, a great deal of which is going to go into the Community College District for water and sewer.

However, it may eventually work out, whether it's the prison sewer or whether it's the San Juan/Chama diversion, which is over 100 million, other whether it's regional wells in the Buckman area. There's a lot of alternatives that the County is looking at to develop this. That's a substantial front-end cost. And I don't think we can expect, in the early years, the first ten years or even fifteen or maybe even twenty, that the residents can assume that. But we have to come up with the money for that until we have enough residents who can pay that off. How do we do that?

MR. GUIMOND: Well, I think, and partly at your suggestion I have been talking extensively with the County Utilities Department about the issue. Certainly for us to calculate what that revenue is is beyond the level of information we have right now in terms of cost of providing all of that water. What we do know is that, as the County Utility, that the County can essentially establish its hook-up charges in a manner that covers the capital cost of acquiring and delivering that water. So you do have within your power, without establishing any additional impact fees, the ability to establish a rate structure. Not a user-fee structure, but just a connection charge or a utility extension charge that covers the capital cost of those water acquisition charges.

CHAIRMAN SULLIVAN: Okay, so you're suggesting that we would take the prorata costs and charge it to the developer as a connection fee.

MR. GUIMOND: Essentially to the individual property owner as a connection fee. And I guess --

CHAIRMAN SULLIVAN: Well, it's the developer that has to get the water connections and then the individual property owner pays the monthly bills.

MR. GUIMOND: It's really both. Typically, an individual when he obtains the water tap pays a -- it's called different things in different places. A tap fee, in the City of Santa Fe it's called a utility extension charge, a UEC, that pays for their prorata cost of the cost of the system. Basically, the trunk infrastructure cost of water acquisition and service delivery cost.

CHAIRMAN SULLIVAN: Sure, but until that --

MR. GUIMOND: Santa Fe is charging a little over \$2,000 right now per unit. Now you're utility department, currently policy under your ordinance I think requires that the developer provide water rights to you or if the water rights are available, they will charge a fee of the developer. Whether he passes it on or not I don't know, of \$6500 per unit for that water. What we're suggesting is that your water master plan needs to be revised so that your utility

connection charges reflect not just the cost of water acquisition but the cost of really water deliveries to the district. I think there's some, it's suggested there may be some analysis that needs to be done to figure out how much of that can be paid today versus if we ramp up and we get development how much of it needs to be paid over time.

Essentially, that fee needs to be calculated as based on some assumptions about how many additional customers are going to be within your water service area.

CHAIRMAN SULLIVAN: Okay, but the land that's vacant though, they don't pay a hook-up fee until someone builds a house. So then I guess you need to do stand-by charges or something, but without getting into all the detail of rate-making, let me just understand. Your suggestion is that these costs not be paid by the developer but they be paid by either the property owner who buys the property or the homeowner who hooks into the water system and pays the tap fee.

MR. KIESER: Yes. I'd like to just reiterate or strengthen what Dan is saying there a little bit. You're on to exactly how this should be done. First of all you need to understand what these costs are and there's some work to be done to do that. You know some of these costs; some may not be articulated yet. But all of the things that you've been talking about are in your mix. The County has the ability because of scale and public status and all to organize financing, whether it be revenue bonds or revenue anticipation notes or these sorts of things for land-secured debt or stand-by charges. All of these are tools that we use around the country in trying to solve exactly this problem. And it seems to us that in looking at at least the preliminary numbers that we have available that one or another or some combination of all of these tools that we're talking about can solve this problem if there's will on the part of the parties to do so. We don't think there's any -- at least given the numbers we're looking at, any fundamental feasibility problems. But that certainly would stand to be determined with more precise analysis when you can look at an exact water project, apply these various mechanisms and get the agreements necessary to make the project move forward.

CHAIRMAN SULLIVAN: Okay, so just as a final clarification, then I'll ask the other Commissioners for their questions. Again, looking at 2007 and looking at Table 11, we have \$1.4 million in revenues allocated to everything. What you call the road and the general fund, general fund being fire, EMT, and Sheriff and so forth. And we come out with a \$96,000 profit as it were, or positive fiscal impact. So that's obviously less than 10 percent or probably within the accuracy of the study, is pretty much a wash. But I just want to make clear, that \$96,000 net fiscal impact, excludes any water costs. It just assumes that however we figure out how to do it, that water service and sewer service will pay its own way.

MR. GUIMOND: That's correct, as a separate utility enterprise that has, as Walter said, has the ability to bond for and charge for those facilities.

CHAIRMAN SULLIVAN: Okay. Commissioner Campos. I'm just going to go down the line.

COMMISSIONER CAMPOS: I'm concerned with the issues raised by Commissioner Sullivan. We talked about this yesterday. As far as roads, for example, you have to have a sinking fund. And I think one of the numbers that you use is \$28,000 per mile of

paved road. So basically, we have right now about 12.5 miles that the County's responsible for in the Community College District.

MR. GUIMOND: Right.

COMMISSIONER CAMPOS: So that's about \$350,000 that we have to set apart from our budget somehow and separate it so that in ten or fifteen years when we have to replace that road, we'll have the money.

MR. GUIMOND: That's correct. We are suggesting a sinking fund for that.

MR. KIESER: I was saying that in the calculations of revenues for capital replacement we did suggest before that a sinking fund be established so that those revenues are in place when those costs accrue.

COMMISSIONER CAMPOS: And you're saying that we can separate that money, those sinking funds at the present time.

MR. KIESER: Yes, as moving forward from this point. Yes.

COMMISSIONER CAMPOS: Have you talked to our Finance Department about how our budget works and how we would set apart, how much money we do have to set apart at the present time?

MR. KIESER: Well, we talked to the Finance Department about what assumptions we might apply for setting aside that money and applying an interest charge to that money over time and we used fairly conservative assumptions in consultation with them.

MR. GUIMOND: I'd just like to reiterate about that. We use that as a method of analysis. At the present time you're aware that the County doesn't do that. In fact when you face these road maintenance or reconstruction projects it's catch as catch can.

COMMISSIONER CAMPOS: That's right.

MR. GUIMOND: What's happening around the country is that local governments are realizing that they need to look at these assets in a more business-like manner. That is to say in an depreciation type manner, and take account of their assets, both in terms of whatever appreciation may occur as well as depreciation, and begin to in effect, asset account. Whether or not you actually sink money or confine money to this is another topic, but for purposes of analysis, we think it's prudent to do so, and that's what we did in this case. Whether the numbers are, because of the issues that Chairman Sullivan brought up are adequate or not is another question. We need to look back and we will look back at that.

But we're recommending that it's prudent fiscal policy for the County to at least think of projects in this case if not account that way. And moving forward to begin to at least attempt to sink moneys, at least on the margin. Because you've got hundreds or thousands of miles of County road that you can't do this for today because you simply don't have the resources. But moving forward and incrementally, you should and it's prudent to do so like we're suggesting here.

COMMISSIONER CAMPOS: I agree. I think it's prudent. The question is do we have the resources to set aside.

MR. GUIMOND: Analytically, we accounted for that in this case. We did. That's why we did this. So the resources, we, from an analytical standpoint it was accounted

for. Whether in moving forward or not the County chooses to actually set money aside as a matter of policy that you would set out, there are jurisdictions around the country, like counties and cities who are establishing capital sinking fund accounts. We've helped them do so. We've helped them calculate them. It's a tough budget decision when you're facing the kinds of decisions you face at budget time and you're putting money in a bank account and firing people. That's a tough decision to make, but it's financially prudent.

COMMISSIONER CAMPOS: I agree. The question I have is whether we've analyzed this from the County perspective to see if we could actually do that. I think we should do that. But any time we have a sinking fund and we're spending money today for something that we're going to build in ten years and we don't have this money to fund programs or positions that we have. That's certainly a tough decision for the Commission to make and that's something we'll be doing in the water system, in the road system, so it's going to require a tremendous amount of discipline. And it could mean that there are certain things that we may want to do that we cannot do.

MR. GUIMOND: Right.

COMMISSIONER CAMPOS: So that's really what you're proposing.

MR. GUIMOND: Yes. And again, what we did in this analysis, and I think Jack alluded to this, is we're trying to set some standards here for how this Board should look at development moving forward and in effect to try and do things as best you can to capture these costs that in the past have not been captured. We've analyzed it in such a way that gives you that kind of a look. Whether or not you establish the mechanisms moving forward to do that is a choice you will make. We think it's a good idea to do so. At least on the margins. And you have an opportunity to do so when you have a planned development like this. When you have development that's just happening in an unplanned fashion, it's much more difficult to implement or establish these kinds of mechanisms.

So we think in moving that in this case you should analyze it properly and that analysis needs to go on. And set up the mechanisms necessary to do the right thing, which I think you have a clear idea of what it is. Doing it, again, will be a hard choice for you and your subsequent Boards.

COMMISSIONER CAMPOS: If we don't do it, ten years down the road we're in big trouble. We have a lot of people living out there who want a good road and we say, We don't have the money. We spent it on some other project.

MR. GUIMOND: By the way, just a bit of institutional form, when we've seen jurisdictions, counties and cities, do these set-aside funds, the first year they do it, it's hard. Because they are having to basically balance the future against the present and that's hard and I know you know that's hard. But after a few years, it becomes a habit. And people expect it and that money is being used and it is creating jobs and all those things so it does become easier over time, once these kinds of sinking funds and things become institutionalized. It's just a tough change -- boom, right out of the box because you're literally moving money from current accounts to future accounts and that's a hard thing to do.

But you can do that moving forward. We recommend that you do, and we certainly

recommend that for the balance of the County, that you begin to at least account this way so that you understand the kinds of assets and liabilities that you have, that you face moving forward.

COMMISSIONER CAMPOS: I agree. Question for Dan, as far as the water utility service, you made the assumptions that they will pay for themselves, but it seems to me that even these hook-up fees are going to quite high. They could be very high.

MR. GUIMOND: They could in fact be quite a bit higher than they are today. And I would -- you can look at other jurisdictions in the region and see quite a bit of variance on what other cities charge for water and sewer hook-up fees. Essentially, the market is going to have to bear the cost of providing utilities. If you can't pay for that cost then development isn't, in the case of the County, viable, even within the state here, there's quite a bit of variance in cost. In Denver, I think we're charging, I think water and sewer hook-ups are \$15,000, \$16,000 per unit. In Boulder, they're \$18,000 to \$20,000 per unit. Your -- I know without even knowing what the cost of developing your wastewater system expansion in the district is that your existing \$1500 fee is not adequate. It needs to be expanded. It needs to be more, but what it needs to be should be calculated based on a reasonable service plan for the provision of sewer services to the district.

Water, the City's \$2,000, your sort of de facto fee of \$6,500, which essentially it is a sort of de facto fee if the developer is not providing water services, it's quite a bit higher than the City's. Is it the right figure or the wrong figure? I think it should be more precisely calculated to what your estimates of water acquisition and delivery of wet water is going to cost. Not just to the Community College District again, but to your water service area, which includes a somewhat larger area than just that.

COMMISSIONER CAMPOS: How does this affect -- one of the things that the Community College has is that it's selling homes for less than you can buy them in other places. This is certainly a significant added expense. How does that affect the affordability out there?

MR. GUIMOND: I'm sorry. Why is that an added expense?

COMMISSIONER CAMPOS: Wouldn't it be, if we had to increase it, acquire water rights and infrastructure?

MR. GUIMOND: Well, I guess the additional cost is associated with the fact that you're building homes on smaller lots, or higher density. More homes per acre. But this is certainly a cost other than the water acquisition point of view that's a utility delivery cost savings involved with the higher density of development. Certainly the revenues reflected in property taxes, at least in some of the other areas fiscal analysis provides more than an offset of the additional cost. It's a much more efficient fiscal system, the mixed-use development that we're talking about.

But as it reflects on water again, whether it's more expensive or less expensive I couldn't tell you. It really reflects on how much of the cost is associated with the acquisition of water versus the building of the trunk system to deliver it, most of which is fixed.

MR. KIESER: I just wanted to make a comment that you're on to a very

important topic, which is the relationship between -- it's fine for us to sit here and say, okay, we're going to add this cost and add that cost, and you're asking a very fundamental question. At what point do those added costs begin to break down or threaten your ability to deliver housing at an affordable price? I think that's your question.

COMMISSIONER CAMPOS: It affects the projections you're making.

MR. KIESER: Yes. And both in terms of the product mix as well as their absorption. And it's a very valid question. That is -- the first thing, to answer that question we need to know what exactly are those numbers. And as Dan has said, the jury's not in on that yet. We don't know those all for sure. But it's very important to note that with respect to development, costs do not affect price. Markets establish prices. People will pay what they're going to pay for something regardless of what it costs. The only question is is there somebody around willing to build something at the price they're willing to pay, given all the costs that are involved, including infrastructure.

So we need, in looking at this project and the individual components of it to be careful that those aggregate infrastructure costs don't exceed something in the vicinity of 15 percent of product value. So long as they're below that, in our experience we can say, hmmm, they can afford it. Also the land will tend to adjust and absorb some of this. That is to say, somebody that holds that land is going to make a little less money because they're going to have to put more into infrastructure. Over time, rents back to land have decreased in real estate as cost for infrastructure have increased, demonstrating that point.

So your concern is a valid one and we need to be cognizant of moving forward, making sure that the products that are being offered there are the products you want at the price point, and that as we are layering these costs on, that we keep them within some reasonable bound that we know from experience the marketplace can in fact absorb without having the negative effects you're anticipating. That is an ongoing question that we'll be looking at with this project. And at some point there may be some tough decisions to be made one way or the other. But we think that at this point at least, those are things that we can move forward, keep an eye on and evaluate it as we move forward.

COMMISSIONER CAMPOS: One last question for Dan. As far as water rates for our water company, the County Water Company, do you think they will necessarily increase? Just the fees, user fees as a result of extra expenses that we might incur? Are they likely to go up?

MR. GUIMOND: I would think they would, yes. Whether the water charge -- again I think the current model really is assuming that the developers are going to bring water rights to the water department and that there will be a charge for the infrastructure, the trunk of the structure of treating and delivering that water. And that's all related to your current water acquisition programs and negotiations with the City and all those issues that are going to reflect both on when you get water, how much water you get and how much it's going to cost. And I think those are all things that are going to have to obviously be evaluated. I think the point is, I think wastewater connection charges will go up. I think water connection charges, including water acquisition will be higher than they are in the city. There's no way that \$2,000, I think is

going to cover your cost.

But I don't that again, I think that is something that the market can absorb as long as it's not unreasonable. And if it is unreasonable, then development is not going to take place here. Development is going to take place at some other place in the county or the region where utilities can be delivered in a more cost-efficient fashion.

COMMISSIONER CAMPOS: Thank you, Mr. Chair.

CHAIRMAN SULLIVAN: Thank you, Commissioner. Commissioner Montoya is out right at the moment. Commissioner Duran, do you have a question or a comment?

COMMISSIONER DURAN: Yes, I have a couple. I'd just like to thank you all for working so hard on this analysis for us. The Community College District Plan, when it was conceived, and after it was implemented received many awards. It was nationally acclaimed and we here at Santa Fe County are proud of those awards and that planning process. The reason that -- just so we get everything in perspective here, the reason that we asked you to come develop this analysis for us is that there was some concern that in adopting the Community College District Plan that it was not actually fiscally responsible. And so we asked you to prepare this analysis to advise us as to whether or not from your professional opinion, the development of the Community College District Plan was fiscally responsible.

My understanding, from what you've reported to us today is that there is not a major negative fiscal impact on the County as a result of approving this plan. Is that correct?

MR. GUIMOND: That's correct. It's our opinion that the Community College District is a fiscally sound development model as long as it's developed in a fiscally prudent manner with the kind of provisions that are outlined in this report.

COMMISSIONER DURAN: Good. I'm glad to hear that because I look at the Community College District as the only really viable sector that our community can grow into. If you look at it from the north, along the east, down to the south, the west, this really is the only place where we have infrastructure available to provide the housing that this community needs of we are truly going to maintain a sustainable community. I believe that the water that we're acquiring right now is an investment in our community's future. The problems that we have right now with our City water is pretty much based on not planning the growth that we've experienced. I think that as we move forward in acquisition of water for our community, we will find ways of being fiscally responsible in charging proper hook-ups. The developer is going to have to participate in that and the cost of hooking up to our water system and acquiring water is going to have to be factored into the overall cost of the housing that they're providing.

The Community College District is not just an affordable housing project. It's a housing project that has an affordable element to it and often times the affordable housing that is provided, there is no profit -- there is some profit, very minimal, and at times no profit at all. So I'm just pleased that you were able to come forward with a report that proved to us that what we approved several years ago and that has received national acclaim and awards is a viable project and that it does not have a negative fiscal impact on our ability to provide other services to the community. And I would just like to thank you.

CHAIRMAN SULLIVAN: Commissioner Anaya.

COMMISSIONER ANAYA: Mr. Chair, a lot of those questions were answered from the Commissioners.

CHAIRMAN SULLIVAN: Okay. Thank you, sir. Is Commissioner Montoya available? Questions or comments, Commissioner Montoya.

COMMISSIONER MONTOYA: Mr. Chair, I have just a couple. The ones regarding the wastewater piece on page 4 of the memo, the wastewater we're providing, is that something that's being disputed by people in that area or is that something that people in this area are in favor of us doing?

MR. GUIMOND: It was really, it's some thing that the property owners, the developers, recommend. They recommended to us and the County Utility Department concurs that really, the importance of keeping wastewater linked with water in terms of return flow credits, conservation and reductions in what the water requirements are, is that it's really both the most fiscally prudent way for the County to provide utility services and control the level of development is for the County to control both utilities. And from a delivery point of view, the developers have indicated that a final decision hasn't been made on whether it should be one plant servicing the entire area or two plants or even a third plant but that the management be handled at the County level. From a capacity point of view, the penitentiary plant has excess capacity that you are under lease to operate. The Rancho Viejo plant has plans for an extensive expansion of that plant that would service development beyond their boundaries. So there is existing or potential plant capacity from those two sources as well as other plants that could be developed.

COMMISSIONER MONTOYA: Okay. And then the second question, maybe Jack or Roman is more for you all. In terms of the policy recommendations that you see us, the Commission having to make regarding the findings from this plan, what are the things that you see that we should prioritize in terms of policy development and implementation as a result of this study? I know that you have some and have outlined some in the back, but are there some that are probably more critical and needing more immediate response in terms of the implementation of policy. What are the things that you are recommending for us in terms of what should we be doing?

MR. KOLKMEYER: Thank you, Commissioner, because that's really the important point here, because we've done an analytical study. Now we have to embark on some kind of an implementation strategy. And I think that goes to a lot of questions that you asked before, Commissioner Campos, is what do we do next. And in listening to the presentation and to the really good comments and questions, that's really what faces us next. What do we do next and how do we do it?

When we started this process back in the mid-nineties before any of you were on the Commission, I just want to remind us that really the basic idea behind all of this was, as we worked on the growth management plan, the general plan, if we continue along doing regular rural development as Dan has called it, 2.5-acre lots, we were going to eat up a lot of land, we were not going to be able to provide the type of services that people were beginning to ask for, we had no utility company then, we had no Open Space

Division, so we're taking these little baby steps to move along. We had no affordable housing program. We didn't have a lot of the things.

So we've taken these little baby steps that sort of, if you will, culminated in the creation of the Community College District. Let's try to look at all these things now together in one large area because we had the cooperation of people that owned those properties, people who lived there. So if we hadn't done that then we wouldn't have the opportunity for mixed-use development. We wouldn't have the opportunity for requiring 15 percent affordable housing or for requiring open space and trails. Now, then you've asked us to go ahead and look at to see if it was fiscally responsive overall in kind of a big picture manner and we did that and the answer is, well, yes it is.

But now the challenge is, as has been pointed out by both yourselves and our consultants is there are a number of steps now that need to be undertaken. How do we deal with the balance between commercial and residential, for example? How do we deal with evolving a utility company? Do we need a Park and Recreation Department in our county at this point? And again, that's your question, so how do we get there?

There's a couple of things that we can do immediately because, number one, we're all going to have to work together and one of the things that we hope in Land Use and having worked with them is that we can keep from getting confrontational amongst ourselves, because we do need good projects to go forward. One of the things that when you think about it over the next ten years, one of the things that people don't like about development or sprawl is they say, Well, we're getting back development or this project is a bad project, or this doesn't work. Now we have an opportunity to kind of change the tide and say, let's get good developments and let's try to make them work and let's try to make them be different. But we've just sort of now laid that out.

So as we go forward with the Community College District, there are two opportunities, Commissioner, where we think maybe we can start homing in on this. One, as we do the Code rewrite there's an opportunity for us to change some things in our Code, in our Land Use Code, that maybe come out of the study and come out of this conversation and discussion that we've had today that we need to look at. That's one point, Commissioner Montoya, where we could change things.

The next point would be as the master plans now move forward to preliminary plan, plat and plan, we have an opportunity to look at things like the employment centers that have come up. How do we really adjust this? What do we need to do? We could do it at that point. And as our consultants have said, we don't need to go back and dump the whole Community College District Plan or dump the master plans, but we need to have very good dialogue on exactly what needs to occur.

Thirdly, we're going to have to convene some way in which we can have a countywide, inner departmental division discussions about how we do a utility company. We can't answer that question today. We can't ask them to give us the answer, but we're going to have to establish some kind of way to have that dialogue and I think that in the next couple of months, as we get back into the swing of things here in the County, we

should have some regular discussions or meetings about exactly how we move forward. That goes back to a number of Commissioner Campos' questions. Well, how are we going to do that? We're only going to do that if we get on it now and figure out at budgeting time are we going to put something in this year, for example, about the sinking fund, or are we not.

We also need to have a dialogue and a discussion of are we going to have a Parks and Recreation Department? Because if we're going to do a trails system, if we're going to do open space -- again we started that with baby steps. We did COLTPAC, then we did a division and we had some money and we did the little things and the response to that has been very positive. But if we're going to have to do district parks and we're going to have to have a major trail system we need to have a dialogue about how internally and governmentally we're going to deal with that.

So I think those are three, just off the top of my head responses, Commissioner Montoya, about some opportunities that are there right away in the next couple months that we could do that. Maybe Roman wants to add something. And we're making amendments to the Community College District right now, and those will come back to you so a number of these things could be addressed at that point as well. Thank you.

COMMISSIONER MONTOYA: Thank you, Jack.

MR. GUIMOND: Jack, I would like to just add to Jack's comments a bit. As I alluded to earlier in my remarks, we see our work culminating in the very thing you're asking for.

COMMISSIONER MONTOYA: Exactly.

MR. GUIMOND: And I think Jack raised some broader contextual issues, but very specifically, we think that you raised a number of questions today, Commissioner Sullivan raised questions that are technical in nature that we need to resolve and satisfy ourselves we've got the right numbers. But beyond that, finalizing a report and perhaps bringing back a resolution to this Board that specifies the very things that follow on from our recommendations that you believe are appropriate. That whether it's fine-tuning the employment definition, showing how to deal with the community centers, converting those into very, very specific directions, when and how these things happen. We can do that. We will do that in finalizing our work. And that resolution would come back to you and then kind of set off all of this work that would occur in the following months.

COMMISSIONER MONTOYA: Okay. Great. Thank you. Because I think this has been a very useful tool, a useful study and it's going to be a useful tool for us. And I just want to thank you for the work that you put into that and I know Al with the data that we got from RPA and the projections on growth and all that has been very helpful for the RPA as well, so I want to thank you all for a job well done.

MR. GUIMOND: Thank you, Commissioner.

COMMISSIONER ANAYA: Mr. Chair.

CHAIRMAN SULLIVAN: Thank you, Commissioner. Commissioner Anaya.

COMMISSIONER ANAYA: I've got one question. I know we're doing a long-term plan for the Fire Department in the area and we haven't, I guess with the Sheriff's Department, what are we looking at in terms of their support in that area? Are we going to have another facility for them to have? Or do we need to combine that?

MR. GUIMOND: The Sheriff's Department doesn't believe an additional facility is required. Their existing station at the south end of the district there they believe is adequate to provide service to the district. Our only recommendations, and these are very much long-term recommendations, are on or about 2015 or 2020 that when the population of the district gets to a level where you've got six or seven officers serving just the Community College District that it probably makes sense to go away from the existing rural service model that you're using where one officer -- you did ask about police as well, didn't you?

COMMISSIONER ANAYA: Yes.

MR. GUIMOND: Okay.

COMMISSIONER ANAYA: Sheriffs

MR. GUIMOND: Where you go from one officer per vehicle, takes it home to a shift system where you've got two or three officers using each vehicle. Just going from more of a rural model to a suburban model of how to provide police service. Again, that's a very long-term recommendation.

COMMISSIONER ANAYA: And did you talk to the Sheriff's Department?

MR. GUIMOND: Yes, we did.

COMMISSIONER ANAYA: Okay.

MR. GUIMOND: We talked to all of the department heads and actually, since we gave you this report in November we have made some modifications to both police and fire. With respect to fire, they feel that there is a shorter term need where they're going to have to go from a volunteer to a paid professional staff within a shorter period of time. Again, not today, but in 2007 or 2008. Thank you.

COMMISSIONER ANAYA: Thank you.

CHAIRMAN SULLIVAN: I think two things that I'd like to add, in our implementation matrix, we've talked several times about developing a procedure for sinking funds. I don't see that on your matrix.

MR. GUIMOND: It isn't. We should add that.

CHAIRMAN SULLIVAN: And we need to know, for example, I see Robert Martinez from Public Works back there, if he's got \$300,000 next year that he can put into the sinking fund. Or Mr. Lujan. And I see them volunteering so we may be okay there. If not, we need to find out where \$300,000 for the sinking fund is going to come from. And we'd appreciate your recommendations on that.

And the other is to focus on, to address the implementation of commercial development vis-à-vis housing. Now, what I mean is you've talked about various aspects of commercials and the employment centers and that type of thing. And I think in one place I recall reading you said when development reaches 50 percent of build-out you should have

commercial coming in and the people can review it and vote on it or something like that. But where we're lacking in the Community College District is it's becoming a bedroom community. And we don't have any commercial in the Community College District and although there's plenty of red blobs that show commercial, we don't have any development mechanism to encourage it and perhaps more strongly, enforce it.

So I'd like to get your recommendations on how other people do this when a development reaches a certain level, they say, well, commercial development will come or commercial development won't come. Well, it depends on how much you charge for the property. If you charge an exorbitant amount for the property it's never going to come. And you may in fact even have to subsidize it the way you do affordable housing to bring in that feeling of a community and that pedestrian oriented community that we were promised in the Community College District.

So I'd like to get your recommendations as an implementation item, what Code changes do you recommend, or what policy changes to you recommend that when we get to a certain point we say, okay, now is time that if we don't get commercial in here now and we allow this to develop as a bedroom community, everyone is going to complain about the commercial. It's going to be similar to Eldorado. Years and years ago Eldorado blocked out little pieces of Eldorado that were to be commercial. Now, it wasn't a very good plan because they were just kind, threw darts I guess at a map and said this is a commercial lot and that's a commercial lot. But that commercial never happened and then people built around it and later on when people came in and said, Well, I want to put a self-storage unit here, people were up in arms. They didn't want the commercial in their residential neighborhood.

So if you're going to do commercial, it's got to be done as the development moves forward. People have to physically see it. Not just in the fine print of their sales agreement, they've got to physically see that something's going up as they buy their lots or they buy their units. So I'd like your recommendations on that too and how we --

MR. GUIMOND: I could comment on that right now. We do agree entirely with your comments on that. And we all recognize the problem of commercial really can't take place until there are some rooftops out there to service it. But the issue that staff has dealt with is how do we make sure we implement the intent of the Community College District plan, which is to have mixed-use development and it is to have commercial centers. And as an ordinance modification or Code modification, we would suggest that the County require a master plan developer to submit a plan for development of their community center or neighborhood center when residential development within a radius of that center, we're suggesting within one mile, reaches 50 percent of build-out. So at that point, if they don't have a plan for the development of the center, I think it's your prerogative to shut down any additional residential development from moving forward.

We do believe that a trigger mechanism or a phasing mechanism needs to be worked into the ordinance or into the Code that provides a mandate for that development to occur. We, as real estate economists we recognize and we acknowledge the fact that it

can't happen today, but we don't want a situation like Eldorado to happen where development gets essentially build out and that development doesn't take place.

CHAIRMAN SULLIVAN: Okay. Commissioner Duran.

COMMISSIONER DURAN: We need for you to tell us that, rather than ask us.

MR. GUIMOND: Oh, I know. My point is it's specifically in our recommendations for modification of the ordinance here. So we, Chairman Sullivan, we will add it to the implementation matrix and maybe if necessary reinforce our recommendations there.

COMMISSIONER DURAN: And the reason I think it's important also that there has to be so many rooftops out there to support commercial. And if we do have a mechanism to require the developer to have this commercial property built and have some commercial uses available to the community we want to make sure that we're not just setting them up for bankruptcy and businesses going under because of the lack of people that shop there or whatever.

MR. GUIMOND: Well, and we've tried to address that on both respects. One, by suggesting to you that we establish some realistic expectations about how much commercial can develop out there and our market analysis indicates that some modification to the number of centers needs to be made. But two, I think Chairman Sullivan's remarks are correct, that there has to be some trigger mechanism or some phasing mechanism that requires that development to take place at an appropriate time in the development cycle.

COMMISSIONER DURAN: So basically you're saying though, if the developer is going to make a request, or if we're going to require a reduction in commercial usage, that really can't take place for quite some time, I would think. I think most of the developers out there would probably prefer to have more residential.

MR. GUIMOND: Well, I think most of the developers would build commercial if it were supportable as well. I think the residential is easier, let's put it that way.

COMMISSIONER DURAN: In their lifetime it's probably going to be much more profitable to do residential now.

MR. GUIMOND: So the recommendations really are two-fold. One, be realistic about the number of centers, community centers that can occur and we're suggesting that the number be reduced from six to three. And then two, for those three centers, require that it be developed at some point of maturity of that master plan. Fifty percent of development or fifty percent of development within a one-mile radius of the center. And thirdly, those community centers that aren't supportable within the marketplace should be replanned as a smaller neighborhood center, but they shouldn't be left off the hook from developing a mixed use aspect of their project.

COMMISSIONER DURAN: Right. Good. Thank you. Thank you, Mr. Chair.

CHAIRMAN SULLIVAN: Okay. Thank you, Commissioner. Do we have

anyone in the audience this afternoon while we have our consultants here who would like to make a comment or ask a question? Well, I guess you guys answered all the questions.

MR. GUIMOND: Thanks very much for your attention.

CHAIRMAN SULLIVAN: Thank you for your presentation this afternoon.

[The Commission recessed for ten minutes.]

IX. Study session and request for direction regarding GRT/Santa Fe County 2004 capital outlay

MS. LUCERO: Mr. Chair, members of the Commission, what we'd like to do is address the 2004 capital outlay GRT funding strategy and as a prelude to that, we would like to discuss with your debt management and specifically, general obligation bonding. As you can note in your packet, based on the memo that I issued to you, one thing that the County is faced with right now is a very critical need for improving our roads and other related public works projects. Historically, we've issued bonds to the total amount of \$6.5 million over the last ten years for road improvement and it's been somewhat ad hoc as far as how we plan this type of debt management.

The roads at this point, the 582 miles, are going to take, based on a study, approximately \$12 to \$16 million of a financial outlay in order to bring them up to a standard that's commensurate with requirements for the type of road, the type of traffic, etc.

In looking at general obligation bond issues, two items need to be addressed when we're considering this type of issue and that would be, number one, it does require voter approval. We have timing requirements we need to meet, and then number two, what the cost of such an issue would be to the taxpayer. Based on the current debt service level that the County has for general obligation bonds, our capacity, our legal bonding capacity right now is a little over \$159 million, of which the County has total outstanding debt of \$42, leaving about \$117 million that's available that we have for legal bonding capacity.

I took an example of a potential scenario in terms of cost. If the County were to issue approximately \$20 million in a general obligation bond, that would cost the taxpayer currently about 50 cents per taxable thousand. And to put that into perspective, if you had a property value assessed at \$300,000, that tax increase would be approximately \$50 per year for that size of issue. And that has to do with timing of existing debt, how some of the existing debt will retire, and how some of it has been set up for terms of less than 15 years in order to mitigate the impact to the taxpayer.

COMMISSIONER DURAN: Mr. Chair, Susan, what was the amount that we would be bonding for the fifty cents? Tell me how much the amount would be.

MS. LUCERO: Mr. Chair, Commissioner Duran, what we're looking at for a picture is \$20 million, just to get a cost estimate. Which would mean \$50 per taxpayer if

they had an assessed property tax value of \$300,000. I don't believe that's the average. The average is less than that.

COMMISSIONER DURAN: Okay. Good.

COMMISSIONER MONTOYA: Mr. Chair, Susan, that's for how many years? Fifteen?

MS. LUCERO: The term?

COMMISSIONER MONTOYA: Yes.

MS. LUCERO: Commissioner Montoya, the term that we're looking at it about twelve years. I think our average is anywhere from ten to fifteen. But the normal is about twelve. That's what we have been issuing the last three at, is twelve years.

COMMISSIONER MONTOYA: So then basically, just to give an even clearer picture, that's about \$500 or \$600 over that ten to twelve-year period that that taxpayer would pay.

MS. LUCERO: Commissioner Montoya, that's correct. That's about the impact.

COMMISSIONER MONTOYA: They'd have great roads then for \$500 over a ten to fifteen year period.

MS. LUCERO: Right. I think what we do want to look at, because we haven't planned our improvement process for so long, and we've done it helter-skelter to some degree, we are playing catch-up but we could, with this issue that we have other needs for as well as public works roads and public works projects, we could do quite a bit and it would be of a minimal impact, a moderate impact to the average taxpayer.

So what we'd like to do is give you this information. Also indicate to you kind of what, in terms of projects we're looking at, the roads is \$12 to \$16 million. We are potentially looking at a reprogramming change with now taking on the juvenile facility where a non-secured facility is something that we would want to possibly grow into because that's where we're headed in terms of reform. And there we might be looking at another \$2 to \$4 million that we might need for a project related to that.

So in terms of planning and needing sizable capacity, sizable bonding, that is what we're looking at, anywhere from the \$12 to \$16 upwards to \$20 million.

COMMISSIONER CAMPOS: Mr. Chair.

CHAIRMAN SULLIVAN: Commissioner Campos.

COMMISSIONER CAMPOS: This \$20 million is only for roads?

MS. LUCERO: Mr. Chair, Commissioner Campos, no. The breakdown would be approximately \$12 to \$16 million for roads and approximately \$2 to \$4 million for correctional facility, i.e., juvenile detention renovation/reprogramming.

COMMISSIONER CAMPOS: You also need a million dollars for the adult facility, don't you. According to some of the documents that we were shown today.

MS. LUCERO: Commissioner Campos, that is correct.

COMMISSIONER CAMPOS: What about the County administrative building?

MS. LUCERO: The County administrative building would need to be a separate question and I believe the cost we were looking at was \$45 million for that facility. And that would need to be a separate question.

COMMISSIONER CAMPOS: Well, if we're going to do an election, and if we need multiple bonds, we might want to go in with two or three bonds. It's a huge expense. It takes a lot of time and effort to sell the product.

MS. LUCERO: That is correct. It takes time. We would need to call a special election. We could not piggy-back on the City election that's coming up. We would need to have our own. So that is correct. In terms of time and efficiency it would make sense to bring all questions forward that the Board will want entertained and would have approved a resolution for intent to issue a bond.

COMMISSIONER CAMPOS: And what about the sinking fund, the road sinking fund.

MS. LUCERO: I guess we could add that in there.

COMMISSIONER CAMPOS: That's how much? \$28,000 per mile of paved road? Did you figure that one in?

MS. LUCERO: No, sir, I did not.

COMMISSIONER CAMPOS: We better stop figuring.

CHAIRMAN SULLIVAN: Commissioner Montoya, did you have a comment?

COMMISSIONER MONTOYA: Mr. Chair, Susan, why would we need a separate question? Could you just explain?

MS. LUCERO: Mr. Chair, Commissioner Montoya, we would need a separate question or should have a separate question on the administrative facility or consolidated facility because of the cost of the issue, \$45 in comparison to roads which is \$12 to \$16 million. You would want to give the voters the best picture of what your intentions are, what your estimated cost of those issues are related to that purpose.

COMMISSIONER MONTOYA: Okay. Thank you.

COMMISSIONER ANAYA: Mr. Chair.

CHAIRMAN SULLIVAN: Commissioner Anaya.

COMMISSIONER ANAYA: Now, if we were to get this money, would we be able to use this on new facilities?

MS. LUCERO: Mr. Chair, Commissioner Anaya, typically all --

COMMISSIONER ANAYA: Let me interrupt. Facilities for Public Works Department only.

MS. LUCERO: Commissioner Anaya, typically all general obligation bonds always have language regarding purpose under the explanation of other uses as allowed by law, and this would be appropriate for that.

COMMISSIONER ANAYA: Okay. Good. Because there are some facilities that would need to be upgraded in order for us to upgrade the roads.

MS. LUCERO: Commissioner Anaya, you're exactly right and that's why

in my description I'm giving the explanation of related public works projects. It could certainly include building renovation and improvements.

COMMISSIONER ANAYA: Thank you.

CHAIRMAN SULLIVAN: Susan, what's the status of our 1997 \$4 million bond?

MS. LUCERO: Mr. Chair, the \$4 million bond that was issued in 1997 I believe was completely spent in the year 2000 and right now that whole issue at that time was I believe \$10.5 million, the entire issue, because it was for water, it was for fire equipment and it was for roads. And right now, we still owe about \$9.4 million on that \$10.5 million issue. We are just now starting to pay off the principle.

CHAIRMAN SULLIVAN: So when that \$9.4 million is paid off then the property tax rate goes down, right?

MS. LUCERO: Mr. Chair, every year that rate fluctuates, depending on new issues as well as those that we are retiring. What you see is for example, we're right now in the heart of one issue that was done in 1993 which was refunded just this last year. So we still owe something there. But since then, all of the issues have been much newer. 97, 99, 2001. So we're kind of in the first quarter if you will of their lifecycle.

CHAIRMAN SULLIVAN: Is there anyway to set up a bonding schedule that tracks with the bond retirements so that it doesn't result in an increase in property tax.

MS. LUCERO: Mr. Chair, in ascertaining what type of issue the County could consider that would not involve a large increase to the taxpayer, that's what we have done. We've looked at existing debt, different potential issue amounts and when they would sell, this year versus next year for example, and that's how we came up with isolating this cost for this \$20 million issue down to 50 cents. So you could keep your debt service level, if you were to issue a \$20 million bond now, you could keep that cost the same over the next 12 years if you were to every four years issue another \$20 million, because you'd have an old debt retiring as this new debt would be issued. The rate would stay the same. The taxpayer would see no increase in the rate related to debt service of the general obligation bonds.

CHAIRMAN SULLIVAN: Okay, so the \$50, if we were just issuing this out of the blue as a start-up it would be more than \$50.

MS. LUCERO: Mr. Chair, it would be \$50, and if we weren't to issue any more debt it would go down. If we were to issue more debt over the next four years, no more than \$20 million again, it would stay the same.'

CHAIRMAN SULLIVAN: But in any case, if we start off with \$20 million it would be \$50.

MS. LUCERO: Yes, sir.

CHAIRMAN SULLIVAN: And if we start off with \$10 million it might be \$25.

MS. LUCERO: Yes. Exactly.

CHAIRMAN SULLIVAN: That's based on what people are paying now in

property tax.

MS. LUCERO: Mr. Chair, it's based on a required reserve that DFA makes sure we have and the existing debt, and then the potential \$20 million issue.

CHAIRMAN SULLIVAN: Okay. Other questions for Susan? Is that it?
Commissioner Montoya.

COMMISSIONER MONTOYA: I guess the only -- probably looking at the quickest time, probably would be the primary election in June. Would that be a time table that we would -- if we decided to go in this direction have it possibly as a question on the ballot?

MS. LUCERO: Mr. Chair, Commissioner Montoya, I understand from bond counsel that we can't piggy-back on that same date for this type of -- for our own County question. And I've worked with the bond counsel to some degree. It seems that the best date if we were to issue a bond this year, this fiscal year and try to sell it before the end of June would be the first week of April, and we would need to do a special election. But there are certain rules about when you can and can't pose a question and you can't piggy-back on a general election or a primary. There's some specific rules to that.

COMMISSIONER MONTOYA: Oh, is that right? So we wouldn't be able to do it for the general election either then.

MS. LUCERO: Mr. Chair, Commissioner Montoya, I believe we can possibly do it for the general. I'd have to check into that but I know we can't do it for the primary and we can't do it along with the City's election or a school board election. Something like that.

COMMISSIONER MONTOYA: Okay. Thank you.

CHAIRMAN SULLIVAN: Commissioner Duran.

COMMISSIONER DURAN: Commissioner Montoya, you just asked whether we could get it on the next election?

COMMISSIONER MONTOYA: Yes. For the June primary.

COMMISSIONER DURAN: For the primary. Because I remember talking to the County Clerk when we talked about this before and she assured us that we did have time to put this matter on the general election. If we decided that we wanted to ask for money to build the new administration building.

COMMISSIONER MONTOYA: So the general would be okay?

COMMISSIONER DURAN: That's what Becky told us. Does anyone else remember that?

MR. GONZALEZ: Mr. Chair, Commissioner Duran, during our discussion with bond counsel it was my recollection also that he indicated two windows, one would be the April window and the other would be around the general election.

COMMISSIONER DURAN: Okay.

COMMISSIONER ANAYA: Mr. Chair.

CHAIRMAN SULLIVAN: Commissioner Anaya.

COMMISSIONER ANAYA: Are we talking about the money for the roads

or are we talking about the money for the building?

COMMISSIONER MONTOYA: Both.

COMMISSIONER ANAYA: Both? Okay.

CHAIRMAN SULLIVAN: I think we're just getting started here on a theoretical, what would \$20 million do to the property taxes and then we have a whole list of capital projects here that could or couldn't be included in a bond issue. As you brought up, the Public Works facility is three or four million dollars short of being funded and there's issues at both the jail and the youth center. There's issues of roads which we're woefully behind on. So correct me if I'm wrong, Susan, but that's a determination that the Commission can make as to what goes into that scope as long as it's within the legal scope of an issue.

MS. LUCERO: Yes, Mr. Chair, that's correct.

CHAIRMAN SULLIVAN: But you have to identify it. You have to say in that issue that this money will go for a consolidated County building or a judicial complex. Don't forget those guys by the way. For a Public Works facility. You have to specify that.

COMMISSIONER MONTOYA: Mr. Chair, Commissioner Anaya, I think, correct me if I'm wrong, you're talking about some of the satellite Public Works offices, in Stanley and Galisteo.

COMMISSIONER ANAYA: Exactly.

CHAIRMAN SULLIVAN: Yes. But we'd have to have some language I think that said that. It might say a general Public Works facility and satellite offices. We'd have to have some general legal language that properly encompassed that but wasn't so vague. Like, "and other purposes as determined by law." It wasn't so vague that the voters looked at it and said, Hey, this is a blank check. We're not giving them a blank check.

COMMISSIONER ANAYA: Mr. Chair.

CHAIRMAN SULLIVAN: Commissioner Anaya.

COMMISSIONER ANAYA: So, Susan, what are you -- are you just kind of informing us? When would we give direction to go forward with this?

MS. LUCERO: Mr. Chair, Commissioner Anaya, what we're doing is bringing you the information so you have an understanding of the cost and the ramifications and the timing. And once you've entertained what type of questions you would like to pose to the voters we can come to you at another BCC meeting and at that time you can approve a resolution with your intent to issue bonds for different types of purposes. And we can work with bond counsel to form those questions, etc. and time them on what type of election you want to go on. If you want a special or if you want to piggy-back on a general election and look at those two time frames.

One thing I want us to consider is where we are in terms of the need on the roads and specifically the Public Works facility so that we don't lose six to twelve months there in terms of timing.

COMMISSIONER ANAYA: So you'll come back with us and let us know when you think that it would be good for it to be on the ballot?

MS. LUCERO: Mr. Chair, Commissioner Anaya, I think that it's up to you. If you want to entertain the cost of a special election we can look at that and the window would be in April, approximately the first week in April. And that would allow us to sell a bond prior to the end of the fiscal year. If you want to look at a window such as a general election in November, then just look at another six months in terms of timing as to when you could actually sell the bond issue if it's approved by the voters.

MR. GONZALEZ: Mr. Chair, Commissioner Anaya, it's my recollection from discussion on bond counsel that there's roughly a 90-day window prior to the time when you want to hold the election in which you have to begin the process. So it's adopting the resolution and all of that in order to get the timing right so that would have to be taken into account and if a decision were to be made some time in January or late February at the latest.

COMMISSIONER ANAYA: Thank you.

CHAIRMAN SULLIVAN: Commissioner Duran.

COMMISSIONER DURAN: One last question. Relative to the new administration building, we were going to hire an architect to advise us as to what he thought would be the appropriate process to undertake or what we needed. Is that going to happen any time soon? And would it happen -- hopefully before we made the decision on what we were going to do, for instance. Are we going to go for bonding for just roads or are we going to go for bonding for roads and a new admin building. Before we actually make the determination, will the architect be through with his work and his recommendation to us?

MR. FLORES: Mr. Chair, Commissioner Duran, we spoke about this matter in October and the plan at that time was to get the contractor on board this month and have the report back to us March-April or April-May of this calendar year in anticipation of putting in on for the general election in June. That's the discussion that we had. I am prepared to bring forward a contract to the Board at the administrative meeting of the 27th of this month to have the contractor hired. I think there was some misunderstanding of whether he was onboard or not onboard and whether we had budget or we didn't have budget.

We have negotiated the contract down from the original amount and we are going to basically end up with a program document which is as you all know, the first phase of a construction document. That's really what lays out all the interviews and the space needed, etc. So, yes, we will have something in hand by the time we go out to the voters in June or even November I guess if that's an option, to tell us what that consolidated facility would run us.

COMMISSIONER DURAN: One last question. If we are able to get it on the June primary, it doesn't have to be voted on again in the November election does it?

MS. LUCERO: Mr. Chair, Commissioner Duran, if we were to be able to have the question during the primary then we wouldn't need to bring it again.

COMMISSIONER DURAN: If it gets approved at the primary.

MS. LUCERO: Right. But for some reason I recall the primary was not an option from bond counsel.

COMMISSIONER DURAN: Okay.

MS. LUCERO: Some policy.

COMMISSIONER DURAN: I'm not pushing for any of them.

CHAIRMAN SULLIVAN: Questions for Susan?

COMMISSIONER CAMPOS: Mr. Chair.

CHAIRMAN SULLIVAN: Commissioner Campos.

COMMISSIONER CAMPOS: Question for Mr. Gonzalez. What kind of strategy do you recommend? Do you recommend that we do a bond in April and then a second bond in November next year? What are your ideas?

MR. GONZALEZ: Mr. Chair, Commissioner Campos, that's sort of a political call in terms of what could be sold with the voters. One advantage of having a stand-alone bond election is that you're able to focus on the issues more clearly with the voters which allows you to sell it in terms of what the needs of the County are. So the disadvantage of doing it with a general election would be that it might tend to get lost, the discussion around that might tend to get lost in all the issues having to do with the election of the candidates and so on. And typically voters tend not to vote for items that they don't understand. So it seems to me that whenever we do it we've got to make sure that we have a concerted effort to publish what the County's interests and needs are and get those out to the voters in a good way.

The question then is would you think of splitting somehow a ballot so that you ran one issue which could be explained and which we have the timing for, the road issue for April, and then run the consolidated facility for the general election. Because we don't yet have the data for moving forward with the consolidated facility for the April election. So that's kind of a tough call. If getting the road issues and the other attendant issues, Public Works facility, other kinds of things through on a more immediate basis is important then we probably would want to think at least about moving forward with that election. The disadvantage of course is that you then have the voters again looking at another bond issue during the general election and if they previously approved the road bond they may not be quite as willing to approve an additional bond.

So those are kind of the considerations. I guess weighing all of that together I think it would be easier to do more than one bond issue at the same time and my inclination would be to do it during the general election, even though it has disadvantages associated with it, but again, you all may have some individual thoughts about how that would play out in your districts..

COMMISSIONER CAMPOS: Thank you. It seems to me that Mr. Gonzalez is right about the general election. It may be hard and we certainly don't want to make a big effort when people are thinking of so many other candidates. This is going to be a presidential election and have huge turnouts and there will be a lot of people on the ballot. It may be hard to sell in a general election. I don't know. It sounds about right to me.

Obviously we need more than one bond. If we do one this year and a special election next year, I don't know how that's going to go over either.

CHAIRMAN SULLIVAN: I think the alternative too is regardless of the timing of doing two or three bonds as the City of Albuquerque did just recently, at the same time --

COMMISSIONER CAMPOS: Yes, I think that's what I would like to do but are we ready to do that in April. That's the question. Because that's our first window. If we don't use that window we may not have a window until November and then maybe not until next year. That's the question.

CHAIRMAN SULLIVAN: Commissioner Anaya.

COMMISSIONER ANAYA: I know we're talking about getting out to the voters, get the message out to the voters, and I'm thinking one way to do it would be -- I'm just throwing this out. I know that down south we are not able to pick up this channel. Channel 8 I believe that we're on. So is there some way, how can we improve this system that we're on now. I don't know if you get it in the north, but the only people that are listening to this are the City of Santa Fe residents and maybe the surrounding, but nobody in the southern part of Santa Fe County gets to see this.

CHAIRMAN SULLIVAN: About two years ago we approved a franchise agreement with the group that's now handling the County franchise. I forget their name. And that's up north as well as out in Eldorado. And they assured us that they would have service to those areas. In fact it was Ken Shutz, the former mayor of Albuquerque, he assured us that within six months they would have service in those areas and nothing's been done. So when you say down south you don't get it, we don't get it in the Community College District. We don't get it south of I-25.

COMMISSIONER ANAYA: Okay. Okay. That's something I think we need to work on and improve.

CHAIRMAN SULLIVAN: I agree.

COMMISSIONER DURAN: Mr. Chair.

CHAIRMAN SULLIVAN: Commissioner Duran.

COMMISSIONER DURAN: I thought I had the last question but one more. Actually it's to Tony on that architect. In the scope of work that he's going to undertake, is he going to do an analysis for us on this building? I don't think any of us want to dispose of this building but it sure would be nice to know what the professional opinion is on what kind of use, what kind of revenues it would generate, what kind of use we could maintain for the public. Is that part of the scope of work he's going to --

MR. FLORES: Commissioner Duran, you insisted that it was. And when we bring the contract back we'll look at those, phase one and phase two of that implementation for that, so yes, he will be looking at our facilities and I think, Gerald and I have talked on a very preliminary basis about once the analysis is done is truly doing an in-depth analysis of all our facilities for potential disposition or management related contracts for, for instance this building. We know that we're not getting rid of this

building. That's what you told me. But the other buildings we may be able to use to offset costs of the administration complex. So yes, that analysis will be undertaken.

COMMISSIONER DURAN: Okay. Thank you. Thank you, Mr. Chair.

CHAIRMAN SULLIVAN: Okay, Tony, what's the plan here now? We've got some discussion on GO bonds, then you have a list of projects here. One group is projects that already have some funding associated with them and another group of projects that are brand new. What's your plan here? What are we trying to achieve in the next hour?

MR. FLORES: Two things. First of all the Board requested that we come back and discuss the GRT funds, specifically related to the roads and others. And the current balance of FY03 and FY04 budget. One. Second, and I think the most important part is to set really, the session starts in approximately 14 days. We are now beginning to sit down and we're going to start this on Thursday, sit down with our delegation and start laying out our capital outlay requests for the session.

You all have read in the paper and we discussed this in April of last year when I came up and presented the ICIP process with you on the funding request for capital shrinking from the legislative side. And it being incumbent upon us, the County, to go out and look for other funding sources to complement legislative appropriations, GRT, CDBG, etc.

What I would like to do, since it is a long presentation, I think what I would like to focus on is the GRT balance that's available in FY03/FY04, which is \$282,000, on the roads and others. And that's what the Board requested we come back and discuss. And I have some options that we can discuss and take a look at. A second piece to that is then, for FY05 through 12, which is the next round, there's some options on how we would deal with that each year on the budgeting process on how we would distribute those funds on the County side of the GRT tax.

This packet is really what we've been working on for four months, actually eight months now, to develop a strategy. I committed to the Board that we look at projects that have existing funding, determine what the shortfalls are, finding the funding to complete them and get them off that list, that \$73 million monster. That's really what this plan lays out is the projects that we would be going after in the legislative cycle and other grants and other issues to be able to take off the list.

The Public Works facility is a priority for the County. It's sitting on a table; it's ready to go. That in my opinion from Project Facilities Management is that would be included into that bond that Susan was talking about, that \$20 million. And other Public Works satellite offices. I think that is probably the most project-ready or ready to go off the ground for construction is the Public Works facility and the roads. I think that should be treated as a separate entity or a separate bond for that purpose.

As far as the consolidated facility, I say we get the plan done and we look at what our buildings can generate for us and then we can develop a plan for a second bond issue. Timing, I agree with Gerald, is going to be an issue. But I think we're most ready with the

Public Works and the roads, the Public Works facility and roads.

CHAIRMAN SULLIVAN: Tony, let me ask a quick question about the Public Works, and I think that's a good focus and personally, that's my personal thought on the initial outlay. But when we commit to, let's say, \$20 million for a Public Works facility, road upgrade and improvements and satellite offices or whatever it might be, don't we at the same time have to look at the personnel, who the public will be expecting to drive these graders and operate this machinery and maintain and construct these roads? Or are we thinking that it will all be, or the majority will be done by contract?

MR. FLORES: Mr. Chair, I think when we plan any facility now, and this is a new direction we're heading, we have to look at the program and personnel issues, as the contractors we'll be looking at for the consolidated facility. And look for efficiencies. The Public Works facility, as you all know, we've been talking about this now for almost two years. We've cut this thing back numerous number of times to try to get it to the better bones of what is an efficient and functional facility for the Public Works Department, with their existing personnel patterns, their existing staffing patterns, their existing needs, and scale it back more than James would like to to the level I'm forcing him to scale it back to.

We have taken a look at personnel. We have taken a look at their patterns. We've also taken a look at their growth over the next few years and what can this building that we're building or designing, I should say and hopefully eventually building, can accommodate as far as growth. We're including in wings of the building that can be additive alternates and that would be easily built into the facility in the future as funding becomes available, as staffing patterns -- as we take over the Community College District roads. When we have to increase staffing. The facilities we're looking at from today forward will have that ability. They have to have that ability.

CHAIRMAN SULLIVAN: But I'm looking at -- I know physically what you're saying is physically, the facilities, we don't want to cheat ourselves on the size of the facilities and end up with portable buildings like you see in so many of our schools. But what I'm talking about is the immediate staffing. If we put out and get approval for a \$20 million bond, let's say that requires 20 more people in the Public Works Department. One per million. I'm just picking a number. That money has to come, does it not, from the general fund, for staff salaries. That can't come out of the bond fund. Is that correct?

MR. FLORES: That's correct, Mr. Chair.

CHAIRMAN SULLIVAN: Okay. So do we have the capability, do we know what our capability is in bonding to match the staff that will be needed to man these new facilities? Can we hire 20 more people?

MR. FLORES: Mr. Chair, I don't want to speak for James but I would look at it from this perspective that in some degree or fashion we're maintaining these roads today. In some degree or fashion, although maybe not in the greatest of need because of our staffing patterns, we're doing it today. What the bond will allow us to do is, with the existing staff, and James can jump in if he's here, take the roads and improve them with the existing staff. I think at any time that we go through the budget cycle without looking

into the crystal ball or asking for FTEs I think we would have to live within our budget and personnel.

JAMES LUJAN (Public Works Director): Also Mr. Chair, members of the Commission, that \$16 million for road improvements, some of it would be through contract services, by contracting out for road improvements. Then we would pick it up later and maintain it. But some of the initial costs would include contractual services for outside contractors.

CHAIRMAN SULLIVAN: I know even now with the work that we're doing now, in some cases there's a six-month or more back-up on work. I know Avenida Amistad, the drainage culvert on Avenida Amistad has been nine months. And it's not a reflection on the Public Works Department, it's just there's other things in front that need to be done.

MR. LUJAN: Well, part of that process was through the legislative funding we got for it. We just got the contract in September. We approved it in probably November, so that's been part of the delay. So yes, we applied for it last year in January, it's just when the contract came in.

CHAIRMAN SULLIVAN: So a short answer then to my question would be that you would probably need some FTEs but you would have some of it done by contract. Or do you think you can do it with all --

MR. LUJAN: Mr. Chair, members of the Commission, the way I'm working with Finance, I'll cut back and work with what I have currently. But we are trying. I think in probably five to six years we're going to need some FTEs. Not currently. We are definitely within the means right now.

CHAIRMAN SULLIVAN: Okay. So you can work this deal out?

MR. LUJAN: Yes.

CHAIRMAN SULLIVAN: And you're willing to sign right now on a document that you will not be --

MR. LUJAN: Give me the \$16 million and I'll make sure we get it done.

CHAIRMAN SULLIVAN: You'll find something for your employees to do with it. Okay. That answers my question.

COMMISSIONER CAMPOS: Mr. Chair.

CHAIRMAN SULLIVAN: Commissioner Campos.

COMMISSIONER CAMPOS: I have the same concern. A huge road-building program for the County that would last a couple of years or longer, it seems like James will be here asking for more FTEs and that's something we really have to factor in.

CHAIRMAN SULLIVAN: He just said he's not going to.

COMMISSIONER CAMPOS: I know, but --

MR. LUJAN: Mr. Chair, members of the Commission, if you can understand it, as we improve roads with hard surface, and the more hard surface we put on roads, that takes away from us having to blade so many roads in the maintenance. Right now we're playing catch-up because we don't have that many hard surface roads and we're

having to play catch-up to take care of those, and we have over the course of the years, as we improve roads, we do less maintenance, even on chip seal.

So we're not having to put that much maintenance into that road. It's on the dirt roads that we're having all the back-up.

COMMISSIONER CAMPOS: Okay. Mr. Chair, one point. If we want to move with a bond election in April we have to make a decision, I believe this month, right?

MR. LUJAN: Today.

CHAIRMAN SULLIVAN: Commissioner, the agenda item does say direction, asking for direction and if the Commission wants to give the staff some direction today they can do that.

COMMISSIONER CAMPOS: It's a tight schedule if we're going to the April we've got to make a decision this month or today.

MS. LUCERO: Mr. Chair, Commissioner Campos, what we would need to do is, by the end of this month and possibly as early as next week during the land use meeting is pass a resolution with intent to sell if it's going to come to fruition by the end of the fiscal year.

CHAIRMAN SULLIVAN: Okay, Tony, are you ready to take us through this.

MR. FLORES: Back to the nutshell. The session starts in 16 days. The decision by the Board to move forward or not to move forward on the bond is paramount because that will establish how we're going to work with our delegation on road projects. The second point is what the Board directs staff to do, and that's what we're asking for is a direction today on the remaining funds for the GRT, roads and other, the \$282,000 approximately, is looking for direction on how to allocate that for this fiscal year, looking at 100 percent funding for those projects that are currently on the ICIP, one option.

And we would probably be able to remove two or three roads from that list of ten that are on the priority list. Second option under that funding would be to allocate that to facility projects and remove some of those off the list. And I can tell you from the facilities standpoint in all reality, \$282,000 does not buy me a new senior center in Eldorado, nor does it buy me a new youth shelter. What it does buy the County though is the capital improvements necessary at the youth development facility, potentially at the adult facility. So that's what that money would go towards.

The third option that I'm proposing would be a split. After talking to Finance, this is kind of where she's leaning also, is to take a split of the \$282,000, 60/40 if we use a number, 60 percent to facility projects or other projects as defined by the GRT Ordinance and 40 percent to go to roads, which would equate to about \$169,000 for facilities and \$113,000 for roads. That would still allow us the opportunity for this fiscal year to be able to remove some of the road projects from the list and have a smaller amount of funding request, and we would be able to then also budget in and work on the improvements at the youth development facility and also the adult facility.

So that's the immediate recommendation that I'm looking for. Because we can spend an hour, two hours, on this whole presentation, which is important, but I believe the crux of the matter that the Board requested was what are we doing with the existing fund balance for the GRT. The rest of the document really lays out our priorities that you prioritized and we went through the public hearings that we started back in April of last year and the funding request. We will continue to work on those and continue to develop those. Some have come off the list like the Agua Fria Community Center through CDBG. Those are no longer on the ICIP funding request list because we have a source of application for it.

The other part that I would like some direction on is next year and the years after that is that the Board direct staff to develop GRT budgets as part of one, the ICIP process each year, two, that would be brought in and the Board would review and approve during our budgeting cycles for each fiscal year. I think that would eliminate the misunderstandings or the confusion of what we're doing with the dollars, how can we move the dollars in a timelier fashion, and it will also allow staff to be able to use those funds in areas to leverage other funds to complete projects and take off the list. And that's the presentation, Commissioners, in a nutshell, knowing that the session is going to start. Capital outlay is getting smaller at the legislative level. We need to do a better job of finding other funding sources.

COMMISSIONER ANAYA: Mr. Chair.

CHAIRMAN SULLIVAN: Commissioner Anaya.

COMMISSIONER ANAYA: The \$282,000, that is last year's money that we need to spend this year?

MR. FLORES: Mr. Chair, Commissioner Anaya, it's the remaining balance of FY03 and FY04, two fiscal years.

COMMISSIONER ANAYA: Okay.

COMMISSIONER MONTOYA: Mr. Chair.

CHAIRMAN SULLIVAN: Commissioner Montoya.

COMMISSIONER MONTOYA: I'd also like, as part of this discussion for us to consider a request that I put forth. I've given everyone a copy regarding a water/water project that I would like to be considered. I gave each one of you a packet of information that delineates exactly what this project is. And it would be involving a collaborative between Pojoaque Pueblo, Santa Fe County, North Central Economic Development District, as well as the Bureau of Indian Affairs, on this wastewater study. We're requesting approximately \$64,000 to complete this from the water/wastewater GRT portion.

The important thing is that we're beginning to look at the contamination in the groundwater that we have there in the Pojoaque Valley, and it would cover a large portion as indicated on the map that I have attached for you also there on the back.

I think the important thing also is that in part of this wastewater study were going to be getting a document that will be telling us exactly, and it ties in to what Tony's talking

about in terms of future legislative requests because we're not going to be able to do everything that we need to do in this County with the GRT regarding water and wastewater unless we creatively start thinking about how we're going to use that 50 percent that's going to the RPA right now because it is going to benefit all of the citizens within the city limits as well in terms of anything that we do, even in the northern part of the county. So we need to take a look at that and I'm going to just plug that for a quick second.

The other important part is that with the Aamodt lawsuit coming up, this is going to be a part of our requirement that's going to be given to us as well and I think what's important is that we're essentially getting ahead of the ballgame by doing this study and that's why I'd like for this to be a part of the request and part of what we're talking about this afternoon as well. Ed Gonzales is here also. I've been working with Ed who's kind of the lead engineer on this project. Ed, if there's anything else that you'd like to maybe add.

ED GONZALES: Good afternoon, Commissioners, Mr. Chair. I'm Ed Gonzales. I'm working as the consulting engineer for the district, working on coordination with the tribes and the Northern Economic Development District on a regional wastewater facility planning effort. I believe we came in front of the Commission, I believe it's been about a year ago since we made a presentation to you and told you some of our plans and what we wanted to do within the northern New Mexico region and the region included everything from Tesuque Village, Tesuque Pueblo, all the way through Pojoaque, San Ildefonso, Española, Alcalde, Abiqui area. So it's a very large region.

And what we've discovered is we're getting good cooperation and one of the letters that we received from Pojoaque Pueblo indicated that they would like to look at a subregional facility. So we've decided that that would be something we'd like to initiate quickly. The packet you have before you outlines the three-phase approach that we're taking. The first phase is Pojoaque Pueblo in conjunction with monies from the Interior Department, doing a comprehensive wastewater study of its own needs but also includes the non-Indian population within the Pojoaque Pueblo boundaries. You'll see that in the map area. So that's phase one and they will look at all their options available for handling wastewater and how the effluent can be used for economic and commercial purposes.

Also in this planning effort, Northern New Mexico Economic Development District is through a grant from the EPA given the tribe \$60,000 in order to pursue phase 2, which extends the study to include all tribal and non-tribal residents within the areas of San Ildefonso, Jacona, Pojoaque, Nambe, Nambe Village, the Cuyamungue area, Tesuque and Tesuque Village. So this will include what kinds of wastewater needs we will need to be able to address the needs for the next 20 years or so.

In phase 3 which is what we're asking Santa Fe County to participate in, we'll be looking at the level of contamination that exists within this region, this subregion, and we'll be taking 100 or so water samples in the cooperative effort with the New Mexico Environmental Department, conducting water fairs to show exactly how bad the contamination is within the region, and using all three phases, come up with a plan that will outline what the needs are within the region in terms of a regional wastewater facility.

COMMISSIONER MONTOYA: Thank you, Ed.

MR. E. GONZALES: If I may, also included in your packet, on page 4, is a budget that outlines Santa Fe County's portion that has been requested. These are as you know, almost equally one-third shares between the Pueblo of Pojoaque and their contribution, the district and Santa Fe County. And it's about \$65,000 is the request.

CHAIRMAN SULLIVAN: Ed, I had a question. You said that phase 1 was funded by the BIA and Department of Interior and phase 2 was funded by North Central New Mexico Economic Development District through a USEPA planning grant. Is phase 3 proposed under the funded totally by Santa Fe County or you mentioned some matching from Pojoaque Pueblo. Where is that matching?

MR. E. GONZALES: The matching is the funding that is being provided by the Interior Department, by BIA.

CHAIRMAN SULLIVAN: Is the Pojoaque Pueblo itself committing any of its --

MR. E. GONZALES: That is their commitment, sir.

CHAIRMAN SULLIVAN: Through the BIA.

MR. E. GONZALES: Yes.

CHAIRMAN SULLIVAN: Okay, someone else had a question.

Commissioner Anaya.

COMMISSIONER ANAYA: Mr. Chair, so Commissioner, you're asking for \$65,000 out of the \$282,000?

COMMISSIONER MONTOYA: Mr. Chair, I think, Commissioner Anaya, we would probably look at this out of the water/wastewater rather than the \$282,000 that Tony's talking about.

COMMISSIONER ANAYA: Oh. Okay, so this would be completely different from the \$282,000.

COMMISSIONER MONTOYA: Completely different, yes, exactly.

COMMISSIONER ANAYA: Can we start doing that now? Allocating this money to certain projects? Because I know that there's been communities out there that are asking for money and I'm not -- can we come forward right now with proposals?

MR. FLORES: Mr. Chair, Commissioner Anaya, I confirmed this with Susan. For the water and wastewater and for the open space and parks portions, 90 percent of the GRT. Budgets are in place and there are some plans through the Utilities Department and through PFMD for open space that we can start moving forward on some projects. What we would have to do on this one, which is actually, this plan itself is actually listed as part of the GRT Ordinance, the water/wastewater projects in northern Santa Fe County, including the communities in Pojoaque, Tesuque, Santa Cruz Valley, it's already listed as one of they areas.

So for this project I believe, if the budget is in place, I'm not speaking for the Utility Department, we could move forward rather quickly on this project. As far as other community projects or water/wastewater projects, we need to look at how the Utilities

Department has set up their plans, how the Board has or will prioritize other water and wastewater projects for use of GRT. Buckman diversion, San Juan/Chama, those types of projects, to see where this falls in. I know that we are still looking for dollars for the Cañoncito and the Chimayo mutual domestic match priorities as well as the Cerrillos mutual domestic -- I can't remember the exact name of the domestic. But those have been brought forward through the ICIP process through the Utilities Department as County projects.

So we would just have to see when they come forward, when the Board brings those forward, is working through the existing project outlines that each of us has developed and see if it's in there and if it's not in there then we need to bring it back before the Board.

COMMISSIONER ANAYA: Okay. Thank you. So one other thing. How much money are we looking at? We're looking at 50 percent of 75 percent, right?

MR. FLORES: That's correct, Mr. Chair, Commissioner Anaya. If we look at the water/wastewater for FY04, which is in the packet. It's approximately \$2.9 million. FY05 it goes up a little bit. All the way up to FY12, \$3.2 million. Now, again, we look at the Buckman diversion project, San Juan/Chama diversion, those type of things along with the entire water/wastewater project with these funds. Some of these are regional projects like the Buckman diversion has been allocated as a regional project. Some of these other smaller projects would be, it would be permitted to use this funding for those purposes. So \$2.9 million for FY04.

COMMISSIONER ANAYA: Thank you, Mr. Chair.

CHAIRMAN SULLIVAN: Commissioner Montoya, I'm still not clear. Is this \$65,000 the total of phase 3, or is that one half of phase three?

COMMISSIONER MONTOYA: No, that's the total for phase 3.

CHAIRMAN SULLIVAN: Then where is the BIA contribution?

COMMISSIONER MONTOYA: That's in phase 1.

CHAIRMAN SULLIVAN: So they're not going to contribute to phase 3 at all.

COMMISSIONER MONTOYA: No. No, the way the phases actually have worked has been according to the funding that has been allocated. So they got phase 1 and that piece of funding for that piece, and then phase 2 was the funding that the district, the Economic Development District committed. So that's how they're doing phase 2. And now we'd like to do phase 3 with funds that would be committed from Santa Fe County. So that's the way the phasing has actually been implemented.

CHAIRMAN SULLIVAN: Okay. And then what's the benefit or how does this benefit non-Pueblo residents of the northern part of the county? Is it basically because of the data collection being part of an overall data program?

COMMISSIONER MONTOYA: Exactly. All of that. All of the data and analysis that is picked up as part of the water contamination study is something that we can use once we get into the actual implementation of a wastewater system. So it would be --

it's beneficial for that whole area so it would help us tremendously.

CHAIRMAN SULLIVAN: Okay, and then this is proposed to be done by the same firm, which used to be Herkenoff which is now ASCG. Is that right?

COMMISSIONER MONTOYA: I don't know.

CHAIRMAN SULLIVAN: Can we do that? Can we expend funds in excess of \$25,000 without going through the RFP process?

COMMISSIONER MONTOYA: Mr. Chair, actually, the way this would work is that we would contract with the Pueblo as opposed to ASCG and that's the way it's working with all of these contracts right now that the Pueblo is the one we would be contracting with to do the work.

CHAIRMAN SULLIVAN: Well, I think the same question would still apply. Is there an exemption for that? You're shaking your head yes?

MR. ROSS: Yes, Mr. Chair, there is an exemption in the procurement code for other governmental bodies. So if you hired basically another governmental body to do this work you wouldn't need to be subject to the procurement code in the first place.

CHAIRMAN SULLIVAN: Okay, but we're not hiring them; they're hiring someone else, right? They're hiring an engineering firm.

MR. ROSS: Yes. Our contract would have to be with them unless you wanted to go through the RFP process.

CHAIRMAN SULLIVAN: I know you can't artificially divide contracts to get under the procurement code. I'm just wondering if this is not a circuitous route to avoid doing that or if it's a bona fide -- you seem to feel it's okay.

MR. ROSS: Well, it's probably okay. They've done the first two phases already so it's a project they've got going.

CHAIRMAN SULLIVAN: In that case it's federal funds, though. It's EPA funds and it's BIA funds contracting with the Pueblo. In this case it's County funds.

MR. ROSS: These are all the difficult issues we'd have to -- we'd have to work the contract out.

CHAIRMAN SULLIVAN: Excuse me. Go ahead, Mr. Gonzales.

MR. E. GONZALES: I just wanted to comment. The contract, when it was issued under an RFP had all three phases in it and there was competition and ASCG was the selected engineering company and responded and the first phase is already in process. Phase 2 will be a contract between the district and the tribe to give them the money much like the County would. And then we are requesting that they provide the deliverables back to the district.

CHAIRMAN SULLIVAN: And then what input or control does Santa Fe County have over this data and process if it's a Pueblo project?

MR. E. GONZALES: Much like the district, we have conditions and requirements indicating the information be provided to the district. The County is now in the process of developing an MOA or MOU with the tribe to do the same. And you can develop whatever conditions that you feel appropriate.

CHAIRMAN SULLIVAN: So Tony, are we talking about the water and wastewater projects now or are we just focusing on the roads and others, or what's our plan here?

MR. FLORES: Mr. Chair, the direction was to bring back the roads and other to discuss the \$282,000. I think though that based upon the request from Commissioner Montoya to move this project forward, that's what brought this discussion forward. This would be my recommendation on the water/wastewater. I think it is part of the ordinance. We have an existing budget currently. I think because of some issues that have raised by the Board, specifically you on that record of procurement and the MOA and stuff is -- let us develop a plan to bring back in two weeks to bring back to the governing body for approval or direction on that part of the water/wastewater. That will allow us two weeks to meet with the Utilities Department, PFMD staff and any other entity, including the Pueblo, and develop a plan to bring back. I think it's an important project. I think that's why Commissioner Montoya brought it forward today. I think it would benefit us all including myself if we had another week or so to be able to go through it specifically and see if there's existing data that we potentially would have in-house, or look at what type of issues we may have with the Pueblo on data-share, etc. Because this is really getting to the crux of that matter as to what we're doing with data, what's going to come out of the data, how we'd be able to use the data.

CHAIRMAN SULLIVAN: Yes. And I think it's a good project. I think we want to partner with the Pueblo and I think we want to make the document clear as to how that partnership interacts and how we work. Now, is the proposal, Commissioner, for this to be the 50 percent that's the regional 50 percent, or to be the County 50 percent?

COMMISSIONER MONTOYA: Mr. Chair, at this point it would need to be the County 50 percent.

MR. FLORES: Mr. Chair, that's the way it's actually written in the ordinance. This area, under item B. 4 of the ordinance, actually that would be a County driven project, not a regional driven project.

CHAIRMAN SULLIVAN: Okay. All right.

MR. FLORES: So if I may on that point, if I could just clarify or get direction that we can bring that issue back in two weeks. Or on the 27th.

CHAIRMAN SULLIVAN: At the admin meeting?

MR. FLORES: At the admin meeting at the end of the month?

CHAIRMAN SULLIVAN: I think that's appropriate, and we could have this thing pretty well fleshed out and an MOU in place and see if everybody likes what we're getting done. Does that work?

COMMISSIONER MONTOYA: Ed, will that work for us in terms of the time line that we're looking at completing?

MR. E. GONZALES: Mr. Chair, I have Alyn Martinez from the Pueblo of Pojoaque who is the Utilities Director. He would be able to respond to the time line.

ALYN MARTINEZ: The two weeks would be definitely appropriate for us

to be able get with the County and identify their needs within the MOA.

COMMISSIONER MONTOYA: Okay. So it won't stretch the time line?

MR. MARTINEZ: No, it wouldn't stretch the time line at all.

COMMISSIONER MONTOYA: Okay. That's fine, Mr. Chair. Thank you.

I appreciate it.

CHAIRMAN SULLIVAN: Okay. Is everyone comfortable with that? I think we had some head nods here. So we can flesh this out and bring it back as an action document.

MR. FLORES: Yes.

CHAIRMAN SULLIVAN: Okay. Thank you, Ed and Mr. Martinez.

Appreciate that.

MR. FLORES: Again, just to recap a decision. I'm looking on direction on the existing balance of --

CHAIRMAN SULLIVAN: Okay. We're back to the \$282,000. You keep trying to get us back there. I know you're trying to do your job there. We keep wandering down the street. It's all right. Let me throw one thing out too on the \$282,000 and getting back, you mentioned the Eldorado Senior Center, and \$282,000 doesn't complete the Eldorado Senior Center which needs \$395,000 as you said. I see some advantages on some situations like that that already have funding. The funding that the Eldorado Senior Citizens Center has is not our funding. It's state funding. Is that correct?

MR. FLORES: That's correct.

CHAIRMAN SULLIVAN: And I see some advantage of putting some money into that, like \$50,000 or some money that you can take to the legislature and say the County has made a commitment. Now, that's not going to buy the facility that we need yet, but that goes, in my experience, a long way with the legislators to show that the Commission has done some prioritization. So I would throw that out as a strategy, as a legislative kind of strategy that we've committed x-amount of funds and we'd like this not just to be a state project, but that the County thinks it's useful too.

MR. FLORES: Mr. Chair, now you've brought me full circle. That's really what the strategy's about, is how we can leverage existing funds with County funds and other funds to be able to complete it, to be able to show the legislators we do have a commitment. This is exactly what this whole packet of 50 pages really boils down to is we've got some money on the table right now. What's the best use of that money and how can we leverage it for future projects? Bottom line.

CHAIRMAN SULLIVAN: I'd pick out, if you're asking my personal opinion, I'll ask all the other Commissioners as well, I'd pick out four or five high-priority projects that have some good potential for legislative matching or funding and designate them and go for it.

MR. FLORES: Mr. Chair, for a point of clarification, is that roads and facilities?

CHAIRMAN SULLIVAN: Well, I didn't -- I guess I'm hearing on the

roads, I'm kind of hearing on the roads that the Commission seems to be amenable to doing a GO bond here. We're just talking about when. So I'm kind of going your route personally in putting this money in facilities in this go-round.

COMMISSIONER MONTOYA: A hundred percent?

CHAIRMAN SULLIVAN: Unless there's really a serious road project that needs to be addressed with this money right now --

COMMISSIONER ANAYA: County Road 42.

COMMISSIONER DURAN: San Ysidro Crossing.

COMMISSIONER MONTOYA: County Road 88.

CHAIRMAN SULLIVAN: There we go. We're back to roads again. Well, I'm okay with that. I think if we take a road, we take a project in each district, if we divide this \$282,000 into five and take a project in each district, roughly, and if you want a road project, take a road project. In my district, I'd put my \$60,000 or whatever it would come out to be into the Eldorado Senior Center, just to get it moving. But I'm not taking roads out of the consideration.

COMMISSIONER CAMPOS: Mr. Chair.

CHAIRMAN SULLIVAN: Commissioner Campos.

COMMISSIONER CAMPOS: Question for Mr. Flores. You want 60 percent for facilities.

MR. FLORES: Mr. Chair, Commissioner Campos, that's just one of the options.

COMMISSIONER CAMPOS: Oh, that option seems to be your preferred option.

MR. FLORES: Mr. Chair, Commissioner Campos, yes. In order to leverage the dollars, yes.

COMMISSIONER CAMPOS: Okay, now do you have in mind exactly how you want to spend that 60 percent?

MR. FLORES: Mr. Chair, Commissioner Campos, the immediate need that I have right now for facilities is the juvenile detention facility. That's on the list of priorities. I would like to take the 60 percent of that or \$160,000 or whatever the number comes out to be and put at least 50 percent into the juvenile facility, at least 50 percent of the 60 percent into the juvenile facility, take the remaining balance and spread it out amongst the five priority projects I have for facilities, which would include the Eldorado Senior Center, the Youth Shelters, the juvenile facility would already be taken care of because that's included in there. Stanley youth agricultural facility, and spread those dollars out within there.

COMMISSIONER CAMPOS: That's a small amount of spreading. That would be spread out in five. You don't get very far I don't think.

MR. FLORES: Mr. Chair, you're absolutely correct.

CHAIRMAN SULLIVAN: You said five projects here. I see six here. Are you talking about this list that says facility projects?

MR. FLORES: Yes. But the Public Works facility that's listed on there, that's a four million dollar monster in itself. I don't anticipate us going to the legislature and requesting \$4 million.

CHAIRMAN SULLIVAN: James keeps bugging us on that. Okay, Commissioner Anaya.

COMMISSIONER ANAYA: Could you give me some numbers instead of some percentages on the \$282,000, and you mentioned those --

MR. FLORES: If we do a 60/40 split, \$169,000 --

CHAIRMAN SULLIVAN: He wants \$169,000 on the youth development facility. Do you have this chart here, Commissioner. That looks like this? It's kind of about half way through the pile.

COMMISSIONER ANAYA: Okay.

CHAIRMAN SULLIVAN: It says facility projects. And then delete the Public Works facility and then those are the five staff recommended projects, including the Stanley fairgrounds.

COMMISSIONER ANAYA: Okay. So go for it.

MR. FLORES: \$169,000 for facilities, and that would be split up five ways over those projects that currently have funding that we're going to be establishing the relationship with the delegation to try to complete those projects.

CHAIRMAN SULLIVAN: Wait a minute. Where's the other \$169,000?

MR. FLORES: That's the 60 percent. We're going to take the \$282,000 and we take 60 percent of that, is \$169,466.

CHAIRMAN SULLIVAN: Where does the other 40 go?

MR. FLORES: Forty percent goes to roads, \$112,977. That way we get the best of both. We'll be able to do some road projects and get them off the list and we're able to show a commitment to our facility projects when we go in and ask for the additional funds.

CHAIRMAN SULLIVAN: And where are the road projects that you're recommending?

MR. FLORES: Right now, there's three projects that currently have funding. That's Monte Alto Road,

CHAIRMAN SULLIVAN: CR 55 in La Puebla.

MR. FLORES: 55 A and the La Puebla drainage basin. As you can see, those ones Mr. Chair, they have some high dollar amounts. Monte Alto we need about \$125,000 to complete it. That would get that off the list. However, if we look at the other priorities, which are the unfunded projects, we have some that are on there that are a lot less dollar amount requests that we could potentially get them off the list. So what I would ask on the split, if we go that route, that the Public Works Department would be able to look at their priority list 1 through 10, and determine how they can best use the \$112,000 with the road projects that are listed.

CHAIRMAN SULLIVAN: Just to follow up on Commissioner Anaya's

question then. You would take \$169,000 and put it in facilities and divide it by five, which is about \$34,000 apiece. And you would just allocate that to each of the five.

MR. FLORES: Correct.

CHAIRMAN SULLIVAN: Okay. So we'll hold that as one option.

MR. FLORES: Correct.

CHAIRMAN SULLIVAN: Then that would leave us how much money?

MR. FLORES: \$112,977.

CHAIRMAN SULLIVAN: Call it \$113,000. And that would go to road projects which could be the three that are shown or could be other new projects.

MR. FLORES: That are in the back of the presentation that are on the priority list that do not have current funding. Those include County Road 42, County Road 88 B, County Road 48 A, County Road 88, and County Road 44 A and B. Those are the projects that are listed in the order from one through seven on the ICIP of projects of priority.

CHAIRMAN SULLIVAN: Where is Camino Baja anyway? Ever hear of it?

MR. FLORES: It's actually partially in your district off of State Road 14.

CHAIRMAN SULLIVAN: Is that where it is? I knew it was in District 5 because it said that but I didn't know where. All right. So we could, again, in your scenario, take the \$113,000 and divide it up amongst any road projects.

MR. FLORES: Any or one that we could get off the list.

CHAIRMAN SULLIVAN: That the Commission felt was important. Commissioner Anaya, excuse me. I butted in there. Go right ahead.

COMMISSIONER ANAYA: That's okay. Then it looks like our high priority is County Road 42. Correct?

MR. FLORES: On projects that don't have current funding. Correct.

COMMISSIONER ANAYA: Okay. So, Mr. Chair, are you saying take the \$113,000 and divide that by five and put it in there or you're saying --

CHAIRMAN SULLIVAN: No, I'm just saying that could be, as Tony said, one road or five.

COMMISSIONER ANAYA: Well, I know that on County Road 42, that is an 8-mile stretch. We paved two miles, I believe on one end and two miles on the other end and we just need to take care of the middle and we're done with that road.

CHAIRMAN SULLIVAN: Here's a nice little one, CR 44, San Marcos area, that would only cost you \$28,000. So there's a really cost-effective one which happens to be in District 5. Let's see, District 1. Here we've got La Puebla. That's \$100,000.

COMMISSIONER MONTOYA: That ought to take care of it.

CHAIRMAN SULLIVAN: Seems like we've been working on the La Puebla Road since Marcos Trujillo was here. That road never gets done. I'm just commenting on it seems we've been spending an awful lot of money on La Puebla Road. It's got a crossing. Obviously it needs it, but maybe we better declare it a state highway or

something. Okay, let's strategize on how we want to do this. Do we want to pick one road or two, or do we want to just chop up the \$113,000 into five pieces?

COMMISSIONER ANAYA: Mr. Chair.

CHAIRMAN SULLIVAN: Commissioner Anaya.

COMMISSIONER ANAYA: How much money do we need for County Road 42 to complete the middle, complete the -- I don't know what it is. Three miles?

MR. FLORES: \$325,000.

COMMISSIONER ANAYA: \$325,000. So if we took that \$113,000, or if we decided to split it and use half of that for District 1, would that help us? With fifty-some thousand each?

MR. FLORES: Mr. Chair, Commissioner Anaya, I think what we'd have to do, if we took some for County Road 42 and then County Road 88 or something in District 1, we'd have to see what that gets us. We know that County Road 42 is not going to get us the entire part but it will get us a third of it so that our legislative request will be less. We'd have to look at what priority that would be the remaining balance best be utilized for in District 1. I can't answer the question as to what road that may be today. I can tell you that they're on the list, but we'd have to go through and see what the balance would be that \$60,000 would get us in District 1.

COMMISSIONER ANAYA: Well, let's go ahead and forget District 1 then, and use --

CHAIRMAN SULLIVAN: I get more calls from the Route 14 area and I keep putting them off onto you.

COMMISSIONER ANAYA: That road is bad.

CHAIRMAN SULLIVAN: 44 is, yes. Is that the piece on 44 between Galisteo and --

COMMISSIONER ANAYA: Yes.

CHAIRMAN SULLIVAN: Oh, that piece.

MR. FLORES: The big piece.

CHAIRMAN SULLIVAN: The connection between the paving.

MR. FLORES: It's County Road 42.

CHAIRMAN SULLIVAN: It says 44 A and B here.

MR. FLORES: That's a different area.

CHAIRMAN SULLIVAN: That's a different one. 42 is the one that goes to Galisteo.

MR. FLORES: Correct. Five miles is unpaved, correct?

COMMISSIONER MONTOYA: And one mile is paved on each end. Two on each end.

CHAIRMAN SULLIVAN: Well, \$113,000 isn't going to --

MR. FLORES: It's \$325,000 total, for chip seal.

COMMISSIONER MONTOYA: \$325,000 for chip seal.

CHAIRMAN SULLIVAN: But the other part of it is asphalt, isn't it.

COMMISSIONER DURAN: Could you put that out for bid? Maybe someone can do it cheaper.

MR. FLORES: They can't do it cheaper. These guys are the best.

CHAIRMAN SULLIVAN: What's the price on the others, Monte Alto and CR 55 A in La Puebla.

MR. FLORES: Monte Alto we need \$125,000, and actually 55 A, the low water crossing, I was talking to James and Robert on that one, that's actually \$100,000 we need on that one, not the \$50,000.

CHAIRMAN SULLIVAN: And what's La Puebla drainage?

MR. FLORES: That request is \$186,000 for the construction of a new water retention basin.

CHAIRMAN SULLIVAN: These are projects that already have some funding.

MR. FLORES: Correct. Those three projects already have existing dollars. That's a good point. County Road 55 A has been sitting six years without completion. So that would be a priority to get that one completed.

CHAIRMAN SULLIVAN: Where is that?

MR. FLORES: That's the one that I need \$100,000 for instead of the \$50,000. It's the second one in under funded road projects.

CHAIRMAN SULLIVAN: But where's it located?

MR. FLORES: Cerrillos.

CHAIRMAN SULLIVAN: It's in Cerrillos? And that's got funding now of \$101,358, but we haven't been able to use it because we don't have enough money to complete the job, so the money's just sitting there gathering dust. Is that it?

MR. LUJAN: That's correct, Commissioner.

CHAIRMAN SULLIVAN: And all you're asking for is \$50,000.

MR. FLORES: \$100,000.

CHAIRMAN SULLIVAN: Oh, now you want \$100,000.

MR. FLORES: Yes, now I need \$100,000.

CHAIRMAN SULLIVAN: Do you see where I am, Commissioner? I'm just wondering -- it's right after those three road projects. Then they have them detailed out. \$125,000 for Monte Alto, \$50,000 for County Road 55 A and \$186,000 for La Puebla. I'm just thinking that it doesn't make sense to get a road done and done with whoever's district it is, rather than allocating money and just having it languish in the fund there. It's not in District 5 but I could certainly see putting \$100,000 into that low-water crossing in District 3 if that's -- what would be your assessment, either James or Robert, as to the severity of these? Talking about health, safety and those things?

MR. LUJAN: Mr. Chair, I believe County Road 55 A would be the most severe thing. Representative Rhonda King has been after us to try to see if we could find some more funding for that. I spoke with her yesterday. She's going to try to get us another small appropriation for it but she just has not been able to complete the total

funding to get that. Most of this has been funding from her, that \$101,000. And that is severely needed.

We've been in a drought but when that gets flooded, those people cannot get across that.

CHAIRMAN SULLIVAN: Maybe if we came up with \$50,000 then she could get \$50,000 out of her legislative allotment. It wouldn't be such a hit.

MR. LUJAN: It's just been on the books so long, for six years now. I think that's one that we really need to clear up. I think in the fifth year they're looking at and the governor is talking about taking back monies that have not been used over a period of time because they're not project ready. I'm just afraid that that one would be one that they could pull the money for. So out of all those, I would think 55 A.

CHAIRMAN SULLIVAN: The same issue with La Puebla drainage.

MR. LUJAN: La Puebla's been on for three years and I was just maybe wondering if we couldn't take that out of the portion of the GRT from water and wastewater, since it's a retention pond for water and wastewater.

CHAIRMAN SULLIVAN: And that qualifies for that?

MR. LUJAN: In my language I think it would qualify.

CHAIRMAN SULLIVAN: In your opinion it qualifies.

MR. LUJAN: It sounds good to me.

CHAIRMAN SULLIVAN: Does anybody dispute that? I don't hear any. So that's a possibility we might look into.

COMMISSIONER ANAYA: Mr. Chair.

CHAIRMAN SULLIVAN: Commissioner Anaya.

COMMISSIONER ANAYA: So are we saying that the \$169,466 for the facilities and the \$113,000 would go to the County Road 55 A? Is that what you're saying?

CHAIRMAN SULLIVAN: I'm just throwing out these three projects, ideas that it would be nice to get one done and get it off the books, even if it's not in my district. But if it's a health and safety issue that staff is recommending, put \$100,000 towards it and put the other \$13,000 back into facilities and get the darn thing done and get it off our list, for Pete's sake. And tell Rhonda to give us money for something else.

COMMISSIONER ANAYA: I'm sure she would be happy to see that, if it's been there for six years.

CHAIRMAN SULLIVAN: I'm sure she would.

COMMISSIONER ANAYA: Instead of us putting in \$50,000 and then going back to her for another \$50,000, she's going to say, come on, guys.

CHAIRMAN SULLIVAN: Well, we could say the same thing to her too. She's got \$700,000 of money to allocate too. That's kind of just my feeling is that let's get something done here and you all pick whatever you want. I'm perfectly happy to go along with your recommendations.

MR. FLORES: Mr. Chair, my recommendation is \$100,000 to County Road 55 A and the remaining part to go to facilities, spread out equally amongst the

project-ready facilities.

CHAIRMAN SULLIVAN: That's the \$13,000 left over from your 40 percent and do one road. Get it done. And then take a look at La Puebla drainage and see if that's a potential that would fit into the water. I'm questioning that too but we could certainly see if it is.

COMMISSIONER ANAYA: Mr. Chair.

CHAIRMAN SULLIVAN: Commissioner Anaya.

COMMISSIONER ANAYA: I'll go ahead and go with that motion.

COMMISSIONER DURAN: Second.

CHAIRMAN SULLIVAN: Okay, we have a motion and a second to allocate roughly, within \$1,000 here, \$182,000 to facilities, divided equally amongst the five staff recommended projects, and \$100,000 to County Road 55 A low-water crossing, which will be a match to existing funding of \$101,358. Do I have that right?

MR. FLORES: Correct.

CHAIRMAN SULLIVAN: Does that sound right?

COMMISSIONER CAMPOS: Did you say divide the 60 percent of the five projects? I thought you had mentioned fewer.

MR. FLORES: Mr. Chair, Commissioner Campos, it was the \$169,000 divided by five ways but we just infused that by another \$13,000.

CHAIRMAN SULLIVAN: We just added roughly \$13,000.

COMMISSIONER CAMPOS: The other question is, for the 55 A low-water crossing, the estimated funding request is \$50,000, the existing funding is \$101,000 --

MR. FLORES: Mr. Chair, I indicated that was a mistake on my part. The engineer's estimate actually required another \$100,000.

COMMISSIONER CAMPOS: So the \$50,000 is incorrect.

MR. FLORES: \$50,000 is incorrect. That's my error.

CHAIRMAN SULLIVAN: Which only leaves \$13,000 from the 40 percent.

COMMISSIONER CAMPOS: It goes back to the facilities.

CHAIRMAN SULLIVAN: Correct. So that's a motion and is that clarification okay to the seconder?

COMMISSIONER DURAN: Yes, sir.

CHAIRMAN SULLIVAN: Okay, further discussion on that motion?

COMMISSIONER MONTOYA: Mr. Chair.

CHAIRMAN SULLIVAN: Commissioner Montoya.

COMMISSIONER MONTOYA: Should we maybe consider just doing for the youth development

Facility needs a million dollars, or even the coordinated --

CHAIRMAN SULLIVAN: Your traipsing on my senior center now.

COMMISSIONER MONTOYA: Maybe utilizing the same philosophy we're talking about. I don't know.

CHAIRMAN SULLIVAN: Well, maybe if we had enough money to finish

it but I don't think we have enough money to finish the youth center.

COMMISSIONER MONTOYA: None of them.

CHAIRMAN SULLIVAN: None of them. That's why I think on that strategy we need to use the leveraging. On the road strategy, you really can't do half a road. You either get in there and you do a low-water crossing or you don't. You can't put half a culvert in and get it half-way done.

MR. FLORES: And Mr. Chair, Commissioner Montoya, the youth development facility, you're absolutely correct. That's what we've estimated we need and when we did the presentation on the potential operation of that facility, I indicated that those improvements would be phased. Because the facility itself in its current state is functional. However, we have found through our investigation that we need to make capital improvements, phased in over time. So the million dollars is really the one-time hit, not a phased approach. So it looks like a large number and the adult facility could be deemed the same way. We could phase those capital improvements in through other sources over fiscal years.

CHAIRMAN SULLIVAN: That's certainly an option, Commissioner. I'm not disagreeing. Other discussion?

COMMISSIONER CAMPOS: Question for Mr. Flores.

CHAIRMAN SULLIVAN: Commissioner Campos.

COMMISSIONER CAMPOS: The million dollars you need is to provide the County the ability to utilize areas in the facility that are not currently occupied or utilized. It's not for the functioning of the youth facility itself but making other parts of the building functional for County purposes?

MR. FLORES: Mr. Chair, that's correct.

COMMISSIONER CAMPOS: And you want to have potential community, social, and health programs.

MR. FLORES: Mr. Chair, those are uses that we would look at for that facility once we've had a chance to get in there and assume the operations and assume, determine what efficiency that facility will maintain.

COMMISSIONER CAMPOS: Okay.

CHAIRMAN SULLIVAN: Other questions, comments on the motion?

The motion to allocate the \$282,000 in the manner described above passed by unanimous [5-0] voice vote.

CHAIRMAN SULLIVAN: Thank you, Tony.

COMMISSIONER ANAYA: Mr. Chair.

CHAIRMAN SULLIVAN: Commissioner Anaya, then Commissioner Montoya.

COMMISSIONER ANAYA: So the \$169,000 or the \$180,000, actually, would be divided by five?

CHAIRMAN SULLIVAN: Well, it's \$169,000 plus \$13,000. So, right. It's \$182,000, would be divided by five.

COMMISSIONER ANAYA: And that would go to the health complex, the youth development, youth shelters?

CHAIRMAN SULLIVAN: Everything except the Public Works.

COMMISSIONER ANAYA: Eldorado, fair.

CHAIRMAN SULLIVAN: Right. And the \$100,000 would go to 55 A.

COMMISSIONER ANAYA: And that \$36,000 or whatever would be tacked onto whatever is already existing?

MR. FLORES: Correct. And then that would lessen the requests we would be asking the delegation or funding sources to infill. We'd use this as leveraging dollars.

COMMISSIONER ANAYA: Good.

CHAIRMAN SULLIVAN: So the \$36,000 becomes close to \$40,000, because we added \$13,000 divided by five. It becomes \$38,000 or so. Commissioner Montoya.

COMMISSIONER MONTOYA: Thank you, Mr. Chair. I just wanted to say in the spirit of I think cooperation, which we all need to do, it's good to do that, but I also want to point out that none of this funding is going to my district which I'm kind of disappointed in terms of the needs that we have for roads and facilities. But again, I think in the spirit of working together and needing to do something, these are projects that are needed but there is nothing going to District 1. So I wanted to --

CHAIRMAN SULLIVAN: We are going to move forward on this water project.

COMMISSIONER MONTOYA: Yes. But we spent funding, \$80,000 on other things already that essentially, the ten percent for the GRT that I've been wanting to do some sort of plan over the past year already, so that at least something can go to a road or something is not going anywhere in District 1 right now. But again, that's all in the spirit of cooperation.

COMMISSIONER CAMPOS: Nor District 4.

COMMISSIONER DURAN: For the record let's say that we owe both of you.

CHAIRMAN SULLIVAN: None of the roads are in District 5 either.

COMMISSIONER CAMPOS: We've got three districts excluded.

COMMISSIONER ANAYA: Mr. Chair.

CHAIRMAN SULLIVAN: Commissioner Anaya.

COMMISSIONER ANAYA: I'd like to comment on Commissioner Montoya's -- I personally didn't do it on purpose. I know that I always consider District 1 and all the districts in helping them out, and I won't forget what you guys did for me today. And we've still got three years left and hopefully more, but I understand.

COMMISSIONER DURAN: Not me.

CHAIRMAN SULLIVAN: And Representative King shouldn't forget either.

COMMISSIONER ANAYA: That's right.

CHAIRMAN SULLIVAN: Okay, that should take care, I think, of the study session. Is that correct, Tony?

MR. FLORES: All except for the part about bringing back the GRT for the other budget cycle. We only dealt with 3 and 4 this round.

CHAIRMAN SULLIVAN: And you'll bring those back?

MR. FLORES: Correct.

CHAIRMAN SULLIVAN: So then what I'll do at this point is take a motion for adjournment but before I do that, I'm going to take this and pass it over to Commissioner Campos, and say Good Luck.

MS. LUCERO: Mr. Chair, can I ask a quick question before you adjourn? Was it the intention of the Board to give us direction as to what intentions you have regarding general obligation bonds? Do you want us to research anything further or not at this time?

CHAIRMAN SULLIVAN: I think what we heard is we want to focus on an issue that, as staff recommended, which is primarily that the roads and Public Work facilities associated with that, and then to look at a separate issue for some of these other public facilities. Am I wrong?

COMMISSIONER DURAN: And to come back to us later with those recommendations.

MS. LUCERO: Okay.

CHAIRMAN SULLIVAN: I see heads shaking, so I --


COMMISSIONER ANAYA: I think they were going to come back in two weeks or the end of the month.

MS. LUCERO: Very good. Thank you very much.

ADJOURNMENT

Chairman Sullivan declared this meeting adjourned at approximately 4:40 p.m.

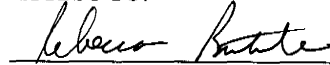
Approved by:

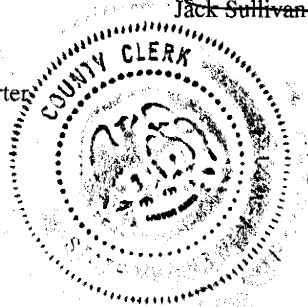

Board of County Commissioners
Jack Sullivan, Chairman

Respectfully submitted:

Karen Farrell, Commission Reporter

ATTEST TO:


REBECCA BUSTAMANTE
SANTA FE COUNTY CLERK



TECHNICAL MEMORANDUM

To: Jack Kolkmeier
From: Dan Guimond, Nicole Monroe-Layman, and Walter Kieser
Subject: Summary of Community College District Fiscal Analysis; EPS #12837
Date: January 6, 2004

STUDY PURPOSE

The Community College District Fiscal Analysis was commissioned by Santa Fe County to determine the potential fiscal impacts of the CCD Plan upon Santa Fe County, identify fiscal and financial mechanisms needed to implement the Plan, identify refinements to the CCD Plan indicated by the market forecasts and fiscal analysis and to provide direction on the subsequent master plan approval process.

This Technical Memorandum summarizes the results of the fiscal analysis conducted by Economic & Planning Systems, Inc. (EPS) during the past year. A report titled *Community College District Fiscal Impact Analysis* was issued in November 2003 which provides the full technical analysis supporting the findings and recommendations included herein. A number of refinements to the analysis have been made after a review by County Department heads. These refinements are included in the summary below and will be reflected in the final report.

FISCAL ANALYSIS APPROACH

EPS has worked in cooperation with County staff other local officials, and property owners and developers within the Community College District in the completion of the Fiscal Analysis. Specifically the Fiscal Analysis:

- Establishes forecasts of the timing and distribution of residential and commercial growth in the CCD area.
- Estimates how service demands and infrastructure systems will need to expand to serve expected growth.

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- Quantifies the costs and revenues of providing County services and facilities to the CCD.
- Determines "baseline" fiscal impact analysis to estimate potential costs and revenues for providing County services and infrastructure in a new major growth area.
- Identifies financing mechanisms and and/or service delivery structures to address fiscal shortfalls or to improve service delivery.
- Identifies CCD Plan implementation issues raised by the market and fiscal results.
- Recommends CCD Plan refinements that address implementations issues.
- Recommends how fiscal analysis can be used to address future development in the CCD.

FINDINGS

1. *The CCD Plan area is a geographically distinct and dynamic development area that is expected to become the fastest growing portion of the County as the environs of the City of Santa Fe and other developed areas build out.*

Between 2003 and 2007, the CCD is forecast to grow from 909 units to 1,447 units or an average of 135 units per year and 11 percent of total County housing development. From 2007 to 2020 the District is forecast to grow by an average of 221 units per year, or 17 percent of County growth, to 4,318 units. As the remainder of the region builds out, the CCD is forecast to capture an average of 396 units per year to reach 16,185 units, or 30 percent of growth in the 2020 to 2050 time period. Non-residential growth is also expected to increase over time with retail, office, and other (industrial/business park) space increasing from its current level of 627,900 square feet to 2.9 million square feet in 2020 and 7.0 million square feet in 2050.

2. *The CCD Plan is expected to have a positive net fiscal impact on the County's General and Road funds and Fire/EMS funds over the forecast period.*

The fiscal analysis measures the costs and revenues associated with providing general government services, as well as district specific operating and capital replacement costs associated with primary roads, water, wastewater, sheriff, fire/EMS, and parks and open space facilities assumed to be a County responsibility. Based on the recommended allocation of future operations and maintenance responsibilities between the County and local homeowners associations, the General and Road funds are estimated to have a positive fiscal impact of \$96,600 in 2007, growing to \$1.1 million by 2020. The Fire/EMS funds are estimated to have a positive operating fiscal impact of \$170,073 by 2007, increasing to \$1.1 million by

2020. Total new fire impact fees are expected to generate sufficient revenues to acquisition and construction and capital replacement as well.

3. *A unique system of regional entities and agreements and new local service entities, (including IGAs, special districts and homeowners associations, will need to be established in the CCD Plan area to facilitate infrastructure development, operation and maintenance and to provide a sound financial basis for planned development.*

There are a number of governance models that can be followed regarding who should own, operate, and pay for major capital facilities in the CCD. The CCD is made up of multiple master planned developments but anticipates some local improvements and coordinated CCD-wide regional systems. The recommended governance structure is for regional systems to be owned and operated by the County (or potentially a regional district) and for local systems to be retained by the homeowners association of each individual development project (or potentially a collective association of homeowners groups).

4. *It is expected that continuance of rural development averaging one unit per 2 ½ acres would have a greater fiscal impact on the County.*

The County currently has a number of problems providing services to existing rural development area including the inability to finance desired community services and inadequate funds for road maintenance, parks and open space maintenance. The CCD Plan provides many of these desired services and facilities and provides funds for capital maintenance and replacement. Further it provides a means for mitigation of any potential negative impacts through the recommended service delivery mechanisms and agreements. The CCD also provides a development program that supports commercial and mixed use development that provides the majority of the County's tax base. By 2020, nonresidential development in the CCD is estimated to generate a total of \$ 5.0 million in property and GRT compared to only \$1.6 million for residential development.

RECOMMENDATIONS

The Fiscal Analysis was not intended as a passive analysis. It is understood that the purpose of the Analysis was to determine potential fiscal impacts and identify the actions and refinements that assure a positive fiscal impact upon the County and financially feasible services and facilities within the Community College District. The following recommendations resulting from this effort are shown on Table 1 below and described in several key categories.

Table 1
CCD Operation/Maintenance Recommendations
CCD Fiscal Impact Analysis

Improvement/Service	Developer	County	District	HOA	Private /Utility
Roadways - Primary	---	X	X	---	---
Roadways - Secondary	---	---	---	X	---
Water System	---	X	---	---	X
Storm Sewers/Drainage	---	X	---	X	---
Sanitary Sewers	---	X	---	---	---
Solid Waste Collection	---	---	---	X	X
Utilities - Gas/Electric	---	---	---	---	X
Fire/EMS Station/Vehicles	---	X	---	---	---
Sheriff Station/Vehicles	---	X	---	---	---
Regional Parks	---	---	X	---	---
Regional Open Space and Trails	---	---	X	---	---
Local Parks and Plazas	---	---	---	X	---
Libraries	---	---	---	X	---

FACILITY AND SERVICE RESPONSIBILITIES

- **Roads** – The individual master plan developments are responsible for building and financing the road system. The primary roads should be dedicated to Santa Fe County with local roads the responsibility of homeowners associations.
- **Water** - The Santa Fe County Utility Department will provide water service to the CCD (except for portions of the District currently served by City Water including Thornburg and the Community College). Individual developments will be required to provide deliverable water rights to the County or pay for the cost of acquiring and developing water acquired by the County.
- **Wastewater** - Wastewater collection and treatment is recommended to become a County Utility responsibility. The Rancho Viejo and Penitentiary systems have the capability to service the area.
- **Storm Drainage** - The storm drainage system associated with primary roads is assumed to become a County responsibility. The remainder of the storm drainage system associated with secondary roads or on-site detention would remain the responsibility of the homeowners associations.
- **Parks, Trails, and Open Space** – Regional open space, parks and trails are recommended to be a regional district responsibility. The level of service provided

differs from other areas of the County and there are insufficient dedicated County funds for operations and maintenance. Local parks and plazas should be a homeowner's responsibility.

- **Police Protection** - Police protection is expected to remain under the County Sheriff. As the district grows, a shift to a patrol beat system will allow the department to make more efficient use of personnel and vehicles.
- **Fire Protection** - Fire protection will be provided by the County. The County is building a fire substation in the CCD in Rancho Viejo in 2004. This station will provide service to the CCD area that is currently in the La Cienega district. Call volume levels are forecast to reach a level requiring a full time paid staff by 2007. The County will receive adequate revenues from the CCD to pay for staff but may need to modify the GRT Fire Excise Tax restrictions on the use of funds or provide and alternative funding source.
- **Libraries** - There are no current plans for libraries. However, based on the recent development of a library in El Dorado, and the fact that the CCD is expected to be several times larger, a library is expected to be needed. Library service could be provided by a regional district or by homeowners associations.

REGION-WIDE FACILITIES AND SERVICES

The CCD is anticipated to contain a level of regional open space, parks, and trails improvements not found elsewhere in the County. Although the fiscal analysis estimated the costs of maintaining these facilities, providing this service within a limited area of the County will raise equity issues with other residents. A Public Improvement District (PID) is recommended as a means of raising revenues from the CCD to pay for operations and maintenance of these facilities. A PID has broad authority to construct, operate, and maintain public infrastructure and can issue general obligation bonds, impose a special levy and issue special-levy bonds, and issue revenue bonds. This district could also assume other responsibilities such as development of the primary road system.

1. *Direct staff to evaluate the feasibility of a CCD-wide special district with the authority to operate and maintain parks, open space, and trails, and potentially library services.*
2. *Direct staff to evaluate the viability of developer agreements or a CCD-wide special district to manage and fund road construction to ensure that the necessary primary road system is built through undeveloped areas of the District in a timely manner.*

3. *Direct Project Facilities and Maintenance Division (PFMD) to conduct parks and trails plan for the CCD to analyze the need for one or more district parks within the CCD.*
4. *Direct staff to evaluate the process and substance of notice provided to homeowners regarding ongoing responsibilities for the operation of maintenance of services and facilities; propose changes as needed.*

WATER AND WASTEWATER UTILITIES

The County is expected to provide water and wastewater services to the District. The Utility Department has the ability to require development to provide or pay for water prior to approval of master plans and the ability to charge what is necessary to cover water acquisition and development costs in the form of utility expansion charges. It is presumed that the County will continue to update its utility master plans and adjust its hook-up charges to cover the capital costs of servicing the CCD and other developments within its service areas.

1. *Direct all involved County departments to engage in an annual five year capital improvement program to support the infrastructure needs of development in the CCD.*
2. *Update utility service connection fees to cover the anticipated cost of providing water and wastewater infrastructure.*

PUBLIC SAFETY AND FIRE/EMS SERVICES

There will be a new Fire/EMS station built in Rancho Viejo in 2004. Anticipated call volumes from the CCD are forecast to trigger the need for full time paid professional staff for the station by about 2007. The Sheriff currently provides public safety services though an allocation of one patrol officer per vehicle. By 2020, the District will require 8 patrol officers which can be more efficiently provided through a patrol district with officer shifts and the shared use of vehicles resulting in more cost efficient services.

1. *Direct the Fire/EMS Department to evaluate the timing and method of payment for a full-time staff in the CCD.*
2. *Request the Sheriff to evaluate the most efficient approach to provision of public safety services in the CCD.*

PLAN AND ORDINANCE RECOMMENDATIONS

A key element of the CCD Plan is the development of mixed use community and neighborhood centers. There are six community centers planned in the approved master plans, but the market analysis indicates only 3 centers are likely to be built. The remaining village community centers should be planned as less intensive neighborhood centers. To ensure that the mixed use aspects of the CCD Plan are implemented, a community or neighborhood center plan should be submitted when residential buildout within one mile of the center location reaches 50 percent.

1. *The location and phasing of commercial and neighborhood centers*

Currently, the CCD Plan employment centers allow commercial, retail, and restaurant uses. There is a strong potential that the village oriented retail uses desired in the community centers (particularly grocery stores) could locate at employment centers near gateways to the CCD diluting the potential market area for the village center locations which are more interior to the District. The recommended approach is to limit the range of retail and service uses within the employment centers to allow a critical mass of retail and associated services to develop at the desired community center locations.

- a. Allow community center locations not supported in the market to develop as lower order neighborhood centers.
- b. Further define the nature of community and neighborhood centers and differentiate uses and scale between center types in order to provide guidance to the market and restrict inappropriate uses.
- c. Require a community center plan to be submitted for approval when residential buildout within one mile of the center reaches 50 percent and provide a similar trigger mechanism for submittal of a neighborhood center plan.

2. *Restrict the amount and type of retail and commercial development in employment centers*

Currently, the CCD Plan employment centers allow commercial, retail, and restaurant uses. There is a strong potential that the village oriented retail uses desired in the community centers (particularly grocery stores) could locate at employment centers near gateways to the CCD diluting the potential market area for the village center locations which are more interior to the District. The recommended approach is to limit the range of retail and service uses within the employment centers to allow a critical mass of retail and associated services to develop at the desired community center locations.

- a. Limit the type and level of community retail and service uses allowed in employment centers so they do not drain the market vitality of the community centers.

- b. Develop site planning and design guidelines for the employment centers to ensure they do not become conventional strip development.

3. Changes to the CCD Plan should be handled as a zoning ordinance amendment.

The refinements to the commercial, neighborhood, and employment center definitions would logically be handled as an amendment to the CCD Plan Zoning Ordinance. The timing requirements for the filing of community, neighborhood, and employment plans would also logically be handled as an amendment to the Zoning Ordinance. Specific changes to existing approved master plans, including the locations of approved community plans, and the allowance for community plans to be developed as lower order neighborhood plans, would logically be handled with the preliminary development plan and plat approval process.

- a. Direct staff to amend the CCD Zoning Ordinance to clarify issues of a CCD-wide nature that can be adjusted by a language amendment.
- b. Clarify the purposes and procedures for preliminary and final development plan and plat review.
- c. Establish a decision-tree process with decision points to guide planning and programming for infrastructure and non-residential development as master plan and development plans and plats are approved.

NEXT STEPS

XXXXX as shown on **Table 2**.

Table 2
Implementation Matrix
CCD Fiscal Impact Analysis

Action	Purpose	Timing	Responsibility
CCD Plan Refinements			
Community and Neighborhood Centers	Further define uses and scale in CCD centers	2004	Planning
Center Phasing Concept	Determine how centers are to be phased	2004	Planning, Legal
Employment Center Allowable Uses	Limit commercial uses in employment centers	2004	Planning
Employment Center Design Guidelines	Ensure centers are compatible with CCD design principles	2004	Planning
CCD Zoning Amendments	Implement CCD Plan revisions	2004	Legal
Preliminary/Final Development Plan Procedures	Implement CCD development plan procedures	2004	Legal
Finance and Operation Refinements			
PID Feasibility Study	Provide mechanism to finance and operate District-wide services	2005	Planning, Finance
Primary Roads Plan	Determine how roads on undeveloped parcels are to be financed	2005	Planning, Pub. Works
CCD Parks and Trails Plan	Determine how parks and open space are operated/maintained	2005	Planning, PFMD
Homeowners Notice	Notify homeowners of ongoing O&M responsibilities	2005	Legal
Capital Improvements Program	Program to estimate capital needs and financing for CCD	2005	Finance
Utility Connection Charges	Keep water/wastewater charges current with financing needs	2005	Utilities
Fire/EMS Staffing	Determine the timing and funding source for paid CCD staff	2007	Fire/EMS
Sheriff Service Plan	Evaluate how to provide cost efficient public safety services	2007	Sheriff

Source: Economic & Planning Systems

REPORT

**COMMUNITY COLLEGE DISTRICT
FISCAL IMPACT ANALYSIS**

Prepared for:

Santa Fe County

Prepared by:

Economic & Planning Systems, Inc.

With:

Robert Odland Consulting
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November 2003

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I. INTRODUCTION AND SUMMARY OF FINDINGS

INTRODUCTION

This report summarizes the analysis and conclusions of Economic & Planning Systems (EPS) regarding the fiscal impacts associated with implementation of the Santa Fe County Community College District Plan (CCD Plan). While quantitative in nature, this fiscal impact analysis is intended primarily to inform Santa Fe County (County) and guide its public policy decisions; it is not a precise accounting measure or prediction of future events.

The fiscal analysis estimates the costs and revenues associated with delivering County services and maintaining County infrastructure in a major new growth area. The fiscal estimates are based on market forecasts of the amount and type of residential and non-residential growth expected in the Santa Fe Community College District (CCD). The fiscal results identify a number of key municipal financing and development regulation issues to be addressed in the implementation and refinement of the District Plan.

SANTA FE COMMUNITY COLLEGE DISTRICT PLAN

The Santa Fe Community College District encompasses an area of more than 17,000 acres located on the south side of the City of Santa Fe between SR 14 on the west and I-25 on the east. The CCD Plan calls for 12 mixed-use community centers surrounded by a continuous and interconnected system of open space comprising over 50 percent of the area's total land. The community centers contain an average density of 3.5 units per acre and incorporate neighborhood and commercial centers requiring mixed-use development with minimum levels of residential development. The village centers concept represents a dramatic departure from the prevailing rural residential development and incorporates new and innovative goals.

To assist in achievement of these goals, and in consideration of upcoming individual master development plan approvals, the Santa Fe Board of County Commissioners (BCC) requested a market and fiscal analysis of the CCD. This analysis is designed to provide information and tools to assist decision makers with implementation of the CCD Plan. The project objectives are as follows:

- Evaluate the timing and distribution of future residential and non-residential growth within the CCD Plan area.
- Identify municipal services that are expected to be provided to the CCD Plan area in the future.
- Identify the appropriate entity for providing each type of service including Santa Fe County, individual developers, homeowners associations, private utilities, and other regional and local quasi-municipal improvement districts.

- Quantify the costs and revenues associated with providing identified County services and facilities to the CCD.
- Identify implementation issues raised by the fiscal results and recommend policy and/or financial changes to address each issue.
- Recommend an ongoing fiscal analysis model for evaluating future development in the CCD.

PROJECT SCOPE

The fiscal impact study includes three major phases of work; a market analysis, a fiscal and financial analysis, and implementation recommendations as described below.

Market Analysis

The market analysis provides an understanding of the expected type, timing, and distribution of growth in the CCD. The market forecasts provide an estimate of how the district is expected to develop and evolve over time. The market analysis is also the basis for the development program upon which to estimate capital and operating costs and revenues to the County. The following tasks are included in the market analysis:

- Analyze existing development and proposed development plans and approvals in the CCD Plan area.
- Analyze Santa Fe County regional forecasts for residential and non-residential growth over the 2000 to 2050 time period.
- Forecast CCD's share of future residential development in the region over the 2000 to 2050 time period.
- Evaluate the likely distribution of residential growth by type of housing and by geographic area over the same time period.
- Forecast the amount of commercial development by type expected in the CCD over the 2003 to 2050 time period, including neighborhood and community commercial, office, institutional, and industrial/business park development.
- Create a development program outlining the type, amount, value, and timing of development as a basis for conducting the fiscal analysis.
- Assess the compatibility of the CCD Plan regulations with the expected market.

Fiscal and Financial Analysis

The fiscal and financial analysis provides an estimate of the expenditures and revenues associated with development of the estimated development program. EPS developed a fiscal model that provides a framework for determining the relationship between the costs of delivering County services and maintaining capital facilities and the revenues directly and indirectly derived from new development. The following steps are included in the fiscal analysis:

- Review existing County budget and fiscal structure to determine appropriate service standards and techniques for estimating the costs and revenues associated with serving future development.
- Identify specific County services expected to be provided to the CCD in the future.
- Identify specific capital facilities expected to become the County's responsibility in the future.
- Identify the service provider and revenue source for services not provided by the County.
- Develop a fiscal impact model to estimate County expenditures and revenues attributable to the CCD area at specific points in time.
- Estimate major County revenues by source.
- Estimate County operating and capital replacement costs by source.
- Compare the fiscal impacts of the CCD Plan to existing development in the County.
- Identify any fiscal shortfalls requiring plan adjustments and/or revenue enhancements to protect the County's fiscal health.

Implementation

The implementation phase presents recommendations to address issues identified in the market and fiscal analysis. Addressing these issues will ensure that the CCD Plan and County policies are met and that development in the area is a positive influence on the community. The implementation recommendations are grouped under four major topic headings as listed below:

- Refinements to the CCD Plan.
- Refinements to the development approval process.
- Governance and finance tools.
- Ongoing model applications.

SUMMARY OF FINDINGS

1. *The CCD Plan area is expected to become the fastest growing portion of the County as more central areas build out.*

Between 2003 and 2007, the CCD is forecast to grow from 909 units to 1,447 units or an average of 135 units per year and 11 percent of total County housing development. From 2007 to 2020 the District is forecast to grow by an average of 221 units per year, or 17 percent of County growth, to 4,318 units. As the remainder of the Region builds out, the CCD is forecast to capture an average of 396 units per year to reach 16,185 units, or 30 percent of growth in the 2020 to 2050 time period. Non-residential growth is also expected to increase over time with retail, office, and other (industrial/business park) space increasing from its current level of 627,900 square feet to 2.9 million square feet in 2020 and 7.0 million square feet in 2050.

2. *As the CCD develops and includes more development projects, a more structured system of regional and local service entities will need to be established.*

There are a number of governance models that can be followed regarding who should own, operate, and pay for major capital facilities in the CCD. The CCD is made up of multiple master planned developments but anticipates some local improvements and coordinated CCD-wide regional systems. The recommended governance structure is for regional systems to be owned and operated by the County and for local systems to be retained by the homeowners association of each individual development project (or potentially some collective association of homeowners groups).

3. *The CCD Plan is expected to have a positive net fiscal impact in the General and Road funds and the Fire/EMS funds over the forecast period.*

The fiscal analysis measures the costs and revenues associated with providing general government services, as well as district specific operating and capital replacement costs associated with primary roads, water, wastewater, sheriff, fire/EMS, and parks and open space facilities assumed to be a County or regional district responsibility. The General and Road funds are estimated to have a positive fiscal impact of \$96,600 in 2007, growing to \$1.1 million by 2020. The Fire/EMS funds are estimated to have a positive operating fiscal impact of \$249,000 by 2007, increasing to \$415,700 by 2020. Total new fire impact fees are expected to generate sufficient revenues to acquisition and construction and capital replacement as well.

4. *The retail commercial development forecasts suggest that the number of village community centers in the CCD Plan is in excess of what can be supported.*

There are 12 community centers in the CCD Plan and six contained in approved master plans. The community center is expected to be the primary location of village commercial services with the grocery store or supermarket as the logical

anchor. The retail market analysis indicates that there is one grocery store supportable in the CCD by 2020 and three supportable by 2050.

5. *The location and phasing of commercial and neighborhood centers needs to be refined in the CCD Plan.*

There should be no more than three community centers in the western part of the CCD within the next 20 years. This designation would also allow for better planning and phasing of the needed roadway system. The remaining village community centers should be planned as less intensive neighborhood centers. To ensure that the mixed use aspects of the CCD Plan are implemented, a community or neighborhood center plan should be submitted when residential buildout within one mile of the center location reaches 50 percent.

6. *The amount and type of retail and commercial development in employment centers needs to be restricted to prevent the market for community centers from being eroded.*

Currently, the CCD Plan employment centers allow commercial, retail, and restaurant uses. There is a strong potential that the village oriented retail uses desired in the community centers (particularly grocery stores) could locate at employment centers near gateways to the CCD diluting the potential market area for the village center locations which are more interior to the District. The recommended approach is to limit the range of retail and service uses within the employment centers to allow a critical mass of retail and associated services to develop at the desired community center locations.

7. *The recommended implementation changes to the CCD Plan should be handled as a zoning ordinance amendment with specific plan changes to approved master plans handled as part of the preliminary development plan and plat approval process.*

The refinements to the commercial, neighborhood, and employment center definitions would logically be handled as an amendment to the CCD Plan Zoning Ordinance. The timing requirements for the filing of community, neighborhood, and employment plans would also logically be handled as an amendment to the Zoning Ordinance. Specific changes to existing approved master plans, including the locations of approved community plans, and the allowance for community plans to be developed as lower order neighborhood plans, would logically be handled with the preliminary development plan and plat approval process.

8. *There are a number of region-wide facilities and services that will benefit from establishing a district-wide public improvement district to provide services and raise revenues distinct from the needs of the remaining portions of the County.*

A Public Improvement District (PID) has broad authority to construct, operate, and maintain public infrastructure and can issue general obligation bonds, impose a special levy and issue special-levy bonds, and issue revenue bonds.

The governing board consists of five members who are elected (after a maximum six-year period of appointed members). This district could be responsible for regional open space, parks, and trails. It could also assume other responsibilities such as coordinating and managing wastewater treatment, coordinating wastewater treatment with water supply issues, and ensuring that the road system is built in a timely manner.

9. *There are several CCD Plan implementation steps needed to refine the governance and financing plan for the CCD District.*

This market and fiscal analysis identifies a number of financing and operating refinements needed to implement the CCD Plan. As with any complex development project, there is a finer grain of planning needed as development becomes imminent. This is particularly true when implementing a development model that requires changes in the way County services are provided. The following points identify the most important plan refinements needed to refine the County operating and financing plan for the District:

- Evaluate the feasibility of a CCD-wide special district with the authority to include construction, operations, and maintenance of the following services: wastewater treatment, parks, open space, trails, library services, and community meeting facilities. Its authority also could include (a) water planning in order to coordinate wastewater disposal with water supply and (b) road construction to ensure that the necessary arterial system is built in a timely manner.
- Direct the County Project and Operations Division to conduct a regional park plan for the CCD to analyze the need for one or more district parks within the CCD.
- Direct the County Open Space and Trails Program to prepare a more detailed trails plan that ensures that bicycle and equestrian uses are accommodated and that the trails form an interconnecting system.
- Ensure that all future homeowners have adequate written notice that the operation of maintenance of private facilities, especially roads, is the responsibility of the homeowners association, not the County or any other governmental entity.
- Commit all involved County departments to engage in an annual five year capital improvement program to support the infrastructure needs of development in the CCD.

II. MARKET ANALYSIS

The currently approved master plans in the CCD Plan are anticipated to take 30 years or more to be developed. To analyze the impacts of development over this time period, an understanding of existing conditions and a forecast of future development are essential. This market analysis provides the basis to translate physical development into fiscal implications. The following sections describe the market forecast methodology, assumptions, and resulting forecasts for residential and non-residential development, population, and employment.

EXISTING CONDITIONS

The CCD Plan area contains over 17,000 acres of land located in the Central Region of Santa Fe County. Approximately 13 percent or 2,300 acres of the CCD is currently in use or developed ("in use" includes land designated as open space or infrastructure). The CCD has a mix of land uses including single family residential, commercial/light industrial, and institutional. As of April 2003, there are an estimated 820 existing residential units, distributed over 1,119 acres in the CCD. The residential development is concentrated in several large subdivisions such as Arroyo Hondo, the Village at Rancho Viejo, Vista Ocasa, Church Hill Road, and Valle Lindo. The CCD has over 300,000 square feet of commercial and light industrial uses near the State Road 14/I-25 corridor and in the Turquoise Trail Business Park as shown on Table 1. In addition, the CCD has two civic facilities, Santa Fe Community College and the Institute of American Indian Art, as well as a church. These institutional and non-profit uses account for 519 acres of developed land in the CCD. Infrastructure and open space uses occupy the remaining 594 acres of developed land in the CCD.

Table 1
CCD Existing Land Use, 2003
CCD Fiscal Impact Analysis

Category	Existing	Per.
Residential Units	820	---
Commercial Floor Space (SF)	310,760	---
Land Area (AC)		
Net Residential	1,119	48%
Net Commercial & Mixed Use	99	4%
Institutional & Non-Profit	519	22%
Infrastructure & Open Space	594	25%
Total	2,331	100%

Source: Alfred Pitts Demographic Analysis 2003; Economic & Planning Systems

Under current approved development plans and plats and proposed master plans in the CCD total 5,015 units and 5.4 million square feet of commercial development as shown in Table 2. There are 442 residential units, 271,700 square feet of commercial/mixed use space, and 7 acres of institutional and non-profit uses with final development plan and plat approval, but not yet built. The master plans also contain an additional 4,573 residential units, 5.1 million square feet of commercial/mixed use space, 63 acres of institutional and non-profit uses, and 1,798 acres of infrastructure and open space as proposed master plans without development plan and plat approvals.

If portions of the CCD without master plans are developed at similar densities, there are an additional 12,312 residential units and 7.9 million square feet of non-residential development capacity as shown. The total theoretical future capacity of the CCD is estimated at 18,147 residential units and 13.7 million square feet of non-residential development as shown.

Table 2
CCD Land Use Matrix
CCD Fiscal Impact Analysis

Category	Existing	Approved Dev. Plan ¹	Proposed Master Plans ²	Total Approved & Proposed Master Plans	Future Development Capacity ³	CCD Plan Buildout
Residential Units	820	442	4,573	5,015	12,312	18,147
Commercial Floor Space (SF)	310,760	271,700	5,125,619	5,397,319	7,952,200	13,660,279
Land Area (AC)						
Net Residential	1,119	352	724	1,076	5,182	7,378
Net Commercial & Mixed Use	99	24	313	338	473	910
Institutional & Non-Profit	519	7	63	69	118	706
Infrastructure & Open Space	584	0	1,798	1,798	5,800	8,281
Total	2,331	383	2,898	3,281	11,673	17,284

¹ Development with preliminary and final plat plan approvals.

² Development proposed in a master plan but does not have preliminary and final plat plan approvals.

³ Capacity for future development (no master plan or preliminary or final plat plan approvals).

Source: Alfred Pitts: Demographic Analysis - 2003; Economic & Planning Systems

RESIDENTIAL DEVELOPMENT FORECASTS

EPS evaluated the demographic forecasts previously completed for Santa Fe County and determined that utilizing the existing forecasting methodology developed for the County by Al Pitts would produce the most realistic and locally sensitive forecast. The housing forecasts are consistent with County growth forecasts provided by the Santa Fe County Regional Planning Authority (RPA). The "most likely" growth scenario was selected as a basis for the fiscal analysis. For purposes of fiscal analysis, the estimates of the type, mix, and value of development is more important than the pace of growth. If growth occurs at a faster or slower rate, it will affect only the year of occurrence, but not the fiscal relationship of costs to revenues shown.

EPS established interim planning dates for development forecasts including 2007, 2020, and 2050. The 2007 date was chosen because future development beyond this point could potentially be affected by water acquisition plans currently under consideration. The 2020 time point was selected as the primary forecast year because it ties with current RPA forecasts for the region. The 2050 date was included as a long term buildout target for the CCD. The following assumptions underlie the growth forecasts:

- The start date for these projections is January 1, 2003. The baseline data was updated to conform to the Census Bureau estimate of County population on July 1, 2002 projected forward.
- The basis for the overall County population growth was the BBER 2000-Low Projection Series. The forecast assumes an annual growth rate of 1.63 percent for 2002-2010, 1.51 percent from 2010-2020, 1.11 percent from 2020-2050, and 0.89 percent for 2050 or buildout.
- Housing data is based on 2000 Census Block data updated with building permits.
- Projections of 2003-2010 housing growth within the Regional Planning Area conform to the RPA's current "Urban Area Slow Growth" assumptions.
- The analysis accounts for constraints on future housing growth imposed by the Region's zoning ordinances and general plans.
- All parcels subject to a master plan are assumed to build out as proposed even though the developers have not yet received final development approval.
- Future development in undeveloped Village Zones (areas without master plan approval) is assumed to build out at net residential densities of 5 units per acre.
- Phasing of residential growth in the CCD was allocated in collaboration with County staff to reflect their judgment of the likely sequencing of future project start-ups. It considers such factors as; when pending development proposals were likely to receive final development approval, whether current applicants already have the water rights required for project start-up, and infrastructure construction lags.
- The analysis generally assumed that development will proceed sequentially westward from SR-14 and southward from I-25.

HOUSING UNITS

Residential development in the County is forecast to grow by 1.9 percent annually from 2003 to 2007, declining to 1.7 percent annually from 2007 to 2020 as shown on Table 3. This equates to an additional 21,472 units over the next 17 years. A total of 17,884 units, or 83 percent, will be located in the Central Region of the County, which includes all of the RPA's planning area, a nominal amount of area outside The RPA's jurisdiction, and the CCD. The CCD had 536 units in 2000 growing to 909 by 2003. The CCD is forecast to grow to 1,447 units in 2007, 4,318 units in 2020, and 16,185 units in 2050 as summarized below. (Note: The population and housing forecast are shown in greater detail in Appendix I: Tables 1-3)

Table 3
Housing Unit Forecast, 2000-2050
CCD Fiscal Impact Analysis

Area	Housing Unit Forecast					Annual Change			
	2000	2003	2007	2020	2050	00-03	03-07	07-20	20-50
North Region	5,849	6,073	6,368	7,428	10,419	1.3%	1.2%	1.2%	1.1%
South Region	4,412	4,739	5,212	6,972	11,861	2.4%	2.4%	2.3%	1.8%
Central Region									
Non-SFCCD	47,141	49,894	53,407	64,369	84,078	1.9%	1.7%	1.4%	0.9%
SFCCD	536	909	1,447	4,318	16,185	19.3%	12.3%	8.8%	4.5%
Subtotal	47,677	50,803	54,854	68,687	100,263	2.1%	1.9%	1.7%	1.3%
County Total	57,938	61,615	66,434	83,087	122,543	2.1%	1.9%	1.7%	1.3%

Source: Alfred Pitts: Demographic Analysis - 2003

The CCD is expected to capture an increasing share of County growth over time as the Central Region builds out. Between 2003 and 2007, the CCD is forecast to build 135 units per year or 11 percent of total County growth, increasing to 221 units per year or 17 percent of County growth from 2007 to 2020. As the remainder of the Region builds out, the CCD is forecast to capture an average of 396 units per year or 30 percent of growth in the 2020 to 2050 time period as shown in Table 4.

Table 4
Average Annual Housing Unit Construction, 2000-2050
CCD Fiscal Impact Analysis

Area	Annual Average Units			
	2000-2003	2003-2007	2007-2020	2020-2050
North Region	75	74	82	100
South Region	109	118	135	163
Central Region				
Non-SFCCD	918	878	843	657
SFCCD	124	135	221	396
Subtotal	1,042	1,013	1,064	1,053
County Total	1,226	1,205	1,281	1,315
SFCCD % of Total	10%	11%	17%	30%

Source: Alfred Pitts: Demographic Analysis - 2003

POPULATION

The housing unit forecast will generate a similar population shift in the County. Santa Fe County is forecast to grow by 1.6 percent annually from 2003 to 2007 which will decrease to 1.5 percent annually from 2007 to 2020. This equates to 41,212 net-new County residents over the 2003 to 2020 time period as shown in Table 5. The majority or 80 percent of these new residents will be located in the Central Region, assuming that the City of Santa Fe and the immediate surrounding areas will absorb the majority of growth. The CCD is estimated to have an additional 7,654 net-new residents over this time period, representing 19 percent of total population growth in the County as shown on Table 5.

**Table 5
Population Forecast 2000-2050
CCD Fiscal Impact Analysis**

Area	Population Forecast					Annual Change			
	2000	2003	2007	2020	2050	00-03	03-07	07-20	20-50
North Region	14,217	14,614	15,160	17,147	22,340	0.9%	0.9%	1.0%	0.9%
South Region	10,976	11,666	12,681	16,378	25,692	2.1%	2.1%	2.0%	1.5%
Central Region									
Non-SFCCD	103,307	108,223	114,639	134,536	164,888	1.6%	1.5%	1.2%	0.7%
SFCCD	1,337	2,234	3,490	9,888	34,679	18.7%	11.8%	8.3%	4.3%
Subtotal	104,644	110,457	118,129	144,424	199,567	1.8%	1.7%	1.6%	1.1%
County Total	129,837	136,737	145,970	177,949	247,599	1.7%	1.6%	1.5%	1.1%

Source: Alfred Pitts: Demographic Analysis - 2003

Future development over the 2020 to 2050 time period will result in an estimated population of 247,500 as shown. As the central portion of the County builds out, the CCD is expected to capture an increasing share of growth estimated at 24,791 new residents or 36 percent of total growth.

NON-RESIDENTIAL DEVELOPMENT FORECASTS

The forecasts for non-residential development in the CCD Plan are based on the Santa Fe County employment growth forecasts developed by Al Pitts for the RPA. Employment was forecast by major industrial sector and then converted to development demand (square feet of space) using average space per employee ratios.

The major assumptions underlying the forecasts are as follows:

- Consistent with the residential forecasts, the RPA projections were developed based on the BBER 2000 Low Projection Series forecasts for the state.
- These forecasts assume that Santa Fe County will continue to absorb the same share of future employment growth in Northern and Central New Mexico than it does at present.
- Projections within the RPA conform to the Agency's Projection Series A: Most Likely Growth (Moderate County/Slow Urban Growth Scenario).
- The distribution of employment by RPA Subregion is based on jobs to population ratios by subregion.

The employment forecasts were developed for the period 2003 to 2020. There is a lack of any reliable regional employment numbers beyond 2020 upon which to base a CCD forecast. For purposes of a comparative analysis with the residential numbers, a projection to 2050 was made assuming the 2007 to 2020 rate of development were continued into the future.

EMPLOYMENT

Employment in the County is forecast to grow by 1.9 percent annually from 2003 to 2007, declining to 1.7 percent annually from 2007 to 2020 as shown on **Table 6**. This equates to an increase of 20,675 employees over the next 17 years to reach 80,162 in 2020.

Table 6
County Employment, 2003-2050
CCD Fiscal Impact Analysis

Area	Employment Forecast			Annual Change	
	2003	2007	2020	2003-2007	2007-2020
North & South Region	2,438	2,652	3,447	2.1%	2.0%
Central Region					
Non-SFCCD	55,782	59,104	70,440	1.5%	1.4%
SFCCD	1,267	2,397	6,275	17.3%	7.7%
County Total	59,487	64,153	80,162	1.9%	1.7%

Source: Alfred Pitts: Demographic Analysis - 2003

The greatest growth outside the urban area is expected to be in the CCD. Total employment is expected to grow from its current level of 1,267 to 2,397 by 2007 and 6,275 by 2020. This equates to an average annual growth rate of 17.3 percent from 2003 to 2007 and 7.7 percent from 2007 to 2020.

The CCD employment by sector is shown in Table 7. Services and Retail are expected to be the dominant sectors, accounting for 76 percent of total employment in the District by 2020. The remaining employment sectors are Manufacturing, Mining and Construction, Wholesale Trade, Finance, Insurance, and Real Estate (FIRE), Transportation and Public Utilities, and Government.

Table 7
Employment by Industry, 2003-2020
CCD Fiscal Impact Analysis

Description	Employees			Annual Growth	
	2003	2007	2020	03-07	07-20
Retail	142	453	1,526	33.6%	9.8%
Office					
Finance, Insurance and Real Estate	16	81	309	50.0%	10.8%
Services	393	1,025	3,218	27.1%	9.2%
Government	414	443	541	1.7%	1.5%
Other (Industrial/Business Park)					
Manufacturing	96	110	136	3.5%	1.6%
Mining & Construction	76	146	389	17.7%	7.8%
Transportation, Communications and Utilities	115	115	115	0.0%	0.0%
Wholesale	15	24	41	12.5%	4.2%
Total	1,267	2,397	6,275	17.3%	7.7%

Source: Alfred Pitts: Demographic Analysis - 2003; Economic & Planning Systems

NON-RESIDENTIAL SPACE

The employment forecasts are converted to supportable development space based on average employment ratios as shown in Table 8. A total of 2.86 million square feet of space is expected to be supportable by 2020 as shown. This is an increase of 2.2 million square feet of new development over the 2003 to 2020 time period separated into retail, office and industrial/business park space as shown.

**Table 8
Non-Residential Development, 2003-2020
CCD Fiscal Impact Analysis**

Land Use	Sq. Ft. / Employee	Sq. Ft. of Space			Annual Growth	
		2003	2007	2020	03-07	07-20
Retail	500	71,000	226,500	763,000	38,875	41,269
Office						
Finance, Insurance and Real Estate	300	4,800	24,300	92,700	4,875	5,262
Services	400	157,200	410,000	1,287,200	63,200	67,477
Government	400	165,600	177,200	216,400	2,900	3,015
Subtotal		327,600	611,500	1,596,300	70,975	75,754
Other (Industrial/Business Park)						
Manufacturing	600	57,600	66,000	81,600	2,100	1,200
Mining & Construction	700	53,200	102,200	272,300	12,250	13,085
Transportation, Communications and Utilities	900	103,500	103,500	103,500	0	0
Wholesale	1,000	15,000	24,000	41,000	2,250	1,308
Subtotal		229,300	295,700	498,400	16,600	15,592
Total		627,900	1,133,700	2,857,700	126,450	132,615

Source: Alfred Pitts: Demographic Analysis - 2003; Economic & Planning Systems

There are three general types of non-residential space expected to be developed to accommodate employment growth: retail type space for retail stores and some personal services uses; office type space for professional services, government, and finance, insurance and real estate uses; and business park/flex space to house manufacturing, construction trades, and wholesale trade and distribution uses.

Retail Space

Based on an average of 500 square feet per employee, a total of 763,000 square feet of retail space is expected to be built in the CCD by 2020. Retail space is expected to be predominately residential serving uses in village and neighborhood centers. However, more regional serving retail uses may be developed as part of employment centers in the vicinity of major interchanges and intersections.

Office Space

A total of 1.6 million square feet of predominately office-type space is forecast to accommodate employment growth in professional services, finance, insurance and real estate, and government employees. This is an increase of 1.3 million square feet of space over the 2007 to 2020 time period.

Other Industrial/Business Park Space

A total of nearly 500,000 square feet of light industrial, business park, or flex space is expected to be needed to accommodate manufacturing, construction, and wholesale trade type employment as shown. A total of 269,100 square feet of additional space is forecast from 2007 to 2020 as shown.

LONG RANGE DEMAND

The regional employment benchmarks do not extend beyond 2020. However, to estimate what the long term demand in non-residential space would be in the district, EPS conservatively estimated demand from 2020 to 2050 projecting the average annual growth in employment and space from 2007 to 2020 into the future. These estimates of potential future employment and non-residential space are shown in Table 9. Based on this straight line projection, the CCD could have 15,523 employees and 6.97 million square feet of non-residential development by 2050.

**Table 9
Long Range Non-Residential Demand, 2020-2050
CCD Fiscal Impact Analysis**

Land Use	2020		2030 ¹		2050 ¹	
	Employees	Space	Employees	Space	Employees	Space
Retail	1,526	763,000	2,351	1,175,692	4,085	2,042,346
Office						
Finance, Insurance and Real Estate	309	92,700	484	145,315	853	255,808
Services	3,218	1,287,200	4,905	1,961,969	8,447	3,378,985
Government	541	216,400	616	246,554	775	309,877
Other (Industrial/Business Park)						
Manufacturing	136	81,600	156	93,600	198	118,800
Mining & Construction	389	272,300	576	403,146	968	677,923
Transportation, Communications and Utilities	115	103,500	115	103,500	115	103,500
Wholesale	41	41,000	54	54,077	82	81,538
Total	6,275	2,857,700	9,258	4,183,854	15,523	6,968,777

¹ Used straight line projection of 2007-2020 annual absorption to estimate 2030 and 2050 figures.
Source: Alfred Pitts: Demographic Analysis - 2003; Economic & Planning Systems

MASTER PLAN IMPACTS

The market forecasts indicate that the amount of development in the approved master plans is in proportion to development forecasts through roughly 2030 as shown in Table 10. Over the longer term time period to 2050, the amount of potential future development in the CCD Plan area is in proportion on the residential side but is potentially over-planned on the commercial side. For residential, buildout of future potential development is not expected to occur until about 2050. For commercial development, the 2050 projections equal only about half of the planned development shown in the CCD Plan. There is however, no assurance that all of these master plans will develop as quickly as expected or even at all. The County will therefore need to consider these factors in considering additional master plan approvals for unplanned CCD land areas.

Table 10
Development Forecasts and Plan Capacity, 2007-2050
CCD Fiscal Impact Analysis

Land Use	Forecast		Approved & Prep. Master Plans ²	Forecast 2050 ¹	Future Devel. Capacity ³	CCD Plan Buildout
	2020	2030 ¹				
Residential (Units)	4,318	7,996	5,015	16,185	12,312	18,147
Non-Residential (SF)	2,857,700	4,183,854	5,397,319	6,968,777	7,952,200	13,660,279

¹ Used straight line projection of 2007-2020 annual absorption to estimate 2030 and 2050 figures.

² Development with preliminary and final plat plan approvals.

³ Development proposed in a master plan but does not have preliminary and final plat plan approvals.

Source: Alfred Pitts: Demographic Analysis - 2003; Economic & Planning Systems

COMMUNITY AND VILLAGE CENTERS

The forecasts of commercial development also suggest that the number of community centers in the CCD Plan is likely in excess of what can be supported. There are currently six community centers shown in approved master plans with an additional six centers shown on the CCD Plan.

The market forecasts show a net increase of 692,000 square feet of retail space by 2020 and an additional 1.2 million square feet between 2020 and 2050. The total retail square footage includes a range of retail uses including neighborhood and community level retail uses intended for development in the community centers and more regional level commercial uses that would be more appropriately located in the gateways to the CCD most likely in employment centers near major highway and arterial intersections.

A retail expenditure model was used to estimate the amount of commercial space that would likely be located in community centers. Retail expenditures are estimated based on the percent of total personal income (TPI) spent by retail store type (on average) in the State. TPI is first calculated by multiplying estimated population by per capita income. In constant dollars 2003, TPI is estimated to grow from \$59.6 million in 2003 to \$263.9 million in 2020. By 2050, TPI is projected to grow to \$925.4 million. (Note: The retail expenditure analysis is included in Appendix I: Tables 4-6).

Based on Census of Retail Trade data from New Mexico, the percent of TPI spent in each store category is calculated. A total of 36.5 percent of TPI is spent in retail stores as shown by store type. For example, supermarkets and grocery stores account for 7.13 percent of income which would generate \$6.6 million in sales in 2007 growing to \$18.8 million in sales by 2020.

The amount of retail space supportable by the CCD expenditure potentials is estimated in Table 11. For each store category, expenditure potentials are divided by the average sales per square foot typical for stores. For example, supermarkets require sales of about \$375 per foot to be supportable. The population of the CCD could therefore support

approximately 44,000 square feet of space by 2020 assuming 100 percent capture (or alternately assuming inflows equaled outflows).

Table 11
Estimated Supportable Retail Space, 2003-2050
CCD Fiscal Impact Analysis

Business Type	\$SF	2003	2007	2020	2050
Convenience Goods					
Supermarket & Grocery Stores	\$375	11,329	17,698	50,143	175,860
Convenience Stores	\$400	2,835	4,428	12,546	44,002
Specialty Food Stores	\$250	310	484	1,372	4,812
Liquor Stores	\$250	1,025	1,602	4,538	15,917
Drug Stores	\$250	4,431	6,922	19,613	68,786
Shoppers Goods					
Eating & Drinking	\$250	13,149	20,541	58,198	204,112
Home Improvement	\$300	9,533	14,893	42,196	147,989
Total Retail Space		77,749	121,462	344,130	1,206,925

Source: Economic & Planning Systems

The supermarket or specialty grocery store will be the anchor tenant for the proposed CCD community centers. According to the expenditure forecasts, only one grocery anchored center is likely to be supportable by 2020. By 2050, as many as three centers may be supportable.

Any smaller neighborhood centers are expected to contain only small amounts of retail space and will need to include significant higher density office and institutional development to even support 10,000 to 15,000 square feet of convenience space including a convenience store, coffee shop, liquor store, and/or small neighborhood restaurant.

III. FISCAL IMPACT ANALYSIS

EPS developed a fiscal model to evaluate the impacts of the growth and development forecasts for the CCD Plan area. The model has been calibrated to evaluate annual County operating and capital expenditures and revenues for three discrete points in the CCD development timetable, 2003, 2007, and 2020. It is assumed that development trends and conditions will be well-established by 2020, and that fiscal trends and conditions in place at that time will be largely reflective of future years. The model also shows all revenues and expenditures in constant 2003 dollars.

FISCAL MODEL

The model requires a development program and schedule as an input. The development program is based on the market forecasts of housing, population, employment, and non-residential space for CCD shown in the previous section.

For the purpose of estimating certain revenues, market values were established based on existing development values and input from the County Assessor's Office and area appraisers. Residential development in Rancho Viejo was determined to be indicative of the values of development expected in other areas of the CCD. With little non-residential development in place, EPS used values in Turquoise Trail and standard commercial space figures from the larger market for commercial space. (Note: the detailed tables supporting the fiscal analysis are included in **Appendix II: Tables 1-15**)

SERVICE STANDARDS

An in-depth review of actual fiscal year 2003 expenditures and revenues from the County budget was used to gain insight into existing county fiscal trends. To supplement this review, interviews were conducted with representatives from departments that could be substantially impacted by additional needs for services and infrastructure including: Assessor's Office, Finance Department, Fire Department, Land Use Department, Public Works Department, and Sheriff's Office. This review and interviews provided the background necessary to forecast County revenues and expenditures for which CCD will be consistent with other areas of the County.

Other expense categories are expected to be unique to the CCD due to the more urban development pattern and type and level of capital facilities to be built. For example, the CCD is expected to contain water and sewer systems; streets with paving, curb, gutter and sidewalks; and higher levels of parks, trails, and recreation facilities. The costs of operating and maintaining these facilities are therefore calculated separately for the CCD.

DEVELOPMENT AND FINANCING STRUCTURE

A fundamental assumption affecting the fiscal results is what facilities and services will be provided in the CCD and who will be responsible for providing them. Currently, the construction of most capital facilities, including primary and secondary roads, water, parks, and trail systems, is the responsibility of the individual developers as shown in Table 12.

**Table 12
CCD Capital Construction Responsibilities
CCD Fiscal Impact Analysis**

Improvement/Service	Note	Developer	County	District	HOA	Private
Roadways - Primary	1	X	---	X	---	---
Roadways - Secondary	1	X	---	---	---	---
Water System		X	---	X	---	---
Storm Sewers - Trunk		X	---	---	---	X
Sanitary Sewers - Trunk		X	---	---	---	X
Utilities - Gas/Electric		X	---	---	---	X
Fire/EMS Station/Vehicles		---	X	---	---	---
Sheriff Stations/Vehicles		---	X	---	---	---
Parks/Plazas		X	---	---	---	---
Open Space		X	---	---	---	---
District Trails		X	---	---	---	---
Libraries	2	---	---	---	X	---

¹ Includes all curbs, aprons, and signalization associated with the roadway.

² No current plans exist.

Source: Economic & Planning Systems

The structure for developing and financing improvements and operating public facilities within the CCD is still evolving. The largest project to date, Rancho Viejo, has used a County Improvement District (CID) to finance the construction of most of its water system and several arterials (i.e., Avenida de Sur and Richards Avenue). These improvements are dedicated to the County and the Santa Fe County Water Utility is operating the water system and the County Public Works Department is maintaining the arterials. A private utility company, Ranchland Utility Company, provides wastewater services – its rates are regulated by the New Mexico Public Regulatory Commission. A solid waste impact fee is used to buy capacity at the landfill, and user fees support the operation and maintenance of the system. A fire protection impact fee is used to build fire-protection facilities or purchase capital equipment, and operations and maintenance costs are borne by the County.

As the CCD develops and involves more development projects, a more structured system of regional and local service entities will need to be established. There are a number of governance models that can be followed regarding who should own, operate, and pay for major capital facilities in the CCD. The CCD is made up of multiple master

planned developments but anticipates some local improvements and some coordinated CCD-wide regional systems. These regional systems should be owned and operated by the County (or some regional entity) to avoid issues of inter-development dispute. Strictly local improvements can be retained by the homeowners of each individual development project (or potentially some collective association of homeowners groups).

OPERATING AND MAINTENANCE RESPONSIBILITIES

A key input into determining fiscal impacts is the assumptions regarding future ownership and operating responsibilities. The recommended future capital facility operating structure used for the fiscal and financial analysis is outlined below and shown in Table 13. The recommended structure was determined with input by County Staff and the Stakeholders Group. The recommended County responsibilities were determined based on levels of regional significance as well as the ability to generate revenue streams to cover the costs of operations and capital replacement.

Table 13
CCD Capital Operating Responsibilities
CCD Fiscal Impact Analysis

Improvement/Service	Note	Developer	County	District	HOA	Private /Utility
Roadways - Primary	1	---	X	---	---	---
Roadways - Secondary	1	---	---	---	X	---
Water System		---	X	---	---	X
Storm Sewers/Drainage	2	---	X	---	X	---
Sanitary Sewers		---	X	---	---	---
Solid Waste Collection		---	---	---	X	X
Utilities - Gas/Electric		---	---	---	---	X
Fire/EMS Station/Vehicles		---	X	---	---	---
Sheriff Stations/Vehicles		---	X	---	---	---
Parks/Plazas	3	---	X	---	X	---
Open Space		---	X	---	X	---
District Trails		---	X	---	---	---
Libraries		---	---	---	X	---

¹ Includes all curbs, aprons, and signalization associated with the roadway.
² Assumes County will maintain sewer/drainage related to primary roads and HOA will maintain sewer/drainage related to secondary roads.
³ Assumes County and Schools will jointly maintain district parks and athletic fields located on school sites. The HOAs will maintain all other local parks.
Source: Economic & Planning Systems

As with most real estate development projects, the individual master plan developers will gradually shift responsibilities onto other entities. As homes are sold, property

ownership is transferred and homeowners groups are formed to ensure the quality and upkeep of neighborhood and community level amenities. And as commercial developments are completed, the buildings are generally sold to end users or real estate investment companies set up to operate income-producing properties. The major operating assumptions in the CCD governance model used for the fiscal analysis are summarized below.

Roads

Santa Fe County is expected to take over the primary street system shown on the CCD Plan. These roads provide the primary access and circulation system to serve multiple developments, as well as through-traffic, and should therefore be part of the County road system. By contrast the secondary roads, as is customary in many other area developments, are assumed to become the responsibility of the homeowners associations (as is currently the practice in Rancho Viejo).

Water and Wastewater

The water distribution system is expected to transfer to the Santa Fe County Water Utility (except for portions of the District currently served by City Water including Thornburg and the Community College). Wastewater collection is also recommended to become a County responsibility in the future.

In Rancho Viejo, wastewater service is currently provided by Ranchland Utility Company, a private utility. There are several reasons why having a number of private wastewater utilities within the CCD may not be a good approach. First, the regulatory aspects of wastewater treatment are becoming so complicated that it may not be reasonable to expect smaller independent facilities to be able to comply. Second, wastewater treatment is part of a larger system involving water rights and return-flow credits - a centralized management system is needed to integrate all the elements of this system. Third, the question of whether one or two larger treatment plants are better than a larger number of smaller plants has not been answered. If larger plants make more sense, then a financing, operating, and management structure is needed at the same scale as the plant. A single wastewater utility does not however, equate to a single treatment plant - centralized management and technical expertise can work equally well with one or a number of plants.

The responsibility for water and sewer service to the CCD could be managed by the County utility or alternately, it could be managed by a regional district encompassing all of the CCD or potentially larger area. For purposes of fiscal analysis, water and sewer service is assumed to be self funding, that is, the utility or district would charge systems development fees or hook-up charges sufficient to cover capital development and replacement costs, and flow fees sufficient to cover monthly usage.

Storm Drainage

The storm drainage system associated with primary roads is assumed to become a County responsibility. The remainder of the storm drainage system associated with

secondary roads or on-site detention would remain the responsibility of the homeowners associations.

Having stormwater management remain at the homeowner association level probably makes sense. The trend in land development is towards on-site stormwater retention and detention – this solution would appear to work well within the CCD because of large amounts of open space combined with limited rainfall.

Parks, Trails, and Open Space

The CCD Plan calls for over 50 percent of the land to remain as permanent open space. The concentration of development in villages surrounded by this open space system is perhaps the most unique physical feature of the CCD Plan.

The open space is a combination of an amenity for local homeowners and a resource-protection feature for natural drainageways, wildlife corridors, and cultural resources. Parts of the open space system are adjacent to and integrated with residential villages and could therefore be maintained by the homeowners association. Other portions of the open space system will be associated with regional trails and wildlife habitat areas. These areas are regional level amenities that should be accessible to County residents and therefore owned and managed by the County. The regional trails that utilize this open space system should also be County facilities.

The individual master plan developments also have developed park and plaza areas. There is some variation in the type and distribution of parks planned in each development. The fiscal analysis assumes that local parks and plazas will be a homeowner association's responsibility.

Many of the master plan developments, including San Cristobal, Sonterra, Oshara, Gardner, and Thornburg contain active ballfields that are to be developed adjacent to school sites. The fiscal model assumes that these will be County and/or School District facilities and that the use and maintenance of these facilities will be managed jointly. The CCD Plan also calls for a district park facility that is currently not located. The CCD Plan park system is in need of further delineation and planning as is further discussed in the implementation section of the report.

Trails within the CCD are to be available for public use. This argues for involving some type of public entity for two reasons. First, the natural inclination, over time, will be for homeowner associations to restrict public use of the trails. Second, homeowner associations may not want to assume the financial liability of having people from outside their association boundaries, or even outside the CCD boundaries, use the trails. It appears that this is more than just a coordination issue, but one that needs some type of public entity.

There are also potential maintenance and operating issues related to these facilities. The parks shown as athletic fields close to school sites could potentially be managed by the schools reducing costs to the County.

Police and Fire Protection

Police and fire service are currently County responsibilities and are expected to remain so in the future. The governance model assumes changes in the level of service and the need for police and fire substations in the future that are assumed to be funded by County revenues.

Libraries

There are no current plans for libraries. However, based on the recent development of a library in Eldorado, and the fact that the CCD is expected to be several times larger, a library is expected to be needed and is tentatively shown as a Homeowner Association's responsibility.

Private Utilities

The gas and electric utilities are expected to remain with Public Service of New Mexico. The fiscal model assumes that these services are self funding as is customary with all new developments as is therefore excluded from the analysis.

GENERAL & ROAD FUNDS FISCAL ANALYSIS

The first step in the fiscal analysis is the evaluation of the costs and revenues associated with providing general government services to the residents and businesses of the CCD. This includes the following County functions: Assessor's Office, County Clerk's Office, Finance Department, Land Use Department, Legal Department, Manager's Department, Sheriff's Office, Treasurer's Office, Projects and Facilities Management Department, and Public Works Department. The Public Works functions include fleet service, traffic engineering, project development, solid waste, and roadways. The Road and Road Project Funds are included with the General Fund because the revenues of these funds are used jointly to carry out roadway functions. (Note: Because the General Fund contributes such a nominal amount of revenues to the Fire/EMS Department, a separate analysis was conducted.)

The analysis of the General and Road Fund expenditures is followed by a more specific case study looking at the specific costs associated with operations/maintenance, and replacement of capital infrastructure in the CCD including roads, water, sewer, sheriff officer vehicles, parks, and trails.

METHODOLOGY

The analysis evaluated all applicable revenue sources from the General Fund and Special Funds related to Roads improvements (including the Road and Road Impact). The following outlines the estimating methodologies used in the analysis of these funds:

- **Case Study** - This refers to a specific calculation of the marginal expenditures or revenues derived from the project based on available data. Case studies were developed for revenue sources when refined calculation methods were available

(i.e., property taxes based on market value multiplied by the percent assessed value, multiplied by the applicable mill rates).

- Per Person Served - This is an average revenue or expenditure measure based on the daytime population of a jurisdiction, accounting for the entire residential population and half of the employees working in the jurisdiction. This estimating technique is used when more detailed data is not available. The County budget is divided by the population served to derive an average persons served revenue multiplier.
- Per Capita - This is an average revenue or expenditure measure based on current per capita estimates of revenues or expenditures. This estimating technique is used when more detailed data is not available. The County budget is divided by the population to derive an average per capita multiplier.

REVENUES

The majority of revenues in the General and Road Funds were estimated using an average cost basis (Note: the detailed tables supporting the fiscal analysis are included in **Appendix II: Tables 1-15**). In addition to the standard average cost multipliers previously described, business licenses were estimated on a the basis of revenues per 1,000 square feet of non-residential space, accounting for the relationship between business licenses and non-residential development. Similarly, Clerk Fees were estimated based on revenues per residential unit, accounting for the fact that a majority of the fees are generated by residential real estate transactions (selling and refinancing of homes). Case studies were developed for property tax, gross receipt tax, and development and building permit revenues.

Property Tax

As previously discussed, market values for proposed development are primarily based on existing real estate trends in the area, and expressed in constant 2003 dollars. The estimated average market value for a single family detached unit was \$220,000 and a multi-family attached units was estimated at \$185,000. Based on the CCD affordable requirements, 15 percent of all proposed units were estimated to have market values to reflect 60, 80, and 100 percent of area median income. As a result, the affordable units' market values range from \$119,504 to \$199,173. The market value for non-residential space ranged from \$120 a square foot for retail space, \$144 for office space, and \$72-\$120 per square foot for other non-residential space (inclusive of land). The assessment rate of 33 percent was applied to these market values to produce the taxable base. By 2020, property tax revenues (with the one percent collection fee deducted) are estimated to be \$2.7 million. This represents almost \$2.2 million dollars in net new property tax revenues in the CCD as shown on **Table 14**.

Table 14
Property Tax Revenues, 2003-2020
CCD Fiscal Impact Analysis

Description	Factor	2003	2007	2020
Assessed Value				
Residential	33%	66,860,000	106,113,333	302,734,170
Non-Residential	33%	26,845,600	48,220,800	122,065,600
Property Taxes				
Residential				
	Levy			
County Operational	4.788	319,168	508,071	1,449,491
County Debt Service	0.572	38,130	60,697	173,184
Subtotal	5.360	\$357,298	\$568,767	\$1,622,655
Non-Residential				
County Operational	9.076	241,835	437,652	1,107,867
County Debt Service	0.672	15,241	27,582	69,822
Subtotal	9.748	\$257,077	\$465,234	\$1,177,689
Total		\$614,374	\$1,034,002	\$2,800,344
Net New Property Taxes				
Collection Fee	1%	\$6,144	\$10,340	\$28,003
Taxes		\$608,231	\$1,023,662	\$2,772,341

Note: Excludes the existing 10.0 mill levy associated with the Rancho Viejo Improvement District.
Source: Santa Fe County, Economic & Planning Systems

Gross Receipt Tax (GRT)

County level gross receipts sales trends were analyzed and future taxable gross receipts estimated based on the relationship of taxable sales and employment by industry. As a result, taxable sales per employee ranged from \$87 per employee in a government position to \$127,878 per employee in retail position. These factors were then applied to employment forecasts to develop the future taxable sales.

In addition to these taxable sales, there are one-time taxable sales related to the initial sale of a new residential unit or non-residential building (sales related to the construction of real property). The taxable value for new construction is based on the sale price of the residential unit or non-residential building, excluding the land value. For the purpose of this analysis, land value is estimated at 33 percent of the total sales value for residential and 20 percent of the total sales value for non-residential. These revenues are a one-time source of GRT, which occurs at the initial sale.

Adding taxable sales for commercial activity and new construction results in a combined taxable value of \$63.6 million in 2003 increasing to \$340.4 million in 2020 as shown on Table 15. The County's portion of the total GRT rate was then multiplied by these

taxable sales to produce tax revenue. The General Fund's portion of these taxes is \$425,480 in 2020, or 11 percent of the total tax revenues generated.

Table 15
GRT Revenues, 2003-2020
CCD Fiscal Impact Analysis

Description	Factor	2003	2007	2020
Employment				
Retail		142	453	1,526
Office				
FIRE		16	81	309
Services		393	1,025	3,218
Government		414	443	541
Other				
Manufacturing		96	110	136
Mining & Construction		76	146	389
TPU		115	115	115
Wholesale		15	24	41
Total		1,267	2,397	6,275
Taxable Sales				
Retail	\$/empl	18,158,645	57,928,634	195,141,491
Office				
FIRE	\$46,450	743,204	3,762,469	14,353,123
Services	\$43,280	17,917,921	19,173,041	23,414,481
Government	\$87	36,007	38,529	47,053
Other				
Manufacturing	\$45,739	4,390,937	5,031,282	6,220,494
Mining & Construction	\$103,108	7,836,179	15,053,713	40,108,864
TPU	\$111,164	12,783,828	12,783,828	12,783,828
Wholesale	\$115,495	1,732,431	2,771,890	4,735,312
Subtotal		\$63,599,152	\$116,543,386	\$296,804,646
New Construction ¹		\$0	\$32,474,520	\$43,579,752
Total		\$63,599,152	\$149,017,906	\$340,384,398
County GRT				
General	0.125%	79,499	186,272	425,480
Indigent	0.125%	79,499	186,272	425,480
Emergency Services	0.125%	79,499	186,272	425,480
Infrastructure	0.125%	79,499	186,272	425,480
Environmental	0.125%	79,499	186,272	425,480
Fire Excise Tax	0.250%	158,998	372,545	850,961
Capital Outlay	0.250%	158,998	372,545	850,961
Total	1.125%	\$715,490	\$1,676,451	\$3,829,324

Source: University of New Mexico - BBER; Economic & Planning Systems

Development and Building Permit Fees

Based on the current methodologies utilized to estimate development plan and zoning approval fees, the analysis assumed an average residential density of 2.46 units per acre and non-residential floor area ratio of 0.3. The resulting acres of residential and non-residential land were the basis for calculating development plan fees. The analysis also assumed 100 residential unit per application and 25,000 square feet of non-residential space per application and resulted in an annual average \$18,184 of one-time development plan fees during the 2007-2020 period.

For the purpose of calculating zoning approval fees, the analysis assumed an average single family detached units was 1,600 square feet and the average multi-family attached unit was 1,200 square feet (based on existing and proposed averages). Based on averages developed from the Uniform Building Code - Santa Fe County, the analysis assumed a construction cost of \$77.83 per square foot for single family detached units and a \$82.71 per square foot for multi-family attached units. As a result, an estimated annual average \$5,360 of one-time zoning approval and inspection fees during the 2007-2020 period as shown on Table 16.

**Table 16
Development and Building Permit Fees, 2003-2020
CCD Fiscal Impact Analysis**

Description	Factor	2003 - 2007		2007 - 2020	
		Total	Ann. Avg.	Total	Ann. Avg.
Net-New Development					
Residential					
Units	Units/Ac	538	135	2,871	221
Acres of Land	2.46	219	56	1,167	90
Non-Residential					
SF of Space	FAR	505,800	126,460	1,724,000	132,615
Acres of Land	0.25	46	12	158	12
Development Plan Fee					
Residential					
Per Unit	\$25	13,450	3,363	71,775	5,521
Land (\$150 for the first 5 acres)	\$15	3,355	839	17,581	1,352
Non-Residential					
1,500 SF of Space	\$25	8,430	2,108	28,733	2,210
Land (\$150 for the first 5 acres)	\$15	772	193	118,309	9,101
Subtotal		\$26,007	6,502	\$236,398	\$18,184
Zoning Approval & Inspection Fee					
Unit Valued from \$0 to \$100,000 ¹	\$15	0	0	9,716	747
Unit Valued from \$100,000+ ¹	\$25	13,450	3,363	55,575	4,275
Inspection Fee					
Residential	\$45	242	61	1,292	99
Non-Residential	\$45	910	228	3,103	239
Subtotal		\$14,603	3,651	\$69,686	\$5,360
Grand Total		\$40,610	\$10,152	\$306,084	\$23,545

¹ Assumes average construction cost of \$82.71/sf for multi-family and \$77.83/SF for single family detached.

Source: Economic & Planning Systems

Total Revenues

Currently, General and Road Fund revenues are estimated to be \$814,603. Based on proposed development of the CCD, these revenues are forecast to grow to \$1.4 million in 2007 and \$3.8 million by 2020 as shown on Table 17.

**Table 17
General and Road Fund Revenues, 2003-2020
CCD Fiscal Impact Analysis**

Item	2003	2007	2020
Revenues			
General Fund	791,350	1,382,755	3,684,497
Road Funds	23,254	42,535	110,286
Total	\$814,603	\$1,425,291	\$3,794,782

Note: Includes revenues and expenditures from the General and Road Funds.
Source: Santa Fe County, Economic & Planning Systems

EXPENDITURES

General County Operations

Similar to the revenues, the analysis evaluated expenditures for the General Fund and Special Funds related to roads improvements. Typical government expenditures (i.e., Community Health, Project and Facilities, and Finance Department) are estimated on a per capita basis as previously described. Many of these general governmental expenditures do not have a direct proportional relationship with increases in development and their estimating multipliers were reduced by 50 percent to account for this relationship. The Land Use Department's and Parks and Recreation/Open Space Division's expenditure multipliers are not reduced because of their direct relationship with development. A case study was developed for law enforcement expenditures.

A case study analysis was used to estimate operating/maintenance costs for the Sheriff's Office as shown on Table 18. Currently, there is approximately one officer for every 1,000 persons served in the County, and each officer has a vehicle used on an exclusive basis. This model is designed to serve a large, rural, sparsely-populated area. As the CCD develops, it will have sheriff protection needs that more closely resemble a city rather than a rural county, and can support a sheriff substation and operating unit with shifts resulting in significant operating efficiencies.

Utilizing the national standard of one officer per every 2,000 person served, existing and future officers were estimated. As a result, roughly one Sheriff's officer is needed to support the 2003 existing persons served population of 2,868. By 2020 when the persons served population will have grown to 13,026, a total of seven officers will be needed to serve the area. An operating unit or "sheriff beat" with seven officers can be operated

on shifts with one car to every two officers. By 2020, there would be a need for a substation and a total of three patrol cars to service the CCD. The analysis assumes that the existing sheriff facility, located just outside the southern corner of the CCD, could provide space for a substation office.

Table 18
Sheriff Services Expenditures, 2003-2020
CCD Fiscal Impact Analysis

Item	Factor	2003	2007	2020
Sworn Officers				
Persons Served ¹	76,334	2,868	4,689	13,026
Officer Service Standard ²		1.0	1.0	1.0
Sworn Officers	69	1	2	7
Expenditures				
Salary & Benefit	\$47,193	\$67,663	110,633	307,358
Training, Supplies & Other ^{3,4}	\$9,131	\$13,092	21,406	59,470
Subtotal		\$80,755	\$132,039	\$366,828
Vehicles				
Vehicles/Officer Standard ⁵	1.0	1.0	1.0	0.5
Officer Vehicles		1.4	2.3	3.3
Expenditures	\$22,000	\$31,543	\$51,574	\$71,640
Total Expenditure		\$112,298	\$183,613	\$438,469

¹ Includes population and employees in unincorporated areas of the county.

² Based on officers per 2,000 persons served.

³ Includes training, travel, maintenance, contractual services, supplies and other items.

⁴ Includes training, travel, maintenance, contractual services, supplies and other items.

⁵ Assumes change in operations by 2020 to a "sheriff beat" system with a ratio of 1 car for every 2 officers.

Source: Santa Fe County; Economic & Planning Systems

Capital Expenditures

In addition to the typical departmental expenditures related to new development, the analysis quantified the operating/maintenance and life cycle replacement costs of the site specific capital infrastructure and services that would be provided by the County in the CCD. County staff developed an inventory of the preliminary County infrastructure that would be needed in the CCD based on reviews of the CCD Plan and the proposed master plans. These capital costs are shown in Table 19. The storm sewer/drainage system was estimated based on the assumption that the system would follow roadways.

Table 19
CCD Infrastructure & Services, 2003-2020
CCD Fiscal Impact Analysis

Improvement/Service	Existing			Net New		Estimated Capital Costs		
	2003	HOA	Unit	2007	2020	Amount	Unit	Cost
Roadways								
Primary Roads	12.05	N/A	Miles	8.47	13.72	22.19	Miles	\$15,394,355
Arroyo Crossings	N/A	N/A	Crossing	3	2	5	---	\$500,000
Intersections	N/A	N/A	Intersection	5	7	12	---	\$1,200,000
Storm Sewers/Drainage	63,624	N/A	Linear Feet	44,711	72,455	117,166	Linear Feet	\$5,858,300
Law Enforcement								
Officer Vehicle ¹	1	N/A	Vehicle	1	1	2	Vehicles	\$40,098
Parks & Trails²								
District Parks & Athletic Fields	0.75	5.75	Acres	15.00	36.98	51.98	Acres	\$511,908
District Trails	0	31,680	Linear Feet	90,600	18,700	109,300	Linear Feet	\$1,530,200
Total								\$25,034,861

¹ Assumes change in operations by 2020 to a "sheriff base" system with a ratio of 1 car for every 2 officers.

² Only includes district parks and trails (remain parks and trails will be maintained by the local HOA).

Source: Economic & Planning Systems

Operating and Maintenance Costs

The analysis then calculates annual operating/maintenance costs by utilizing a per unit factor as shown on Table 20. These factors were developed based on local experience and industry standards. The roads, law enforcement, and park and trail system have the largest operating costs by 2020 as further discussed in the following sections.

Table 20
Operating/Maintenance Costs, 2003-2020
CCD Fiscal Impact Analysis

Improvement/Service	Cumulative Amounts			Operating/Maintenance		Cumulative Costs		
	2003	2007	2020	Factor	Unit	2003	2007	2020
Roadways								
Primary Roads	12.05	20.52	34.2	\$3,000	Mile	36,150	61,554	102,722
Arroyo Crossings	N/A	3	5	\$3,000	Crossing	0	9,000	15,000
Intersections	N/A	5	12	\$3,000	Intersection	0	15,000	36,000
Storm Sewers/Drainage	63,624	108,335	180,790	\$0.17	Linear Foot	10,816	18,417	30,734
Law Enforcement								
Officers/Vehicle	1	2	3	N/A	N/A	112,298	183,613	438,469
Parks & Trails								
Parks/Plazas ¹	0.75	15.75	52.7	\$4,500	Acre	3,375	37,125	120,330
District Trails	0	90,600	109,300	\$0.95	Linear Foot	0	86,070	103,835
Total						\$162,639	\$410,778	\$647,089

¹ Assumes County and Schools will jointly maintain district parks and athletic fields located on school sites. Includes 60 percent of total costs.

Source: Economic & Planning Systems

Replacement Costs

The fiscal impact analysis estimated life cycle replacement. Each item (mile of road, an officer vehicle, or a park) has a life cycle estimated in years. At the end of this cycle the

item must be rebuilt, replaced, or reseeded and landscaped. Replacement costs are annual amounts that are put into a "sinking fund" and accumulate until the item's lifecycle has reached its end (Note: EPS conservatively assumed a 3 percent long term interest rate on these revenues in a "sinking fund"). The capital replacement costs for the facilities assumed to be owned by the County are calculated in Table 21.

Table 21
Estimated Replacement Costs, 2003-2020
CCD Fiscal Impact Analysis

Improvement/Service	Cumulative Amounts			Life Cycle (Years)	Const. \$ /Unit	Cumulative Costs		
	2003	2007	2020			2003	2007	2020
Roadways								
Primary Roads	12.05	20.52	34.24	20	\$693,735	311,105	529,730	884,017
Arroyo Crossings	N/A	3	5	20	\$100,000	0	11,165	18,608
Intersections	N/A	5	12	20	\$100,000	0	18,608	44,659
Storm Sewers/Drainage	63,624	108,335	180,790	50	\$50	28,203	48,022	80,140
Law Enforcement							0	0
Officer Vehicle	1	2	3	4	\$22,000	7,540	12,327	17,124
Parks/Plazas & Trails								
Parks/Plazas ¹	0.75	15.75	52.73	40	\$9,848	98	1,078	3,493
District Trails	0	90,800	109,300	20	\$14	0	47,204	56,947
Total						\$346,945	\$668,135	\$1,104,987

¹ Assumes County and Schools will jointly maintain district parks and athletic fields located on school sites. Includes 50 percent of total costs.

Note: Assumes a sinking fund with a long term annual interest rate of 3 percent.

Source: Economic & Planning Systems

The annual replacement costs are estimated by first calculating an average annual cost per unit. The initial construction costs was divided by the estimated life cycle for each facility and adjusted assuming a sinking fund with an annual interest rate of three percent. The most significant capital replacement costs are for roads, which account for nearly 75 percent of the total replacement costs in 2020. The average cost to construct one mile of road is \$693,735 with a lifecycle of 20 years. This implies an overlay in Year 7 and reconstruction in Year 20 of the road's lifecycle. For example, there are approximately 12 miles of existing primary roads in the CCD. To replace a mile of roadway, \$25,818 annually should be placed to a sinking fund to cover these future costs. To replace the existing 12 miles of roadways, \$311,105 should be placed in a sinking fund annually.

Total Expenditures

Currently, General and Road Funds expenditures are \$669,500 including \$159,916 expenditures for general operations, \$162,639 for operating/maintenance, and \$346,945 for capital replacement. Based on proposed development of the CCD, these expenditures are forecast to grow to \$2.7 million by 2020 as shown on Table 22.

Table 22
General and Road Fund Expenditures, 2003-2020
CCD Fiscal Impact Analysis

Item	2003	2007	2020
Expenditures			
General County Operation	159,916	249,824	707,810
Operating & Maintenance	162,639	410,778	847,089
Capital Replacement	<u>346,945</u>	<u>668,135</u>	<u>1,104,987</u>
Total	\$669,500	\$1,328,737	\$2,659,886

Note: Includes revenues and expenditures from the General and Road Funds.
Source: Santa Fe County; Economic & Planning Systems

GENERAL AND ROAD FUNDS FISCAL IMPACT

Based on current revenues and expenditures attributable to the CCD, there is a positive net fiscal impact of \$145,103 as shown on Table 23. By 2007, the net fiscal impact is estimated at \$96,554. This lower figure reflects the timing of when new infrastructure and amenities are built. By 2020, the fiscal impact is \$1,134,896. This figure does include one-time revenues such as GRT related to new construction and development plan and building/permit fees, however, removing these one-time fees still results in a positive fiscal impact of \$1,051,429 for 2020.

Table 23
General & Road Funds Net Fiscal Impact, 2003-2020
CCD Fiscal Impact Analysis

Item	2003	2007	2020
Revenues			
General Fund	791,350	1,382,755	3,684,497
Road Funds	<u>23,254</u>	<u>42,535</u>	<u>110,286</u>
Total	\$814,603	\$1,425,291	\$3,794,782
Expenditures			
General County Operation	159,916	249,824	707,810
Operating & Maintenance	162,639	410,778	847,089
Capital Replacement	<u>346,945</u>	<u>668,135</u>	<u>1,104,987</u>
Total	\$669,500	\$1,328,737	\$2,659,886
Net Fiscal Impact	\$145,103	\$96,554	\$1,134,896

Source: Santa Fe County; Economic & Planning Systems

FIRE/EMS FUND FISCAL ANALYSIS

REVENUES

The analysis evaluated all applicable revenues sources from the General Fund and special funds related to Fire/EMS services (including the EMS District, Fire District, Fire GRT Tax, and Emergency Services Funds). Future revenues were estimated by using the existing persons served multiplier as well as case studies for gross receipt taxes and impact fees. The per person served multiplier only includes residents and employees (50 percent of the total) in the unincorporated portions of the County. Currently, there are 76,334 persons served by Santa Fe County Fire/EMS Services.

As previously outlined, an analysis of historical GRT and employment trends was the basis for estimated taxable sales for future CCD commercial activity. These sales plus taxable value of new construction produced the overall base for estimating GRT. Of the County's 1.125 percent GRT rate, Fire/EMS services' portion is 0.375 percent or a third of the total rate (Note: this includes the 0.125 percent Emergency Services and 0.250 Fire Excise taxes.) In 2020, the taxable base is estimated to be \$340.4 million, which will produce an estimated \$1.3 million in tax revenues. This figure includes \$163,424 one-time revenues related to new construction.

Santa Fe County has established a capital impact fee for Fire/EMS services. The fee is used for the construct new facilities and purchase capital equipment. These impact fees cannot be used for operating expenditures. The fee is assessed based on the type of land use; with each land use assigned a Risk Level ranging from 3 to 7. Risk Level 3 is considered a severe occupancy hazard where high quantities of combustible materials are located (i.e., chemical or paint manufacturing facility). On the other end of the range, Risk Level 7 is considered a light occupancy hazard where low quantities of combustible materials are located (i.e., dwelling units or business offices).

The fees are assessed on a sliding scale with Risk Level 3 having the highest fee at \$0.585 per square foot and Risk Level 7 having the lowest fee at \$0.275 per square foot. The analysis assumed residential uses would have a risk level of 7 (Note: revenues shown have been reduced by 3 percent to account for the county administration fee). The analysis categorized retail and office uses as Risk Level 7. Due to lack of specific uses, the analysis assigned other commercial uses, including manufacturing, mining, and construction, to Risk Level 6 (this conservatively calculates fees). From 2003 to 2007, the proposed development in the CCD will generate approximately \$369,693 in new one-time revenues. From 2007-2020, the proposed development in the CCD will generate approximately \$1,631,712 in new one-time revenues.

EXPENDITURES

The analysis uses the average cost method for estimating future operating expenditures. Utilizing the existing person served multiplier of \$135.82; operating expenses are estimated to be \$1.8 million in 2020 (Note: the 2003 multiplier is \$7.11 higher to account for a bond that was not retired until 2004).

Replacement Costs

Based on the growth in population, the CCD is forecast to need an additional substation to serve the area by 2020. The estimated cost for the construction and major pieces of equipment is \$1.3 million as shown on Table 24. As a result, the annual replacement costs for the department will average \$39,673.

**Table 24
Fire/EMS Capital & Replacement Costs, 2020
CCD Fiscal Impact Analysis**

Expenditure Item	Units	Cost/Unit	Cost
Initial Capital Costs			
Station			850,000
Class A Pumper	1	\$165,000	165,000
Brush Truck ¹	1	\$65,000	65,000
Tanker ¹	1	\$125,000	125,000
Other Equipment for Vehicles		\$100,000	100,000
Total			\$1,305,000
Capital Replacement Costs			
	Yrs		Ann. Cost
Station	50		7,536
Class A Pumper	15		8,871
Brush Truck	15		3,495
Tanker	15		6,721
Other Equipment for Vehicles	7		13,051
Total			\$39,673

Source: Santa Fe County-Fire Department

FIRE/EMS FUNDS FISCAL IMPACT

Based on current revenues and expenditures attributable to the CCD, there is a negative operating fiscal impact of -\$50,872, reflecting the fact that revenues from CCD do not cover the cost currently as shown on Table 25. In 2007 when development and taxable sales have increased, the operating fiscal impact is \$248,998 including estimated one-time construction GRT revenues. By 2020, the operating fiscal impact is estimated to be \$415,709. These costs are based on the operation of a substation with volunteer staff. This existing model is anticipated to meet the needs of the foreseeable future, however, there maybe an amount of development and/or land use mix in the CCD that may dictate the need for a higher level of fire protection, requiring a full-time staff. The County may need to provide a dedicated funding source to cover these costs.

Currently and in the future, the CCD will generate enough capital revenues, from impact fees, to cover acquisition/construction as well as capital replacement costs for service in the CCD. Table 25 illustrates total new impact fees generated from 2003 to

2007 and 2020. The positive fiscal balance in each year demonstrates the fees are adequate to cover costs and to provide a surplus for additional unforeseen capital items.

Table 25
Fire/EMS Net Fiscal Impact, 2003-2020
CCD Fiscal Impact Analysis

Item	2003	2007	2020
Operating Revenues			
Gross Receipt Tax	158,998	558,817	1,276,441
Permits & Licenses	511	836	2,322
Other Fees & Charges for Services	108,901	178,058	494,678
Miscellaneous Revenues	1,215	1,987	5,521
Intergovernmental Grants & Subsidies	48,057	78,575	218,297
Operating Transfers/Budgeted Cash	<u>41,299</u>	<u>67,525</u>	<u>187,598</u>
Subtotal	\$358,981	\$885,799	\$2,184,856
Operating Expenditures	\$409,853	\$636,801	\$1,769,148
Operating Net Fiscal Impact	-\$50,872	\$248,998	\$415,709
Capital Revenues			
Impact Fees ¹	70,000	369,693	1,631,712
Capital Construction/Purchase ¹			
Construction/Purchase ²	0	0	1,305,000
Capital Replacement	<u>0</u>	<u>0</u>	<u>39,673</u>
Subtotal	\$0	\$0	\$1,344,673
Capital Net Fiscal Impact	\$70,000	\$369,693	\$287,038

¹ Estimated this figure based on development permits issued last year. The actual figure not available until year end.

² Assumes one-time capital costs of substation construction and purchasing vehicles.

Note: Figures represent the actual Fiscal Year 2003 data for Funds 101, 206, 209, 222, 232, and 460.

Source: Santa Fe County; Economic & Planning Systems

ALTERNATIVE SCENARIO FISCAL IMPACTS

This fiscal analysis evaluates impacts under the CCD Plan. One question raised is whether this development pattern is more or less fiscally viable than the traditional rural residential development pattern. The existing rural development pattern is largely by definition fiscally viable. It represents the prevailing development pattern in the County, and the existing revenue and tax structure generates the level of revenues necessary to cover County expenditures as reflected in the County budget.

The CCD Plan is also shown to be fiscally viable in 2007 and 2020, based on the market and governance assumptions tested. The CCD may develop faster or slower than

projected, but the underlying fiscal relationships should remain similar to the results of the analysis. The fiscal analysis results could be impacted by alternative assumptions of what services the County agrees to assume.

A quantification of the differences between the existing development pattern and the CCD Plan is largely beyond the level of assumptions of the data available at this time. It would require developing new market data about the amount, price, and rate of development. It would certainly result in substantially lower levels of development given the difference in housing prices. The quantification of the fiscal differences in dollar terms is not meaningful given the planning level data used.

The overall benefit of the CCD Plan is that it provides a type of development not currently available in Santa Fe County. First and foremost, the CCD Plan is designed to promote compact mixed use development and to preserve over 50 percent of the land in open space. The CCD Plan will also provide housing opportunities to those currently priced out of the County. The CCD currently contains average housing prices in the \$220,000 range compared to housing prices two to four times higher in nearby rural subdivisions. In addition, the CCD's affordable housing requirements will result in 15 percent of total housing being built at prices in the \$119,000 to \$199,000 range (based on 2003 HUD AMI levels). Finally, the CCD Plan also requires development to be tied to public utilities and provides for significant economies of scale in how these utilities are developed.

The CCD is therefore expected to capture a large share of the County residential market over the next 20 to 50 years, particularly as development sites within the City of Santa Fe become built out. Commercial development levels are expected to be less affected by the stipulations of the CCD Plan which allow for all of the marketable uses and provides additional design requirements with little additional cost or impact on development marketability.

FISCAL ISSUES

Based on the analysis conducted, the implementation of the CCD Plan is expected to have a positive net fiscal impact on Santa Fe County under the governance model tested. The estimates of revenues and expenditures have identified a number of implementation issues requiring further planning and analysis as discussed below.

- **Roads** – Construction of the primary road system is the responsibility of the individual master plans. The property owners may use a County Improvement District (CID) to finance their road construction costs. There are however, likely to be segments of the road system needed for overall circulation that are located on parcels of land not likely to be built until later dates. A regional CID or other type of regional district may be the best solution to completing these roads.
- **Police Protection** – As the CCD develops, it will have police protection needs that more closely resemble a city rather than a rural county, and can support a sheriff substation and operating unit with shifts resulting in significant operating

efficiencies. The structure and timing of conversion to a district-specific police protection plan will need to be evaluated.

- **Fire/EMS Services** – As the CCD moves toward a more urban development pattern, consideration should be given as to whether the change existing staffing policy for substation, which relies on volunteers, is still the most appropriate method of servicing the area.
- **Parks, Open Space, and Trails** – The parks and open space element of the CCD Plan needs to be more fully delineated in order to determine if a separate operating entity with the ability to generate funds for parks maintenance is needed. The location of some district park facilities has not been determined and others are inconsistent between master plans. The responsibilities for park maintenance for some elements have also not been established.
- **District Mechanisms** – The CCD Plan identifies a number of areas in which service levels will be different from other parts of the County including roads, water, wastewater, and parks. A regional district mechanism is needed to coordinate CCD regional functions and potentially to generate revenues for services for which the current tax base is inadequate.

IV. IMPLEMENTATION

This implementation section addresses issues identified in the market and fiscal and financial analysis related to implementation of the CCD Plan. The implementation issues are grouped under four major topic headings as listed below:

- Community College District Plan;
- Development Approval Process;
- Governance and Finance Structure; and
- Ongoing Model Applications.

CCD PLAN

COMMUNITY CENTERS

The market analysis indicates that the number of community centers shown are too many if one assumes that each of these centers should include significant commercial development. There are a total of 12 community centers shown on the CCD Land Use Zoning Map. Six of these community centers are contained within current approved master plans (including the Rancho Viejo filings not included in the Windmill Ridge Master Plan).

The community centers are intended to be higher density mixed use areas containing the primary community oriented retail, office, and service uses. The logical defining retail anchor establishing the viability of this mix of uses is the grocery store/supermarket. The market analysis indicates the supportability of one supermarket by 2020 and three supermarkets by 2050.

A logical approach to this dilemma would be to identify the most viable community center locations based on residential development forecasts, logical trade area radii, and arterial access. A total of five centers (three within the current master plan developments) should remain to allow for market competition, as well as for the potential that some master plans may not develop as quickly as anticipated. The remaining community centers should be allowed to develop as smaller neighborhood centers as discussed below.

From a market perspective the most likely place for the three community centers in the current master plans are in Thornburg east of SR-14, in Oshara off of Richards Avenue, and in Rancho Viejo at Rancho Viejo Boulevard. The designation of these locations should be subject to further site specific market analysis and review. If centers develop at these locations, the remaining centers in the CCD Plan should be allowed to develop as lower order neighborhood centers.

The community center concept is an integral part of the CCD Plan. It is important, therefore, that community centers get built. The dilemma is that, as mentioned above, the number and exact nature of these centers is difficult to predict. But this is not necessarily a fatal flaw. Good planning should not attempt to predict a given future, but should set some overall principles and procedures in place to deal with uncertainties.

The approach that appears to respond best to the issue of implementation of the community center element of the CCD Plan is to require the submission of a community center plan at some threshold of residential development. It is recommended that a community center plan to be submitted for approval when the residential buildout within one mile of the center reaches 50 percent. The community center plan would include the near-term use(s) of the center, provisions for adding other uses as the area is built out, and provisions to ensure that the area remains available for other mixed uses after buildout. At this point it can be determined if a community center within the master plan is a viable option or whether a smaller neighborhood center should be anticipated.

NEIGHBORHOOD CENTERS

The CCD Plan also provides for the development of neighborhood centers that are intended to be smaller than community centers. These centers are intended to provide a higher density mixed use location to focus a small amount of convenience retail uses along with community civic and social uses and higher density housing. Residential uses are expected to account for a minimum of 50 percent of the development in these centers. The CCD Plan is not specific as to the number, location, or size for these centers.

The recommended approach is to further define the character and potential location of these neighborhood centers. It would also be logical that any unneeded community center locations could also be developed as lower order neighborhood center.

While planning these smaller centers present a different set of challenges, it is very important to acknowledge that including these types of centers in the CCD Plan was an important step – the designations allow for the most appropriate types of centers to evolve. If the designations did not exist, a typical single use residential land-use pattern would almost certainly occur. The issues with respect to these smaller centers include the following:

- What exactly is a neighborhood center?
- What size and mix of uses should be encouraged?
- How does the County ensure that the neighborhood centers actually get built?

It is not uncommon to assume more commercial development in neighborhood centers than the market will support. This does not mean the concept is invalid – instead it means that our concept of a neighborhood center needs to be more flexible. New models of small-scale retail and service establishments are evolving in response to the increasing emphasis on using the neighborhood as the building block for

residential/mixed-use development. Some neighborhood centers may have only one, or even zero, retail businesses.

Because the smaller centers in the CCD lack, by definition, good regional access, uses that would overwhelm the community with traffic and parking should not be allowed. This could be done by placing some additional restrictions on types of uses and, probably more importantly, by restricting the scale of development.

EMPLOYMENT CENTERS

Employment centers are planned to provide locations for primary employment growth including commercial and light industry, manufacturing, showroom, and distribution uses. The CCD Plan indicates existing employment center locations at the Santa Fe County Business Center in San Cristobol and the gateway area along I-25 between SR-14 and Cerrillos Road. Large planned centers are to be located in Thornburg, Oshara, and between Santa Fe Community College and the Santa Fe Southern Railroad tracks. Smaller employment centers are encouraged to be located throughout the CCD near community centers.

Currently, the CCD Plan employment centers allow commercial, retail, and restaurant uses. The intent is to provide support commercial for the primary employment based land uses. The potential issue is that these employment centers, because of their superior highway location, may capture retail growth intended for community commercial centers. Some of the existing employment centers are located on the periphery of the CCD near the highway gateways and there is a strong potential that the community oriented retail uses desired in the community centers (particularly grocery stores) would locate at these locations diluting the potential market area for the community center locations which are more interior to the CCD.

The recommended approach is to limit the range of retail and service uses within the employment centers to allow a critical mass of retail and associated services to develop at the desired community center locations.

The employment centers should be permitted to contain some limited employee-serving retail and service uses, but these uses should be clustered, not spread along the highway or arterial in a conventional strip-development pattern. Also, the employment centers may, because of their location and access, include some regional-level retail uses that would be too large and inappropriate for a community center. Site-planning and design guidelines should be prepared to ensure that all of this development occurs in an attractive and efficient pattern. Industrial and commercial areas do not have to be unattractive; on the contrary, an attractive local environment will appeal to higher-end industrial and commercial uses.

SUMMARY OF CCD PLAN RECOMMENDATIONS

- Designate areas where not more than three commercially oriented community centers could be built in the western part of the CCD within the next twenty years. This designation would also allow for better planning and phasing of the needed roadway system.
- Further define the nature of neighborhood centers and differentiate uses and their scale between the community and neighborhood centers in order to provide guidance to the market and restrict inappropriate uses.
- Require a community center plan to be submitted for approval when the residential buildout within one mile of the center reaches 50 percent.
- Provide a similar trigger mechanism for submittal of a neighborhood center plan when overall development in the master plan reaches 50 percent of the land area.
- Limit the type and level of community retail and service uses allowed in employment centers so they do not drain the market vitality of the community centers.
- Establish a process to ensure that the language in the private covenants is clear that the community and neighborhood centers exist to provide a home to mixed-use development, whenever it occurs.
- Develop site planning and design guidelines for the employment centers to ensure they do not become conventional strip development.

DEVELOPMENT APPROVAL PROCESS

APPROVAL STEPS

The CCD Plan has an overall zoning ordinance that defines use zones and establishes allowable uses, minimum and maximum densities, and timing and phasing requirements. Individual landowners then submit a master plan for their property to establish zoning. Among other requirements, the master plan must include land use zone designations with the minimum and maximum number of residential uses, the minimum and maximum amount of commercial square footage, and proposed categories of land uses. The approval authority for a master plan is the Board of County Commissioners (except inside the two-mile EZ, where the approval authority is the Extraterritorial Zoning Authority). To date, six master plans have been approved – Gardner, Oshara, Rancho Viejo, San Cristobal, Sonterra, and Thornburg. In addition, the first two phases of Rancho Viejo were approved under a process that was in place before the master plan approach was adopted.

The second step in the development approval process is the submittal of a preliminary development plan and plat, normally for only a portion of the area covered by the

master plan. The preliminary development plan and plat contains a much more detailed description of what is proposed. This is the stage at which a decision is made on the sufficiency of water availability. It is not entirely clear who approves the preliminary development plan and plat, but the need to make a determination on water availability indicates that the approval of the Board of County Commissioners is needed.

The third step is the submittal of a final development plan and plat. The primary purpose of this review appears to be ensuring that what was approved in the preliminary development plan and plat will, in fact, occur. However, this is also the phase at which special uses are approved. The review appears to be a combination of what would typically be a ministerial review and a discretionary review of special uses. The approval authority is the Board of County Commissioners.

APPROVAL ISSUES AND RECOMMENDATIONS

The primary issue related to the market and fiscal study is at what point in the process should the recommended refinements to the CCD Plan be addressed? The refinements to the commercial, neighborhood, and employment center definitions would logically be handled as an amendment to the CCD Plan Zoning Ordinance. The timing requirements for the filing of community, neighborhood, and employment plans would also logically be handled as an amendment to the Zoning Ordinance.

The specific changes to existing approved master plans, including the locations of approved community centers, and the allowance for community centers to be developed as lower order neighborhood centers, would logically be handled with the preliminary development plan and plat. These issues affect each project differently and could therefore not be handled as an overall CCD-wide zoning change. Also, because they are similar to the approval of special uses, it would be more appropriate at the preliminary plan and plat review stage, rather than with the final plan and plat review.

The recommended clarifications to the CCD Plan development approval process are summarized below:

- Amend the CCD Plan Zoning Ordinance to clarify issues of a CCD-wide nature that can be adjusted by a language amendment. This would include further definition of the community, neighborhood, and employment center definitions and phasing requirements.
- Clarify the purposes and procedures for preliminary and final development plan and plat review. If the nature of the final plan review is ministerial, i.e., to ensure that the final plan complies with the approval and conditions of the preliminary plan, it is not clear why a Board of County Commissioners approval with a public hearing is needed.
- Establish a decision-tree process with decision points to guide planning and programming for infrastructure and non-residential development as master plan and development plans and plats are approved.

GOVERNANCE/FINANCING STRUCTURE

The structure for financing improvements and operating public facilities within the CCD is still evolving. As the CCD moves from one large master plan to multiple projects, there will be an increasing need to coordinate facilities and services of a regional nature. The fiscal analysis recommends an allocation of responsibilities between the County and other entities. There are however, a number of issues related to implementing both the regional and local level services that require further study as summarized below.

FINANCING AND OPERATING ISSUES

Roads

Primary roads are intended to provide regional circulation and are recommended to be dedicated as County facilities. In Rancho Viejo, these roads are currently being financed using a County Improvement District (CID). A CID is an adequate mechanism to finance water and arterials in other master plan developments. Each landowner could work with the County to set up a CID, landowners could collaborate, or a single CID (or Public Improvement District - see later discussion) could be established using individual taxable areas for all or portions of individual landholdings. In either case, further analysis and development of a primary roads master plan is required.

One problem with individual CIDs is how to finance and build primary roads needed to provide overall CCD circulation on development parcels not likely to be developed until later dates. A CCD-wide special district could be used for this purpose, as could agreements for cost reimbursements between landowners.

Wastewater

The fiscal analysis recommends that wastewater services be provided as a regional service by the County or by a regional district. It would be inefficient to have multiple independent districts in the CCD. It may also be important to the County to control wastewater disposal because of its impacts on water rights and service. A centralized management system is needed to integrate all the elements of this system.

Further study is needed to determine whether the County should take over these responsibilities or whether the existing private utility serving Rancho Viejo should be expanded to become a CCD-wide system.

Parks, Trails, and Open Space

Regional open space, parks, and trail facilities are recommended to be the responsibility of the County or a regional park district. Local parks and plazas are expected to remain the responsibility of individual or collective homeowners associations. The CCD Plan needs further refinement of this plan element to address a number of issues including the location of district parks and to provide a greater level of consistency between the type and amount of regional level parks being provided on a project by project basis.

APPENDIX I:

MARKET FRAMEWORK

Appendix I: Table 1
Housing Unit Forecast by Planning Sector, 2003-2050
CCD Fiscal Impact Analysis

Planning Sector	Parcel Name/Owner	Housing Units			
		2003	2007	2020	2050
CA01	Amigo Petroleum Company	0	0	0	0
CA02	Berridge Parcel (in TRS 160918)	1	5	7	7
CA03	Burtrann-Gardner Parcels	0	29	71	78
CA04	Churchill Road Neighborhood	6	8	12	18
CA05	Petchesky North Parcel	1	1	19	43
CB01	Oshara, College Heights II and III	4	21	511	708
CB02	Taurus Parcel	0	7	17	18
CC01	La Vida Buena	69	69	69	69
CC02	Santiago Subdivision	21	21	21	21
CC03	Arroyo Hondo West	162	170	193	230
CD01	125/SF Bypass Intersection	0	0	0	0
CD02	Mesa Vista	0	0	0	0
CD03	Turquoise Trail North	0	0	0	0
CE01	Thornburg Enterprises	0	0	0	0
CE02	Thornburg Enterprises	0	106	246	265
CE03	Turquoise Trail Business Park	0	0	0	0
CE04	Thornburg Enterprises	0	0	0	0
CE05	SF Skies RV Park and Campground	0	0	0	0
CF01	Rancho Viejo	0	0	0	0
CF02	Rancho Viejo	0	0	0	0
CF03	Rancho Viejo	0	0	0	0
CF04	I-25 East Frontage Road Industrial Area	4	4	4	4
CF05	Village at Rancho Viejo	329	329	329	329
CF06	Vista Ocaso	45	51	58	58
CF07	Rancho Viejo	0	0	150	199
CF08	Petchesky South Parcel	0	0	104	237
CF09	Rancho Viejo	0	0	9	12
CF10	Rancho Viejo	0	0	0	0
CF11	Santa Maria de la Paz	0	0	0	0
CG01	College Heights Phase I	4	10	17	19
CG02	Santa Fe Community College	0	0	0	0
CG03	Rancho Viejo	0	0	0	245
CG04	Rancho Viejo	0	0	0	50
CG05	New Mexico State Land Office	0	0	0	110
CG06	Rancho Viejo	0	0	0	459
CH01	Valle Lindo	153	153	153	153
CI01	Brown Parcels	4	5	8	14
CI02	Valle Serena	9	15	25	29

Appendix I: Table 1
Housing Unit Forecast by Planning Sector, 2003-2050
CCD Fiscal Impact Analysis

Planning Sector	Parcel Name/Owner	Housing Units			
		2003	2007	2020	2050
CH03	Church, Jones Parcels	2	2	83	153
CH04	Sonterra	0	112	458	526
CH05	San Cristobal North	0	0	64	76
CJ01	Institute of American Indian Arts	0	0	0	0
CJ02	San Cristobal North	0	0	0	0
CJ03	Rancho Viejo	0	0	39	64
CJ04	Windmill Ridge	0	8	13	14
CJ05	Rancho Viejo	0	0	0	0
CJ06	Rancho Viejo	0	0	0	0
CJ07	Windmill Ridge	80	130	164	169
CJ08	Windmill Ridge	35	120	165	171
CJ09	Rancho Viejo	0	19	73	80
CJ10	Windmill Ridge	0	52	83	87
CK01	New Mexico State Land Office	0	0	0	880
CK02	Rancho Viejo	0	0	0	397
CL01	Santa Fe County Economic Business Park	0	0	0	0
CL02	San Cristobal West	0	0	761	905
CL03	San Cristobal Central	0	0	204	1,125
CL04	San Cristobal East	0	0	0	386
CL05	Rancho Viejo	0	0	0	814
CM01	San Cristobal East	0	0	0	0
CM02	Rancho Viejo	0	0	0	1,430
CM03	Rancho Viejo	0	0	0	871
CM04	New Mexico State Land Office	0	0	0	0
CM05	Rancho Viejo	0	0	0	557
CN01	Rancho Viejo	0	0	0	745
CN02	Rancho Viejo	0	0	0	597
CN03	Rancho Viejo	0	0	0	40
CN04	Rancho Viejo	0	0	0	41
CN05	Rancho Viejo	0	0	0	477
CO01	Rancho Viejo	0	0	0	961
CO02	Rancho Viejo	0	0	0	579
CO03	Rancho Viejo	0	0	0	0
CP01	Rancho Viejo	0	0	0	0
	Total	909	1,447	4,318	16,185

Source: Allread Pitts: Demographic Analysis-2003

Appendix I: Table 2
Average Annual Housing Unit Constructed by Planning Sector, 2003-2050
CCD Fiscal Impact Analysis

Planning Sector	Parcel Name/Owner	Housing Units			
		2003-2007	2007-2020	2020-2050	
CA01	Amigo Petroleum Company	0	0	0	0
CA02	Berridge Parcel (in TRS 160918)	1	0	0	0
CA03	Burttam-Gardner Parcels	7	3	0	0
CA04	Churchill Road Neighborhood	1	0	0	0
CA05	Petchesky North Parcel	0	1	1	1
CB01	Oshara, College Heights II and III	4	38	7	7
CB02	Taurus Parcel	2	1	0	0
CC01	La Vida Buena	0	0	0	0
CC02	Santiago Subdivision	0	0	0	0
CC03	Arroyo Hondo West	2	2	1	1
CD01	125/SF Bypass Intersection	0	0	0	0
CD02	Mesa Vista	0	0	0	0
CD03	Turquoise Trail North	0	0	0	0
CE01	Thornburg Enterprises	0	0	0	0
CE02	Thornburg Enterprises	27	11	1	1
CE03	Turquoise Trail Business Park	0	0	0	0
CE04	Thornburg Enterprises	0	0	0	0
CE05	SF Skies RV Park and Campground	0	0	0	0
CF01	Rancho Viejo	0	0	0	0
CF02	Rancho Viejo	0	0	0	0
CF03	Rancho Viejo	0	0	0	0
CF04	I-25 East Frontage Road Industrial Area	0	0	0	0
CF05	Village at Rancho Viejo	0	0	0	0
CF06	Vista Ocaso	2	1	0	0
CF07	Rancho Viejo	0	12	2	2
CF08	Petchesky South Parcel	0	8	4	4
CF09	Rancho Viejo	0	1	0	0
CF10	Rancho Viejo	0	0	0	0
CF11	Santa Maria de la Paz	0	0	0	0
CG01	College Heights Phase I	2	1	0	0
CG02	Santa Fe Community College	0	0	0	0
CG03	Rancho Viejo	0	0	8	8
CG04	Rancho Viejo	0	0	2	2
CG05	New Mexico State Land Office	0	0	4	4
CG06	Rancho Viejo	0	0	0	0
CH01	Valle Lindo	0	0	0	0
CI01	Brown Parcels	0	0	0	0
CI02	Valle Serena	2	1	0	0

Appendix I: Table 2
Average Annual Housing Unit Constructed by Planning Sector, 2003-2050
CCD Fiscal Impact Analysis

Planning Sector	Parcel Name/Owner	Housing Units			
		2003-2007	2007-2020	2020-2050	
CI03	Church, Jones Parcels	0	6	2	
CI04	Sonterra	28	27	2	
CI05	San Cristobal North	0	5	0	
CJ01	Institute of American Indian Arts	0	0	0	
CJ02	San Cristobal North	0	0	0	
CJ03	Rancho Viejo	0	3	1	
CJ04	Windmill Ridge	2	0	0	
CJ05	Rancho Viejo	0	0	0	
CJ06	Rancho Viejo	0	0	0	
CJ07	Windmill Ridge	18	3	0	
CJ08	Windmill Ridge	21	3	0	
CJ09	Rancho Viejo	5	4	0	
CJ10	Windmill Ridge	13	2	0	
CK01	New Mexico State Land Office	0	0	29	
CK02	Rancho Viejo	0	0	13	
CL01	Santa Fe County Economic Business Park	0	0	0	
CL02	San Cristobal West	0	59	5	
CL03	San Cristobal Central	0	16	31	
CL04	San Cristobal East	0	0	13	
CL05	Rancho Viejo	0	0	27	
CM01	San Cristobal East	0	0	0	
CM02	Rancho Viejo	0	0	48	
CM03	Rancho Viejo	0	0	29	
CM04	New Mexico State Land Office	0	0	0	
CM05	Rancho Viejo	0	0	19	
CN01	Rancho Viejo	0	0	25	
CN02	Rancho Viejo	0	0	20	
CN03	Rancho Viejo	0	0	1	
CN04	Rancho Viejo	0	0	1	
CN05	Rancho Viejo	0	0	16	
CO01	Rancho Viejo	0	0	32	
CO02	Rancho Viejo	0	0	19	
CO03	Rancho Viejo	0	0	0	
CP01	Rancho Viejo	0	0	0	
	Total	135	221	396	

Sources: Allred PWS; Demographic Analysis-2003

Economic & Planning Systems

Appendix I: Table 3
 Population Forecast by Planning Sector, 2003-2050
 CCD Fiscal Impact Analysis

Planning Sector	Parcel Name/Owner	Population			
		2003	2007	2020	2050
CA01	Amigo Petroleum Company	0	0	0	0
CA02	Berridge Parcel (in TRS 160918)	2	12	16	15
CA03	Burtram-Gardner Parcels	0	70	163	167
CA04	Churchill Road Neighborhood	15	19	27	39
CA05	Petchesky North Parcel	2	2	44	92
CB01	Oshara, College Heights II and III	10	51	1,170	1,517
CB02	Taurus Parcel	0	17	39	39
CC01	La Vida Buena	170	166	158	148
CC02	Santiago Subdivision	52	51	48	45
CC03	Arroyo Hondo West	398	410	442	493
CD01	I25/SF Bypass Intersection	0	0	0	0
CD02	Mesa Vista	0	0	0	0
CD03	Turquoise Trail North	0	0	0	0
CE01	Thornburg Enterprises	0	0	0	0
CE02	Thornburg Enterprises	0	256	563	568
CE03	Turquoise Trail Business Park	0	0	0	0
CE04	Thornburg Enterprises	0	0	0	0
CE05	SF Skies RV Park and Campground	0	0	0	0
CF01	Rancho Viejo	0	0	0	0
CF02	Rancho Viejo	0	0	0	0
CF03	Rancho Viejo	0	0	431	1,296
CF04	I-25 East Frontage Road Industrial Area	10	10	9	9
CF05	Village at Rancho Viejo	808	794	753	705
CF06	Vista Ocaso	111	123	133	124
CF07	Rancho Viejo	0	0	343	426
CF08	Petchesky South Parcel	0	0	238	508
CF09	Rancho Viejo	0	0	21	26
CF10	Rancho Viejo	0	0	0	0
CF11	Santa Maria de la Paz	0	0	0	0
CG01	College Heights Phase I	10	24	39	41
CG02	Santa Fe Community College	0	0	0	0
CG03	Rancho Viejo	0	0	0	525
CG04	Rancho Viejo	0	0	0	107
CG05	New Mexico State Land Office	0	0	0	236
CG06	Rancho Viejo	0	0	0	983
CH01	Valle Lindo	376	369	350	328
CH02	Brown Parcels	10	12	18	30
CH02	Valle Serena	22	36	57	62

Economic & Planning Systems

Appendix I: Table 3
 Population Forecast by Planning Sector, 2003-2050
 CCD Fiscal Impact Analysis

Planning Sector	Parcel Name/Owner	Population			
		2003	2007	2020	2050
CI03	Church, Jones Parcels	5	5	190	328
CI04	Sonterra	0	270	1,049	1,127
CI05	San Cristobal North	0	0	147	163
CJ01	Institute of American Indian Arts	0	0	0	0
CJ02	San Cristobal North	0	0	0	0
CJ03	Rancho Viejo	0	0	59	137
CJ04	Windmill Ridge	0	19	30	30
CJ05	Rancho Viejo	0	0	0	0
CJ06	Rancho Viejo	0	0	0	0
CJ07	Windmill Ridge	147	314	376	362
CJ08	Windmill Ridge	86	289	378	366
CJ09	Rancho Viejo	0	46	167	171
CJ10	Windmill Ridge	0	125	190	186
CK01	New Mexico State Land Office	0	0	0	1,886
CK02	Rancho Viejo	0	0	0	851
GL01	Santa Fe County Economic Business Park	0	0	0	0
GL02	San Cristobal West	0	0	1,743	1,939
CL03	San Cristobal Central	0	0	467	2,410
CL04	San Cristobal East	0	0	0	827
CL05	Rancho Viejo	0	0	0	1,744
CM01	San Cristobal East	0	0	0	0
CM02	Rancho Viejo	0	0	0	3,064
CM03	Rancho Viejo	0	0	0	1,866
CM04	New Mexico State Land Office	0	0	0	0
CM05	Rancho Viejo	0	0	0	1,193
CN01	Rancho Viejo	0	0	0	1,596
CN02	Rancho Viejo	0	0	0	1,279
CN03	Rancho Viejo	0	0	0	86
CN04	Rancho Viejo	0	0	0	88
CN05	Rancho Viejo	0	0	0	1,022
CO01	Rancho Viejo	0	0	0	2,059
CO02	Rancho Viejo	0	0	0	1,241
CO03	Rancho Viejo	0	0	0	0
CP01	Rancho Viejo	0	0	0	129
	Total	2,234	3,490	9,888	34,679

Source: Alfred Pitts; Demographic Analysis-2003

Appendix I: Table 4
Total Personal Income Forecast, 2003-2020
CCD Fiscal Impact Analysis

Item	2003	2007	2020	2050
Population	2,234	3,490	9,888	34,679
Per Capita Income ¹	\$26,684	\$26,684	\$26,684	\$26,684
Estimated TPI (000's)	\$59,613	\$93,128	\$263,853	\$925,382

¹ Assumes a 1 percent "real" annual growth in income from census data collected in 1999.
 Source: US Census Bureau, Economic & Planning Systems

Appendix I: Table 5
 Estimated Cumulative Retail Expenditures, 2003-2020
 CCD Fiscal Impact Analysis

Business Type	(NIM) % of TPI	(000's)			
		2003	2007	2020	2050
TPI		\$59,613	\$93,128	\$263,853	\$925,382
Convenience Goods					
Supermarket & Grocery Stores	7.13%	4,248	6,637	18,804	65,948
Convenience Stores	1.90%	1,134	1,771	5,019	17,601
Specialty Food Stores	0.13%	77	121	343	1,203
Liquor Stores	0.43%	256	400	1,135	3,979
Drug Stores	1.86%	1,108	1,731	4,903	17,197
Shoppers Goods					
General Merchandise	7.84%	4,671	7,298	20,676	72,513
Apparel & Accessories	1.87%	1,116	1,743	4,938	17,320
Furniture, Furnishings & Appliances	2.79%	1,664	2,600	7,366	25,833
Miscellaneous ¹	2.24%	1,333	2,083	5,901	20,695
Eating & Drinking					
Restaurant	2.51%	1,496	2,336	6,620	23,216
Fast Food	2.71%	1,615	2,523	7,147	25,066
Bars	0.30%	177	276	783	2,746
Home Improvement					
Home Centers	0.95%	565	883	2,501	8,772
Paint & Wallpaper Stores	0.16%	97	152	432	1,513
Hardware Stores	0.31%	187	291	826	2,895
Other Building Materials	0.31%	187	291	826	2,895
Lawn & Garden Stores	3.06%	1,824	2,850	8,075	28,321
Total Retail Trade	36.49%	\$21,755	\$33,987	\$96,292	\$337,713

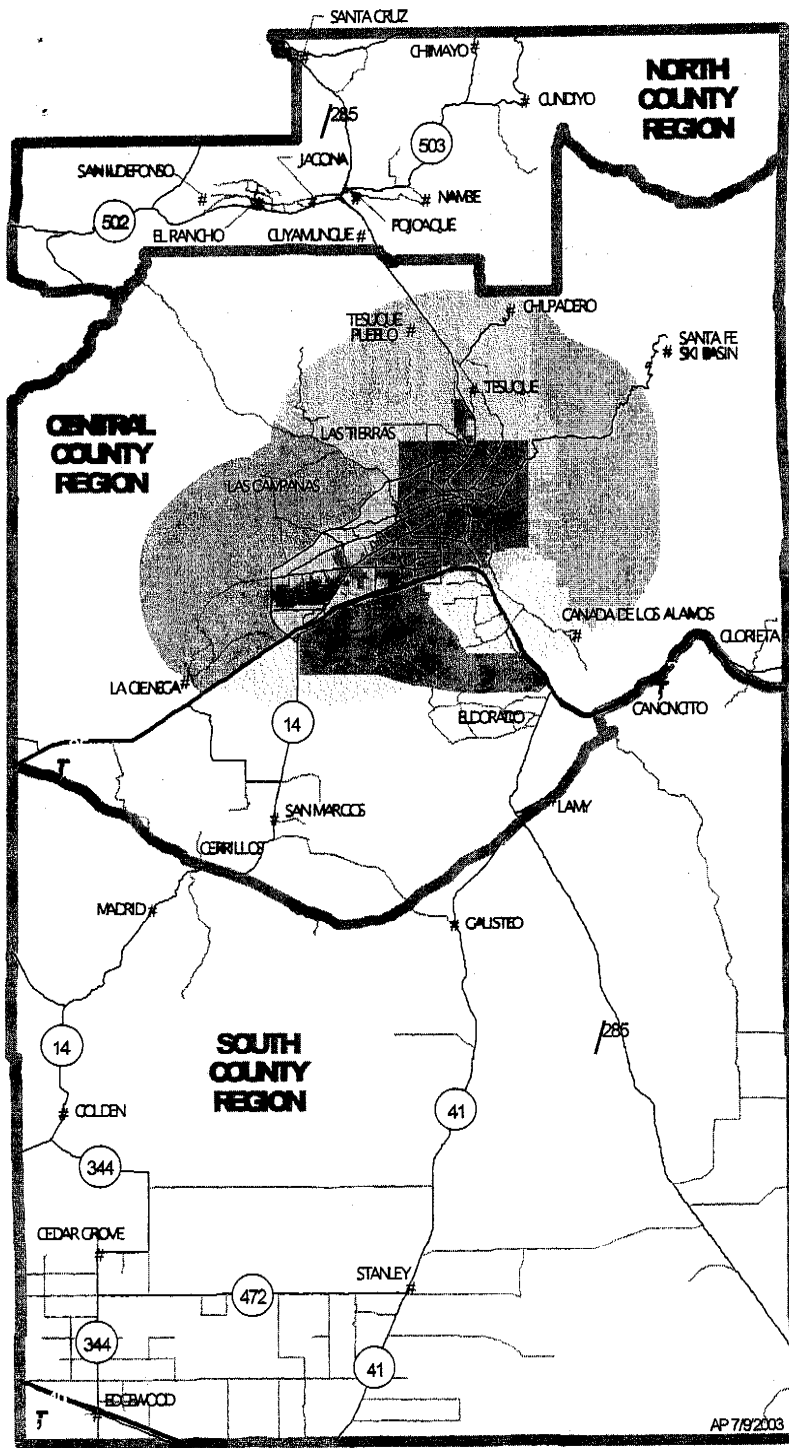
¹Includes sporting goods, hobby, book, music, personal care, jewelry and other items.
 Source: Economic & Planning Systems





Appendix I: Table 6
 Estimated Supportable Retail Space, 2003-2050
 CCD Fiscal Impact Analysis

Business Type	\$/SF	2003	2007	2020	2050
Convenience Goods					
Supermarket & Grocery Stores	\$375	11,329	17,698	50,143	175,860
Convenience Stores	\$400	2,835	4,428	12,546	44,002
Specialty Food Stores	\$250	310	484	1,372	4,812
Liquor Stores	\$250	1,025	1,602	4,538	15,917
Drug Stores	\$250	4,431	6,922	19,613	68,786
Shoppers Goods	\$250	35,137	54,892	155,523	545,447
General Merchandise	\$250	18,685	29,190	82,703	290,054
Apparel & Accessories	\$250	4,463	6,972	19,754	69,279
Furniture, Furnishings & Appliances	\$250	6,657	10,399	29,463	103,332
Miscellaneous ¹	\$250	5,333	8,331	23,604	82,782
Eating & Drinking	\$250	13,149	20,541	58,198	204,112
Restaurant	\$250	5,982	9,346	26,478	92,864
Fast Food	\$250	6,459	10,090	28,589	100,265
Bars	\$250	707	1,105	3,131	10,982
Home Improvement	\$300	9,533	14,893	42,196	147,989
Home Centers	\$300	1,884	2,943	8,337	29,240
Paint & Wallpaper Stores	\$300	325	508	1,438	5,045
Hardware Stores	\$300	622	971	2,752	9,651
Other Building Materials	\$300	622	971	2,752	9,651
Lawn & Garden Stores	\$300	6,081	9,500	26,917	94,403
Total Retail Space		77,749	121,462	344,130	1,206,925

¹Includes sporting goods, hobby, book, music, personal care, jewelry and other items.
 Source: Economic & Planning Systems

Map 1
 Santa Fe County Sub Regions
 SFCCD Fiscal Impact Analysis



-  CITY OF SANTA FE
-  RPA URBAN FRINGE
-  RPA WEST AREA
-  RPA NORTH AREA
-  RPA EAST AREA
-  RPA SOUTHERN FRINGE
-  SANTA FE COMMUNITY COLLEGE DISTRICT

Locations shown are approximate.

APPENDIX II:
FISCAL IMPACT ANALYSIS

Appendix II: Table 1
 Cumulative Program Description, 2003-2020
 CCD Fiscal Impact Analysis

Land Use	Factor	2003	2007	2020
Development				
Residential (Units)	1	909	1,447	4,318
Non-Residential (SF)				
Retail		71,000	226,500	763,000
Office		327,600	611,500	1,596,300
FIRE		4,800	24,300	92,700
Services		157,200	410,000	1,287,200
Government		165,600	177,200	216,400
Other		229,300	295,700	498,400
Manufacturing		57,600	66,000	81,600
Mining & Construction		53,200	102,200	272,300
TPU		103,500	103,500	103,500
Wholesale		15,000	24,000	41,000
Subtotal, Non-Residential		627,900	1,133,700	2,657,700
Market Value				
Residential	2	\$199,980,000	\$318,340,000	\$908,202,510
Non-Residential				
Retail	\$/SF	\$8,520,000	\$27,180,000	\$91,560,000
Office	\$/120	\$47,174,400	\$88,056,000	\$229,867,200
FIRE	\$/144	\$691,200	\$3,498,200	\$13,348,800
Services	\$/144	\$22,636,800	\$59,040,000	\$185,356,800
Government	\$/144	\$23,846,400	\$25,516,800	\$31,161,600
Other		\$24,242,400	\$29,426,400	\$44,769,600
Manufacturing	\$/120	\$6,912,000	\$7,920,000	\$9,792,000
Mining & Construction	\$/72	\$3,830,400	\$7,358,400	\$19,605,600
TPU	\$/120	\$12,420,000	\$12,420,000	\$12,420,000
Wholesale	\$/72	\$1,080,000	\$1,728,000	\$2,952,000
Subtotal, Non-Residential		\$19,936,800	\$144,662,400	\$366,196,800

1 Assumes 15 percent of all units will be affordable at the 60% 80% and 100% of AMI.

2 Assumes an average price of a single family detached unit was \$220,000 and a multi-family attached unit was \$165,000.

Note: Market values are inclusive of land value (33 percent of total value for residential and 20 percent of total value for non-residential).

Source: Alford Pitts; Demographic Analysis - 2003; Economic & Planning Systems
 Prepared by Economic & Planning Systems

Appendix II: Table 2
 Cumulative Demographics & Characteristics, 2003-2020
 CCD Fiscal Impact Analysis

Item	Factor	2003	2007	2020
Population				
County Total		136,737	145,970	177,949
Unincorporated Areas		71,908	N/A	N/A
SFCCD		2,234	3,490	9,888
Housing Units				
County Total		61,615	66,434	83,087
SFCCD		909	1,447	4,318
Non-Residential Uses (SF)				
County Total		27,797,100	29,845,700	36,882,300
SFCCD		627,900	1,133,700	2,857,700
Employees				
County Total		59,487	64,153	80,162
Unincorporated Areas		8,852	N/A	N/A
SFCCD		1,267	2,397	6,275
Average Persons Served				
	50%			
County Total		166,481	178,047	218,030
Unincorporated Areas		76,334	N/A	N/A
SFCCD		2,868	4,689	13,026

Source: Alfred Pitts: Demographic Analysis - 2003; Economic & Planning Systems

**Appendix II: Table 2A
Maximum Affordable Prices Based on Income Levels
CCD Fiscal Impact Analysis**

Category ¹	Income	Monthly Housing Payment at 30% of AMI	Monthly Mortgage Payment at 30% of AMI ²	Maximum Mortgage Amount ³	5% Down Payment	Price of Affordable Unit
100% AMI	\$63,100	\$1,578	\$1,262	\$189,688	\$9,484	\$199,173
80% AMI	\$50,480	\$1,262	\$1,010	\$151,751	\$7,588	\$159,338
60% AMI	\$37,860	\$947	\$757	\$113,813	\$5,691	\$119,504

¹ Average median income levels for a four person household for the Santa Fe MSA.

² Reduced total money available for housing costs by 20 percent to account for housing related expenses.

³ Based on 7.0 percent, 30 year, fixed mortgage.

Source: Economic & Planning Systems

Appendix II: Table 3
 General Fund Revenues & Estimating Methodology, 2003
 CCD Fiscal Impact Analysis

Item	FY 2003	Multiplier		Net Description
		Gross	Factor	
Taxes				
Property	22,601,171	--	--	-- Case Study
Gross Receipts	4,634,457	--	--	-- Case Study
Franchise	97,217	\$0.58	100%	\$0.58 Per Person Served
State Shared				
Cigarette Tax	2,604	--	--	-- Not Forecasted
Motor Vehicle	871,387	\$6.37	100%	\$6.37 Per Capita
Subtotal	\$28,206,836			
Permits & Licenses				
Development & Building Permits	195,315	--	--	-- Case Study
Business Licenses	52,763	\$1.90	100%	\$1.90 Per 1,000 SF of Non-Res. Space
Other Permits & Licenses ¹	90,421	\$0.44	100%	\$0.44 Per Capita
Subtotal	\$308,499			
Fees & Charges for Services				
County Clerk Fee	867,890	\$14.09	100%	\$14.09 Per Unit
Landfill Permits - Res.	223,516	--	--	-- Not Forecasted
Landfill Permits - Com.	33,137	--	--	-- Not Forecasted
Other Fees & Charges for Service ²	271,802	\$1.99	100%	\$1.99 Per Capita
Subtotal	\$1,396,345			
Fines & Forfeits	75,368	\$0.55	100%	\$0.55 Per Capita
Miscellaneous Revenues	1,087,043	\$7.95	100%	\$7.95 Per Capita
Intergovernmental Grants & Subsidies	3,077,144	\$22.07	100%	\$22.07 Per Capita
Operating Transfers	556,925	--	--	-- Not Forecasted
Total	\$34,648,160			

Note: Figures represent the actual Fiscal Year 2003 data.

¹ Includes animal and liquor licenses as well as easement, wireless communications, road cut permits, alarm permits, and mobile home park permit fees.

² Includes administrative, bid, animal impound, election, microfiche, and roll off containers, as well as charges for printing/copying, rental of County property, road services, sales of maps, of maps, computer time, archeology review, digital format, and other services.

Sources: Santa Fe County; Economic & Planning Systems

Appendix II: Table 4
 Cumulative Property Tax, 2003-2020
 CCD Fiscal Impact Analysis

Description	Factor	2003	2007	2020
Assessed Value				
Residential	33%	66,660,000	106,113,333	302,734,170
Non-Residential	33%	26,645,600	48,220,800	122,065,600
Property Taxes				
Residential	Levy			
County Operational	4.788	319,168	508,071	1,449,491
County Debt Service	0.572	38,130	60,697	173,164
Subtotal	5.360	\$357,298	\$568,767	\$1,622,655
Non-Residential				
County Operational	9.076	241,835	437,652	1,107,867
County Debt Service	0.572	15,241	27,582	69,822
Subtotal	9.648	\$257,077	\$465,234	\$1,177,689
Total		\$614,374	\$1,034,002	\$2,800,344
Net New Property Taxes				
Collection Fee	1%	\$6,144	\$10,340	\$28,003
Taxes		\$608,231	\$1,023,662	\$2,772,341

Note: Excludes the existing 10.0 mill levy associate with the Rancho Viejo Improvement District.
 Source: Santa Fe County; Economic & Planning Systems

Appendix II: Table 5
 Cumulative Gross Receipt Tax, 2003-2020
 CCD Fiscal Impact Analysis

Description	Factor	2003	2007	2020
Employment				
Retail		142	453	1,526
Office		16	81	309
FIRE		393	1,025	3,218
Services		414	443	541
Government				
Other		96	110	136
Manufacturing		76	146	389
Mining & Construction		115	115	115
TPU		15	24	41
Wholesale				
Total		1,267	2,397	6,275
Taxable Sales	\$empl	18,158,645	57,928,634	195,141,491
Retail	\$127,878			
Office		743,204	3,762,469	14,353,123
FIRE	\$46,460			
Services	\$43,280	17,917,921	19,173,041	23,414,481
Government	\$87	36,007	38,529	47,053
Other				
Manufacturing	\$45,739	4,390,937	5,031,282	6,220,494
Mining & Construction	\$103,108	7,836,179	15,053,713	40,108,864
TPU	\$111,184	12,783,828	12,783,828	12,783,828
Wholesale	\$115,485	1,732,431	2,771,890	4,735,312
Subtotal		\$63,599,152	\$116,543,386	\$296,804,646
New Construction ¹		\$0	\$32,474,520	\$43,379,752
Total		\$63,599,152	\$149,017,906	\$340,384,398
County GRT	Rate			
General	0.125%	79,499	186,272	425,480
Indigent	0.125%	79,499	186,272	425,480
Emergency Services	0.125%	79,499	186,272	425,480
Infrastructure	0.125%	79,499	186,272	425,480
Environmental	0.125%	79,499	186,272	425,480
Fire Excise Tax	0.250%	158,998	372,545	850,961
Capital Outlay	0.250%	158,998	372,545	850,961
Total	1.125%	\$715,490	\$1,676,451	\$3,929,324

Source: University of New Mexico - BBER, Economic & Planning Systems
 Prepared By: Economic & Planning Systems

Appendix II: Table 5a
 Santa Fe County Gross Receipts Sales, 2002
 CCD Fiscal Impact Analysis

Industry	No. of Returns	Total Sales	%	Taxable Sales	Employees	Total Taxable \$/ Employee
County						
Mining	54	2,013,175	0%	437,975	169	\$2,592
Construction	12,283	700,333,672	15%	489,526,559	4,389	\$106,978
Manufacturing	4,057	163,995,041	4%	64,171,712	1,403	\$45,739
TPU	1,564	206,110,402	5%	167,857,226	1,510	\$111,164
Wholesale Trade	4,173	495,678,272	11%	96,323,171	834	\$115,495
Retail Trade	19,392	1,456,047,500	32%	1,066,756,432	8,342	\$127,878
FIRE	3,251	268,306,740	6%	120,213,213	2,588	\$46,450
Services	40,427	1,256,853,123	28%	942,075,818	21,767	\$43,280
Government	89	2,773,254	0%	1,445,408	16,619	\$87
Total	85,290	\$4,552,111,179	100%	\$2,928,807,514	57,621	

Source: University of New Mexico - BBER, Economic & Planning Systems

Appendix II: Table 5b
 Estimated Gross Receipts Sales on New Construction, 2003-2020
 CCD Fiscal Impact Analysis

Type	Factor	2003 - 2007		2007 - 2020	
		Total	Ann. Avg.	Total	Ann. Avg.
Sale Price¹					
Residential		118,360,000	29,590,000	589,862,510	45,374,039
Commercial		64,725,600	16,181,400	221,534,400	17,041,108
Total		\$183,085,600	\$45,771,400	\$811,396,910	\$62,415,147
Taxable Value²					
Residential	66%	78,117,600	19,529,400	389,309,257	29,946,866
Commercial	80%	51,780,480	12,945,120	177,227,520	13,632,886
Total		\$129,898,080	\$32,474,520	\$566,536,777	\$43,579,752
Gross Receipt Tax					
Residential	1.125%	678,823	219,706	4,379,729	336,902
Commercial	1.125%	582,530	145,633	1,993,610	153,370
Total		\$1,461,353	\$365,338	\$6,373,539	\$490,272

¹ Assumes the purchase price of a unit or non-residential building is the same as market value

² Assumes that 33 percent of residential and 20 percent of non-residential sale price is land value which is exempt from gross receipt tax.

Note: these revenues are one-time revenues which only apply to the initial sale of a new unit or commercial building.

Source: Economic & Planning Systems

Appendix II: Table 6
Development & Building Fees, 2007-2020
CCD Fiscal Impact Analysis

Description	Factor	2003 - 2007		2007 - 2020	
		Total	Ann. Avg.	Total	Ann. Avg.
Net-New Development					
Residential					
Units	Units/Ac	538	135	2,871	221
Acres of Land		219	55	1,167	90
Non-Residential			0		
SF of Space	FAR	505,800	126,450	1,724,000	132,615
Acres of Land		46	12	158	12
Development Plan Fee					
Residential					
Per Unit		\$25	13,450	3,363	71,775
Land (\$150 for the first 5 acres)		\$15	3,355	839	17,581
Non-Residential					
1,500 SF of Space		\$25	8,430	2,108	28,733
Land (\$150 for the first 5 acres)		\$15	772	193	118,309
Subtotal			\$28,007	6,502	\$236,398
Zoning Approval & Inspection Fee					
Unit Valued from \$0 to \$100,000 ¹		\$15	0	0	9,716
Unit Valued from \$100,000+ ¹		\$25	13,450	3,363	55,575
Inspection Fee					0
Residential		\$45	242	61	1,292
Non-Residential		\$45	910	228	3,103
Subtotal			\$14,603	3,651	\$69,686
Grand Total			\$40,610	\$10,152	\$306,084

¹ Assumes average construction cost of \$82.71/sf for multi-family and \$77.83/sf for single family detached.
Source: Economic & Planning Systems

Appendix II: Table 7
 Cumulative General Fund Revenues, 2007-2020
 CCD Fiscal Impact Analysis

Item	2003	2007	2020
Taxes			
Property	608,231	1,023,662	2,772,341
Gross Receipts	79,499	186,272	425,480
Franchise	1,674	2,738	7,606
State Shared			
Motor Vehicle	14,237	22,241	63,013
Subtotal	\$703,641	\$1,234,913	\$3,268,441
Permits & Licenses			
Development & Building Permit Fees	N/A	10,152	23,545
Business Licenses	1,192	2,152	5,424
Other Permits & Licenses ¹	987	1,542	4,369
Subtotal	\$2,179	\$13,847	\$33,339
Fees & Charges for Services			
County Clerk Fee	12,804	20,382	60,822
Other Fees & Charges for Service ²	4,441	6,937	19,655
Subtotal	\$17,245	\$27,319	\$80,477
Fines & Forfeits	1,231	1,924	5,450
Miscellaneous Revenues	17,760	27,745	76,608
Intergovernmental Grants & Subsidies	49,294	77,008	218,182
Total	\$791,350	\$1,382,755	\$3,684,497

¹ Includes animal and liquor licenses as well as easement, wireless communications, road cut permits, alarm permits, and mobile home park permit fees.

² Includes administrative, bid, animal impound, election, microfiche, and roll off containers, as well as charges for printing/copying, rental of County property, road services, sales of maps, of maps, computer time, archeology review, digital format, and other services.

Source: Economic & Planning Systems

**Appendix II: Table 8
Cumulative Road Funds Revenues, 2003-2020
CCD Fiscal Impact Analysis**

Item	2003	2007	2020
Revenues			
Gasoline	8,798	13,745	38,943
Motor Vehicle	1,907	2,979	8,441
Miscellaneous Revenues	4,599	7,184	20,354
Operating Transfers			
Capital Outlay from GRT ¹	7,950	18,627	42,548
Total	\$23,254	\$42,535	\$110,286

¹ Represent 5 percent of the total capital outlay portion of the GRT.
Note: Figures represent the actual Fiscal Year 2003 data for Funds 204 and 311.
Source: Santa Fe County, Economic & Planning Systems

Appendix II: Table 9
Expenditures & Estimating Methodology, 2003
CCD Fiscal Impact Analysis

Item	Multiplier		Net Description
	FY 2003 Gross	Factor	
General Government ¹	7,369,518	50%	\$26.95 Per Capita
Community Health Development	2,241,496	50%	\$8.20 Per Capita
Land Use	1,648,102	100%	\$12.05 Per Capita
Public Works			
Administration	468,481	50%	\$1.71 Per Capita
Fleet Maintenance	492,630	50%	\$1.80 Per Capita
Traffic Engineering	696,075	50%	\$2.55 Per Capita
Project Development	817,893	50%	\$2.99 Per Capita
Solid Waste			
General	1,611,637	—	— Not Forecasted
Landfill	35,767	—	— Not Forecasted
Subtotal	\$4,122,483		
Projects & Facilities			
Administration	221,366	50%	\$0.81 Per Capita
Property Control	770,736	50%	\$2.82 Per Capita
Building Services	776,768	50%	\$2.84 Per Capita
Information Technology	1,784,591	50%	\$6.53 Per Capita
Project Development	333,434	50%	\$1.22 Per Capita
Parks & Recreation/Open Space	153,408	100%	\$1.12 Per Capita
Subtotal	\$4,040,303		
Fire Department	2,357	—	— Case Study
Sheriff	6,300,600	—	— Case Study
Total	\$25,724,859		\$71.58

¹ Includes county manager, legal, finance, county clerk, treasurer, assessor, probate, administrative services, and survey departments/divisions.

Note: Figures represent the actual Fiscal Year 2003 data.
Source: Santa Fe County, Economic & Planning Systems

Appendix II: Table 10
 Cumulative Sheriff Expenditures, 2003-2020
 CCD Fiscal Impact Analysis

Item	Factor	2003	2007	2020
Sworn Officers				
Persons Served ¹	76,334	2,868	4,689	13,026
Officer Service Standard ²		1.0	1.0	1.0
Sworn Officers	88	1	2	7
Expenditures				
Salary & Benefit	\$47,493	\$67,663	110,633	307,358
Training, Supplies & Other ^{3,4}	\$9,131	\$13,092	21,406	59,470
Subtotal		\$80,755	\$132,039	\$366,828
Vehicles				
Vehicles/Officer Standard ⁵	1.0	1.0	1.0	0.5
Officer Vehicles		1.4	2.3	3.3
Expenditures	\$22,000	\$31,543	\$51,574	\$71,640
Total Expenditure		\$112,298	\$183,613	\$438,469

¹ Includes population and employees in unincorporated areas of the county.

² Based on officers per 2,000 persons served.

³ Includes training, travel, maintenance, contractual services, supplies and other items.

⁴ Includes training, travel, maintenance, contractual services, supplies and other items.

⁵ Assumes change in operations by 2020 to a "sheriff beat" system with a ratio of 1 car for every 2 officers.

Source: Santa Fe County; Economic & Planning Systems

Appendix II: Table 11
 General & Road Funds Cumulative Fiscal Impacts, 2003-2020
 CCD Fiscal Impact Analysis

Item	2003	2007	2020
Revenues			
General Fund	791,350	1,382,755	3,684,497
Road Funds	23,254	42,535	110,286
Total	\$814,603	\$1,425,291	\$3,794,782
Expenditures			
General County Operation	\$159,916	\$249,824	\$707,810
Operating & Maintenance			
Roads	36,150	85,554	153,722
Storm Sewers/Drainage	10,816	18,417	30,734
Police	112,298	183,613	438,469
Parks	3,375	37,125	120,330
Trails	0	86,070	103,835
Subtotal	\$162,639	\$410,778	\$847,089
Capital Replacement			
Roads	311,105	559,503	947,284
Storm Sewers/Drainage	28,203	48,022	80,140
Police	7,540	12,327	17,124
Parks	98	1,078	3,493
Trails	0	47,204	56,947
Subtotal	\$346,945	\$668,135	\$1,104,987
Total	\$669,500	\$1,328,737	\$2,659,886
Net Fiscal Impact	\$145,103	\$96,554	\$1,134,896

Note: Includes revenues and expenditures from the General and Road Funds.
 Source: Santa Fe County, Economic & Planning Systems

	one-time \$	
Permits	\$10,152	\$23,545
GRT	\$44,652	\$59,922
	\$54,805	\$83,467
Net (-fees)	\$41,749	\$1,051,429

Appendix II: Table 12
 Fire/EMS Funds Revenues & Expenditures, 2003
 CCD Fiscal Impact Analysis

Item	Multiplier		Net Description
	FY 2003	Gross Factor	
Revenues			
Gross Receipt Tax	5,326,191	---	---
Permits & Licenses	13,609	\$0.18	100% Case Study
Fees & Charges for Services	468,240	---	---
Impact Fees	2,898,984	\$37.98	100% Case Study
Other Fees & Charges for Services	32,354	\$0.42	100% Per Person Served ²
Miscellaneous Revenues	1,279,295	\$16.76	100% Per Person Served ²
Intergovernmental Grants & Subsidies	1,099,388	\$14.40	100% Per Person Served ²
Operating Transfers/Budgeted Cash	\$11,118,061	---	---
Total			\$69.74
Expenditures			
General Fund	2,537	\$0.03	100% Per Person Served ²
EMS District Fund	107,867	\$1.41	100% Per Person Served ²
Fire District Fund	1,872,252	\$24.53	100% Per Person Served ²
Fire GRT Fund	1,211,609	\$15.87	100% Per Person Served ²
EMS Services Fund	7,173,562	\$93.98	100% Per Person Served ²
Fire Reserve Debt Service Fund ³	542,618	---	---
Total	\$10,910,445		\$135.82

¹ Figures represent the actual Fiscal Year 2003 data for Funds 101, 206, 209, 222, 232, and 480.

² Existing persons served in the County is 166,481 - Incorporated areas served by the County Fire/EMS services = 76,334.

³ Debt retired in 2004.

Source: Santa Fe County, Economic & Planning Systems

Appendix II: Table 13
 Net New Fire Impact Fees, 2007-2020
 CCD Fiscal Impact Analysis

Land Use	Factor	2003 - 2007		2007 - 2020	
		Total	Ann. Avg.	Total	Ann. Avg.
Residential¹	\$0.275	\$236,720	\$59,180	\$1,191,861	\$91,682
Non-Residential					
Retail	\$0.275	42,763	10,691	147,538	11,349
Office			0		0
FIRE	\$0.275	5,363	1,341	18,810	1,447
Services	\$0.275	69,520	17,380	241,230	18,556
Government	\$0.275	3,190	798	10,700	829
Other ²					
Manufacturing	\$0.355	2,982	746	5,538	426
Mining & Construction	\$0.355	17,395	4,349	60,386	4,645
TPU	\$0.355	0	0	0	0
Wholesale	\$0.355	3,195	799	6,035	464
Subtotal		\$144,407	\$36,102	\$490,316	\$37,717
Total		\$381,127	\$95,282	\$1,682,177	\$129,399

Net New Impact Fees					
County Administrative Fee	3.00%	\$11,434	\$2,858	\$50,465	\$3,882
Total		\$369,693	\$92,423	\$1,631,712	\$125,516

¹ Assumes the average size multi-family unit is 1,200 sq and single family detached unit is 1,800 sq.

² Due to a lack of specific use, assumed all other non-residential uses would be Risk Level 5.

Sources: Economic & Planning Systems

Appendix II: Table 14
 New Substation Costs
 CCD Fiscal Impact Analysis

Expenditure Item	Units	Cost/Unit	Cost
Initial Capital Costs			
Station			850,000
Class A Pumper	1	\$165,000	165,000
Brush Truck ¹	1	\$65,000	65,000
Tanker ¹	1	\$125,000	125,000
Other Equipment for Vehicles		\$100,000	100,000
Total			\$1,305,000
Capital Replacement Costs			
Station	Yrs	Ann. Cost	
Class A Pumper	50	7,536	
Brush Truck	15	8,871	
Tanker	15	3,495	
Other Equipment for Vehicles	7	6,721	
Total			13,051
			\$39,673

Sources: Santa Fe County- Fire Department

Appendix II: Table 15
 Fiscal Impact for the Fire/EMS Funds, 2007-2020
 CCD Fiscal Impact Analysis

Item	2003	2007	2020
Operating Revenues			
Gross Receipt Tax	158,998	558,817	1,276,441
Permits & Licenses	511	836	2,322
Other Fees & Charges for Services	108,901	178,058	494,678
Miscellaneous Revenues	1,215	1,987	5,521
Intergovernmental Grants & Subsidies	48,057	78,575	218,287
Operating Transfers/Budgeted Cash	41,299	67,525	187,598
Subtotal	\$358,981	\$885,799	\$2,184,856
Operating Expenditures	\$409,853	\$636,801	\$1,769,148
Operating Net Fiscal Impact	-\$50,872	\$248,998	\$415,709
Capital Revenues			
Impact Fees ¹	70,000	369,693	1,631,712
Capital Construction/Purchase ¹	0	0	1,305,000
Construction/Purchase ²	0	0	39,673
Capital Replacement	0	0	0
Subtotal	\$0	\$0	\$1,344,673
Capital Net Fiscal Impact	\$70,000	\$369,693	\$287,038

¹ Estimated this figure based on development permits issued last year. The actual figure not available until year end.

² Assumes one-time capital costs of substitution construction and purchasing vehicles.

Note: Figures represent the actual Fiscal Year 2003 data for Funds 101, 206, 209, 222, 232, and 480.

Source: Santa Fe County, Economic & Planning Systems