

VILLAGE OF TAOS SKI VALLEY  
TAX INCREMENT DEVELOPMENT DISTRICT  
DEVELOPMENT PLAN  
DECEMBER 2, 2014

This Village of Taos Ski Valley Tax Increment Development District Development Plan (the "TIDD Plan") is submitted in connection with the Petition and Application of TAOS SKI VALLEY, INC., a New Mexico Corporation ("TSV, Inc., as agent for TWINING DEVELOPMENT, LLC, a Delaware limited liability company ("Twining"), and Santander Holdings, LLC, a Delaware limited liability company ("Santander" and together with Twining, LLC and TSV, Inc. and their respective successors, assigns and designees, "TSVI") to the VILLAGE OF TAOS SKI VALLEY, NEW MEXICO for the formation of the VILLAGE OF TAOS SKI VALLEY TAX INCREMENT DEVELOPMENT DISTRICT pursuant to the requirements of the Tax Increment for Development Act, Sections 5-15-1 through 5-15-28 NMSA 1978, as amended, and specifically Section 5-15-5(A) NMSA 1978.

This TIDD Plan contains the following:

1. Map Defining TIDD Boundaries and Legal Description of Land included in the TIDD (Section 5-15-5(A) NMSA 1978) **Attached hereto as Exhibit 1**
2. Estimated time to complete the Project **Attached hereto as Exhibit 2**
3. Description and Estimated Cost of All Public Improvements proposed for the TIDD (Section 5-15-5(C) NMSA 1978) **See Exhibit 2**
4. Financing Methods, Including Proposed Use of Gross Receipts Tax Increment Bonds and Property Tax Revenue Bonds (Section 5-15-4(D)); Estimated Annual Gross Receipts Tax Increment to be Generated by the TIDD Project (Section 5-15-5(E)); and Estimated Annual Property Tax Increment to be Generated by the TIDD Project (Section 5-15-5(F) NMSA 1978) **Attached hereto as Exhibit 3**
5. Land Uses Served by TIDD-Financed (Reimbursed) Improvements (Section 5-15-5(G) NMSA 1978) **Attached hereto as Exhibit 4**
6. Estimated Number and Types of Jobs Anticipated to be Created through Formation of the TIDD (5-15-5(H) NMSA 1978) **Attached hereto as Exhibit 5**
7. Amount and Characteristics of Workforce Housing to be Created by the Project (Section 5-15-5(I) NMSA 1978) **Attached hereto as Exhibit 6**
8. Location and Characteristics of Public School Facilities Created, Improved, Rehabilitated or Constructed through the TIDD (Section 5-15-5(J) NMSA 1978) **Attached hereto as Exhibit 7**

9. Innovative Planning Techniques, including Mixed Use, Transit Oriented Development, Traditional Neighborhood Design or Sustainable Development Techniques deemed by the Village to be Beneficial to be incorporated into the TIDD Project (Section 5-15-5(K) NMSA 1978) **Attached hereto as Exhibit 8**
  
10. Amount and Type (e.g. Debt or Equity) of Private Investment in the TIDD project (Section 5-15-5(L) NMSA 1978) **See Exhibit 2**

EXHIBIT 1

(Section 5-15-5(A) NMSA 1978)

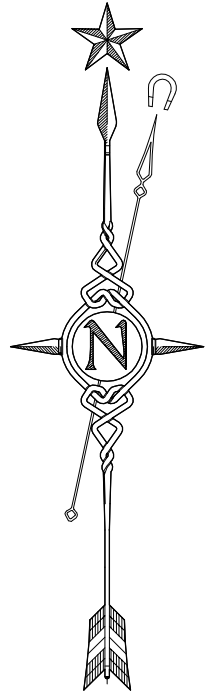
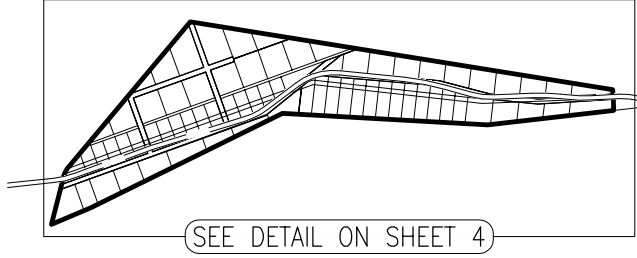
Map Defining TIDD Boundaries  
And Legal Description of Land included in the TIDD

The boundary of the district will overlay the boundary of the Village except for agricultural zoned land. Agricultural zoned land makes up approximately 1,300 of the Village's 1,750 acres but will not produce any incremental GRT or property tax revenue as its terrain prevents material economic activity from occurring and is expected to remain in that condition for the foreseeable future.

# Village of Taos Ski Valley Proposed Tax Increment Development District

 AGRICULTURAL, OPEN SPACE AND OTHER PROTECTED AREAS  
NOT INCLUDED WITHIN TIDD CALCULATIONS

Amizette Subdivision  
Homestead Entry Survey 82



0' 750' 1500' 3000' 2500' 6000'  
1" = 1500'



Sheet 1 of 4

 **Red Tail Surveying, Inc.**  
Complete Land Surveying and  
Earth Information Services  
301-A Hinde Street  
Taos, New Mexico 87571-6654  
575.758.7441  
www.redtailsurveying.com

Tax Increment Development District

Current owner:

Projected Section xx, T xxN, R xxE, NMPM

Survey plat prepared for:

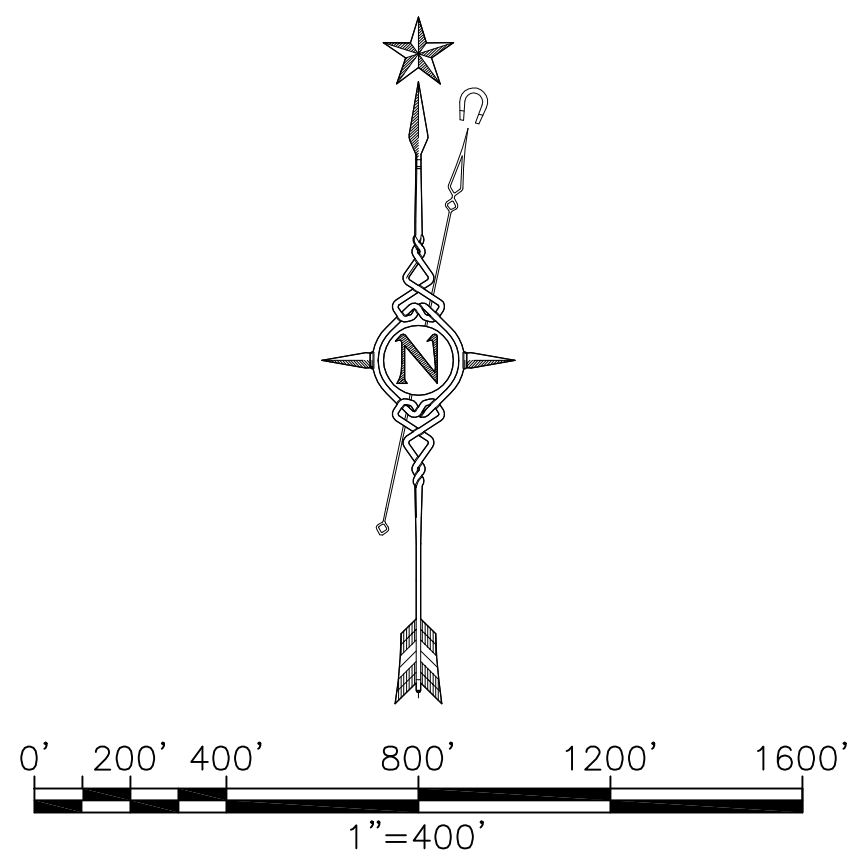
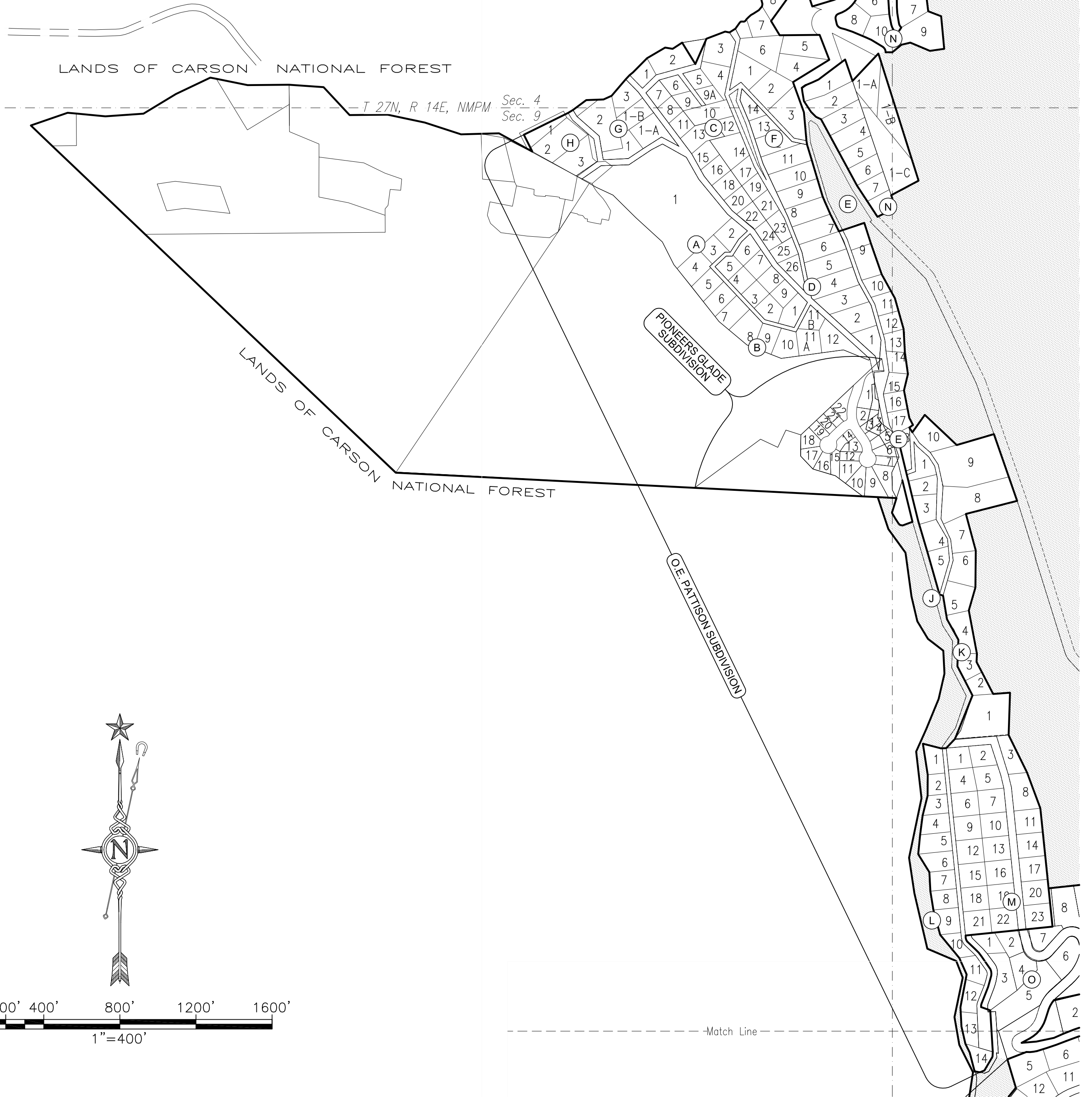
Village of Taos Ski Valley  
**TIDD**

Draftsman: JCMcL Proof: Robert Watt Date: 18 Nov 2014 Scale: 1"=1500' Job no. 1872

# Village of Taos Ski Valley

## Proposed Tax Increment Development District

### Commercial, Residential and Ski Operations Areas



AGRICULTURAL, OPEN SPACE AND OTHER PROTECTED AREAS  
NOT INCLUDED WITHIN TIDD CALCULATIONS



Sheet 2 of 4

Project No. 1872  
VTSV TIDD  
Plot Date: 18 Nov 2014

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Tax Increment Development District

Current owner:  
Projected Section xx, T xxN, R xxE, NMPM

Survey plat prepared for:  
**Village of Taos Ski Valley**  
**TIDD**

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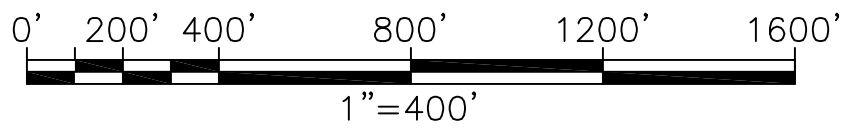
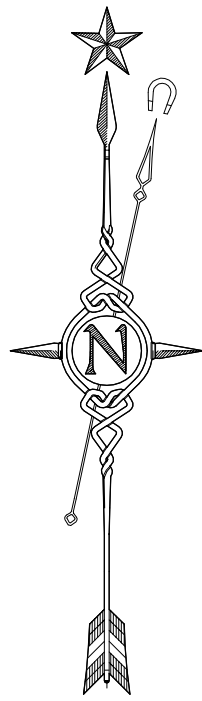
# Village of Taos Ski Valley

## Proposed Tax Increment Development District

### Commercial, Residential and Ski Operations Areas

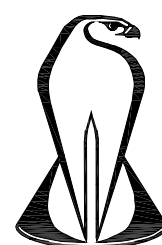


AGRICULTURAL, OPEN SPACE AND OTHER PROTECTED AREAS  
NOT INCLUDED WITHIN TIDD CALCULATIONS



Sheet 3 of 4

Project No. 1872  
VTSV TIDD  
Plat Date: 18 Nov 2014



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Tax Increment Development District

Current owner:

Projected Section xx, T xxN, R xxE, NMPM

Survey plat prepared for:

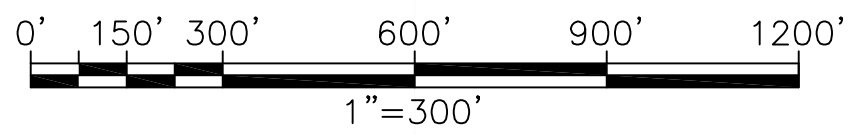
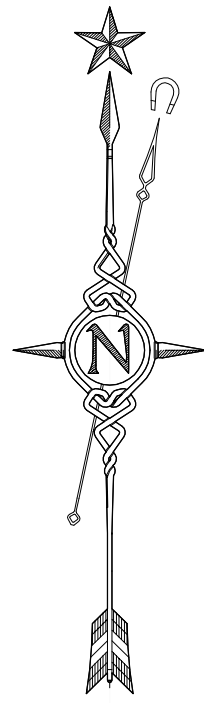
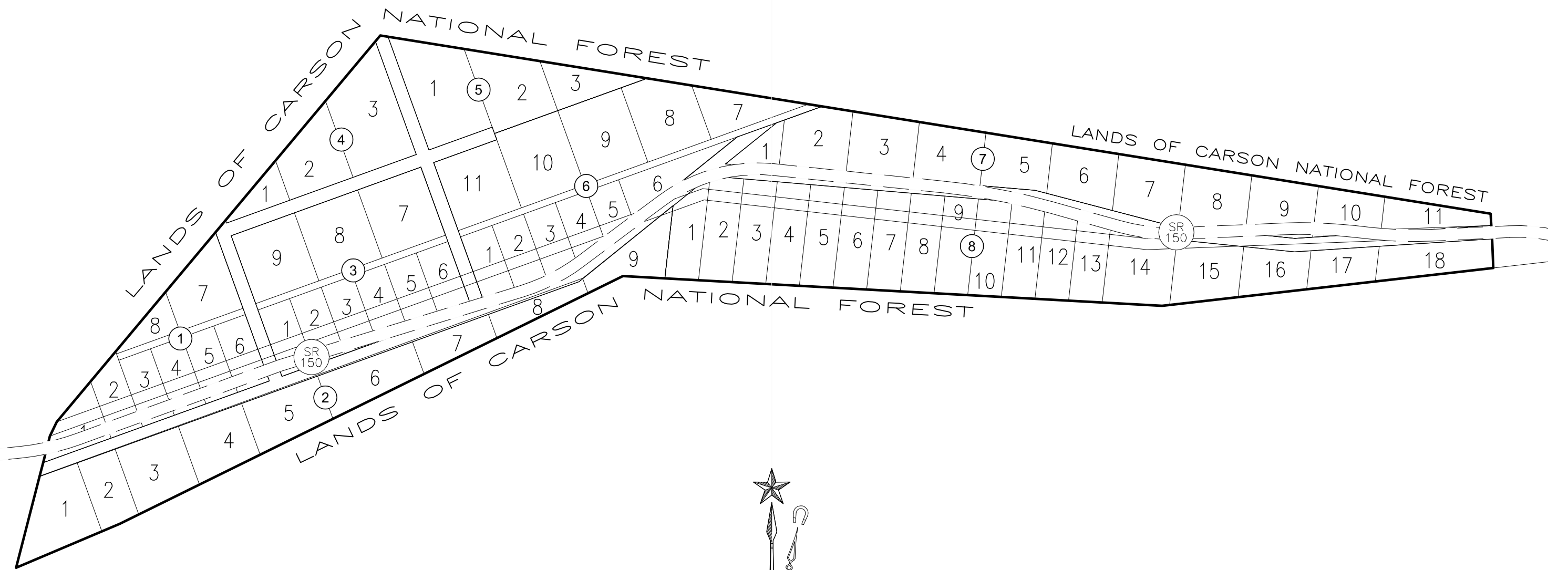
Village of Taos Ski Valley  
**TIDD**

Draftsman: JCMcL Proof: Robert Watt Date: 18 Nov 2014 Scale: 1"=600' Job no. 1872

# Village of Taos Ski Valley

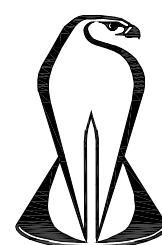
## Proposed Tax Increment Development District

### Amizette Subdivision Homestead Entry Survey 82



Sheet 4 of 4

Project No. 1872  
VTSV TIDD  
Plat Date: 18 Nov 2014



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Tax Increment Development District

Current owner:

Projected Section xx, T xxN, R xxE, NMPM

Survey plat prepared for:

Village of Taos Ski Valley  
**TIDD**

Draftsman: JCMcL | Proof: Robert Watt | Date: 18 Nov 2014 | Scale: 1"=300' | Job no. 1872

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**VILLAGE OF TAOS SKI VALLEY  
TAX INCREMENT DEVELOPMENT DISTRICT  
District Description**

Draft 21 Nov 2014; wide-spaced to permit hand notations

A Tax Increment Development District located within the Antoine Leroux Grant within the Village of Taos Ski Valley, Taos County, NM, shown on the Taos County Property ID Maps within Sections 4, 9, 10 and 15 of Township 27 North, Range 15 East, NMPM, and more particularly described as being comprised of all privately-held parcels, tracts and lots within platted subdivisions, condominiums and other private lands within the boundaries of the said Village as identified hereinbelow:

**1. SUBDIVISIONS**

O.E. Pattison Subdivision, containing Blocks A, B, C, D, E, F, G, H (no "I" found), J, K and L, filed in the Office of the Taos County Clerk in Cabinet B, Page 34-B;

O.E. Pattison Subdivision containing Blocks A, B, C, D, E, F, G, H (no "I" found), J, K, L, and M, filed in the Office of the Taos County Clerk in Cabinet B, Page 43-B;

Addition to O. E. Pattison Subdivision Block "N", filed in the Office of the Taos County Clerk in Cabinet B, Page 94-B;

Amizette Subdivision (US Homestead Entry Survey #82), filed in the Office of the Taos County Clerk in Cabinet B, Page 3-B.

Pioneers Glade Subdivision as shown on that survey plat entitled Pioneers Glade Subdivision, filed in the Office of the Taos County Clerk in Cabinet E, Page 188-A;

Lake Fork Creek Subdivision (preliminary), as shown on that survey plat entitled Pattison Family Trust and Taos Holdings LLC, filed in the Office of the Taos County Clerk in Cabinet E, Page 177-B;



All lots in Blocks O, 1, 2, 3 and proposed Block 4 of the Kachina Village Subdivision, shown on survey plats entitled as follows:

Taos Ski Valley, Kachina Village, filed in the Office of the Taos County Clerk in Cabinet B, Page 94-A;

Taos Ski Valley Kachina Village Replat Block 1, filed in the Office of the Taos County Clerk in Cabinet B, Page 166-A;

Kachina Subdivision Block O, filed in the Office of the Taos County Clerk in Cabinet E, Page 44-B;

Replat of Lot 1, Block 3, Kachina Village Subdivision; [\[reference here?\]](#)

Additions to Block 3, Lots 1-6 & Open Space, filed in the Office of the Taos County Clerk in Cabinet D, Page 182-A;

Replat of Kachina Village Subdivision Block 3, Lots 1, 2, 3 and 4, filed in the Office of the Taos County Clerk in Cabinet E, Page 128-A;

Pattision Trust / V.T.S.V. (Proposed Block 4), filed in the Office of the Taos County Clerk in Cabinet D, Page 182-A.

## **2. CONDOMINIUMS**

Further described as including all property, units, and other elements associated with the following condominiums located within the Village of Taos Ski Valley:

Bavarian Inn and Condominiums, as shown on survey plat entitled Bavarian Inn & Chalets, filed in the Office of the Taos County Clerk in Cabinet E, Page 183-A; [\(source: 1st NM; rts #1259\)](#)

Edelweiss Condominiums as shown on survey plat entitled Bernard and Ilse Mayer, filed in the Office of the Taos County Clerk in Cabinet C, Page 159-B. [\(Source: plat ref on our](#)

**#1375**) Also, SWMS T-1817 plat: Edelweiss Lodge & Spa Condominium, Cab E P. 56-A **(might be topo?)** and Edelweiss Lodge & Spa, RGSS L2339, not filed;

Inn at Taos Ski Valley Condos Located within the Amizett Subdivision, as shown on survey plat entitled Boundary Survey & General Schematic for Inn at Taos Ski Valley, filed in the Office of the Taos County Clerk in Cabinet E, Page 131-B ;

Kandahar Condominium Association as shown on survey plat entitled The Kandahar, filed in the Office of the Taos County Clerk in Cabinet E, Page 89-A. **(source: plat ref, our #1375)**;

Lake Fork Condominiums as shown in Condominium Declarations entitled Lake Fork Townhomes, filed in the Office of the Taos County Clerk at Book M-116, Page 785-804;

Powderhorn Condominiums as shown in Condominium Declarations entitled The Powderhorn, a Condominium, filed in the Office of the Taos County Clerk in Book M-527, Page 796-814.

Rio Hondo Condominiums as shown on survey plat entitled McCoy Enterprises, Inc, filed in the Office of the Taos County Clerk in Book M-48, Page 292; **(source: plat refs on our #1375)**

Sierra del Sol Condominiums as shown on survey plat entitled Sierra del Sol Condominium Association, filed in the Office of the Taos County Clerk in Cabinet E, Page 21-A;

Snakedance Condominiums as shown on survey plat entitled Taos Resorts, filed in the Office of the Taos County Clerk in Cabinet E, Page 59;

Snowbear Condominiums as shown on survey plat entitled Christian and Donna Marie Heavens, filed in the Office of the Taos County Clerk in Cabinet E, Page 97-A; **(ref: our #1223)**

St. Bernard Condominiums as shown on survey plat entitled Solar Ski Taos, Condominiums, filed in the Office of the Taos County Clerk in Book M-89, Page 519;

Twining Condominiums as shown in Condo Declarations entitled Twining Condomiums, filed in the Office of the Taos County Clerk in Book M-95, Page 78-85;

Wheeler Peak Condominiums as shown on survey plat entitled Wheeler Peak Condominiums, filed in the Office of the Taos County Clerk in Cabinet E, Page 87-A.

### 3. OTHER TRACTS

Additionally the District will include the following platted properties not associated with a particular subdivision or condominium:

Lots 8-11 of AGS plat for Lots "8, 9, 10, 11" and "Tract A" of AGS Surveying Plat #416.amd, entitled "Pattison Trust Plat of Survey & Lot Split", Cab D Page 62-B;

St. Bernard Hotel, as shown on survey plat entitled TSV, Inc, filed in the Office of the Taos County Clerk in Cabinet D, Page 156-B (ref: our plat ref on #1375, AGS #756).

This district specifically excludes the Pattison Family Trust parcel as shown on that survey plat entitled \_\_, filed in the Office of the Taos County Clerk in Cabinet \_\_, Page \_\_ .  
(Pattison Trust, 1297 ac, RGSS 4959 Cab f, 8-A?)

EXHIBIT 2

(Section 5-15-5(B), (C) and (L) NMSA 1978)

See attached Schedule of Improvements, Sources and Uses of Funding and Plan of Finance

(Includes estimated time necessary to complete TIDD Project, description and estimated cost of all public improvements proposed for the TIDD, and amount and type (e.g. debt or equity) of private investment in the TIDD project)

Village of Taos Ski Valley  
Public Improvements Schedule (\$ in 000's)  
December 2, 2014

Finance Plan (a)										
Improvement	Timing	Total Cost	Utility Company	Developer Funded				Village Funded		Total Funded
				TIDD	PID	VTSV Devel Credit	Non-Reimb	Fed or State Program (c)	VTSV Reserves	
<b>Up -Valley Utility Trench</b>										
Trenching	2015-2016	\$ 3,390	\$ 1,000	\$ 2,140	\$ 250					\$ 3,390
Electrical	2015-2016	\$ 3,575	\$ 1,500	\$ 600	\$ 475			\$ 1,000		\$ 3,575
Natural Gas	2015-2016	\$ 1,485	\$ 735	\$ 500	\$ 250					\$ 1,485
Telecom/Fiber Optic	2015-2016	\$ 550	\$ 350	\$ 100	\$ 100					\$ 550
<b>Total Up-Valley Utility Trench</b>		<b>\$ 9,000</b>	<b>\$ 3,585</b>	<b>\$ 3,340</b>	<b>\$ 1,075</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,000</b>	<b>\$ -</b>	<b>\$ 9,000</b>
<b>Core Village Improvements</b>										
<u>Public Spaces</u>										
Public Plaza Areas	2015-2017	\$ 2,750		\$ 1,500	\$ 1,250					\$ 2,750
Riverwalk	2016-2017	\$ 1,650		\$ 1,650						\$ 1,650
Parking Lot Upgrades & RV Park	TBD	\$ 1,100		\$ 1,100						\$ 1,100
<u>Utilities</u>										
Water	2015	\$ 1,100		\$ 250	\$ 250			\$ 600		\$ 1,100
Sanitary Sewer	2015	\$ 1,100		\$ 250	\$ 250			\$ 600		\$ 1,100
Storm Sewer	2015	\$ 990		\$ 250	\$ 250			\$ 490		\$ 990
Waste Water Treatment Facility	2018	\$ 6,000		\$ 3,000				\$ 3,000		\$ 6,000
<u>Roads &amp; Crossings</u>										
Sutton Place Crossing	2015	\$ 1,485				\$ 1,485				\$ 1,485
Bridge - Parcel D-G	2016-2017	\$ 1,320		\$ 395	\$ 925					\$ 1,320
W Burroughs Crossing	2017	\$ 1,320		\$ 1,320						\$ 1,320
Strawberry Hill Access & Crossing	2018	\$ 2,585		\$ 1,885	\$ 700					\$ 2,585
Road Upgrades (EB & T'bird)	2016-2017	\$ 1,650		\$ 1,650						\$ 1,650
Street Lights & Signage	2016-2017	\$ 275		\$ 275						\$ 275
Pave Twining Road (.5 mile)	2018	\$ 660		\$ 660						\$ 660
Route 150/Village Entry	2017	\$ 1,650		\$ 1,650						\$ 1,650
<b>Total Core Village</b>		<b>\$ 25,635</b>	<b>\$ -</b>	<b>\$ 15,835</b>	<b>\$ 3,625</b>	<b>\$ 1,485</b>	<b>\$ -</b>	<b>\$ 4,690</b>	<b>\$ -</b>	<b>\$ 25,635</b>
<b>Kachina Improvements</b>										
Pave Road to Kachina	2018	\$ 2,200		\$ 2,200						\$ 2,200
Fiber Optic	2018	\$ 1,100	\$ 500	\$ 400					\$ 200	\$ 1,100
Natural Gas	2018	\$ 1,100	\$ 500	\$ 400					\$ 200	\$ 1,100
Water tank	2019	\$ 2,200						\$ 2,000	\$ 200	\$ 2,200
Public Parking Facility	2019	\$ 1,000		\$ 1,000						\$ 1,000
<b>Total Kachina</b>		<b>\$ 7,600</b>	<b>\$ 1,000</b>	<b>\$ 4,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,000</b>	<b>\$ 600</b>	<b>\$ 7,600</b>
<b>Other Improvements/Costs</b>										
Visitor Drop-off	2014-2015	\$ 1,650					\$ 1,650			\$ 1,650
PID/TID setup costs	2012-2015	\$ 1,000		\$ 700	\$ 300					\$ 1,000
<b>Total Other</b>		<b>\$ 2,650</b>	<b>\$ -</b>	<b>\$ 700</b>	<b>\$ 300</b>	<b>\$ -</b>	<b>\$ 1,650</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,650</b>
<b>Total Project Specific Costs</b>		<b>\$ 44,885</b>	<b>\$ 4,585</b>	<b>\$ 23,875</b>	<b>\$ 5,000</b>	<b>\$ 1,485</b>	<b>\$ 1,650</b>	<b>\$ 7,690</b>	<b>\$ 600</b>	<b>\$ 44,885</b>
Capitalized Interest		\$ 5,198		\$ 5,198						\$ 5,198
<b>GRAND TOTAL</b>		<b>\$ 50,083</b>	<b>\$ 4,585</b>	<b>\$ 29,073</b>	<b>\$ 5,000</b>	<b>\$ 1,485</b>	<b>\$ 1,650</b>	<b>\$ 7,690</b>	<b>\$ 600</b>	<b>\$ 50,083</b>

(a) The overall allocation to the TIDD and PID is subject to change upon successful sourcing from other mechanisms.

(b) Capitalized interest represents developer payments of interest to third-party lenders for upfront funding of costs.

(c) US Dept of Agriculture or NM State Programs (Water Board and/or Economic Development programs)

## EXHIBIT 3

(Section 5-15-4(D), (E) and (F) NMSA 1978)

### Financing Methods

**1. Dedicated Tax Increments.** As described in the Petition, Plan of Finance and Master Development Agreement, TSVI proposes that the TIDD be authorized to issue (A) gross receipts tax increment revenue bonds ("GRT Increment Bonds") secured by Gross Receipts Tax Increment revenue ("Village GRT Increment") dedicated by the Village ("Village GRT Increment") and, upon dedication by the State, State Gross Receipts Tax Increment revenue ("State GRT Increment"); and (B) Property tax increment revenue bonds secured by Village *ad valorem* property tax increment revenue generated within the TIDD ("Property Tax Increment").

A. Village GRT Increment. Village GRT Increment consists 75% of the incremental revenues of the following gross receipts taxes enacted by the Village:

(i) the general purposes municipal gross receipts taxes referenced in §5-15-15(B)(1) of the TIDD Act (the "General Purposes GRT"), currently imposed at the rate of 1.50% of the taxable gross receipts in the TIDD;

(ii) the municipal environmental services gross receipts taxes referenced in §5-15-15(B)(2) of the TIDD Act (the "Environmental GRT"), currently imposed at the rate of 0.0625% of the taxable gross receipts in the TIDD

(iii) the municipal infrastructure gross receipts taxes referenced in §5-15-15(B)(3) of the TIDD Act (the "Municipal Infrastructure GRT") currently imposed at the rate of 0.25% of the taxable gross receipts in the TIDD;

(iv) the municipal capital outlay gross receipts taxes referenced in §5-15-15(B)(4) of the TIDD Act (the "Municipal Capital Outlay GRT") currently imposed at the rate of 0.25% of the taxable gross receipts in the TIDD

(v) the state shared gross receipts taxes distributed to the Village pursuant to §7-1-6.4 NMSA 1978, as provided in §5-15-15(B)(6) of the Act, currently imposed at the rate of 1.225% of the taxable gross receipts in the TIDD which, together with the General Purposes GRT, the Municipal Infrastructure GRT and the Municipal Capital Outlay GRT, is equal to an aggregate 3.225% of the taxable gross receipts in the TIDD.

(vi) The average annual Village GRT Increment (recurring and nonrecurring) estimated to be generated by the TIDD from 2016 through 2041 is \$771,000 (\$20,062,000 over 26 years).

B. State GRT Increment consists of 75% of the State Gross Receipts Tax revenue, which State Gross Receipts Tax is currently imposed at the rate of 5.125% of the taxable gross receipts in

the TIDD. The average annual State GRT increment (recurring and nonrecurring) estimated to be generated by the TIDD from 2016 through 2041 is \$899,000 (\$23,880,000 over 26 years).

C. Property Tax Increment consists of 75% of the *ad valorem* Village property tax generated within the TIDD, which property tax is currently imposed by the Village at the rate of \$7.65 per \$1,000 of taxable property value within the Village. The average annual Property Tax Increment estimated to be generated by the TIDD from 2016 through 2041 is \$569,000 (\$14,818,000 over 26 years).

**2. Tax Increment Bond Financing .** The TIDD will be authorized to issue both GRT Increment Revenue Bonds and Property Tax Increment Revenue Bonds. Together, the total tax increment bonding capacity of the TIDD is estimated to be \$44,035,000.

**B. GRT Increment Revenue Bonds.**

(i) Short-term Bonds. Short-term "sponge bonds" are issued for the purpose of accessing accumulated, non-recurring GRT Increment generated primarily by Project-related construction of public infrastructure and private development within the TIDD.

(aa) The TIDD will periodically issue sponge bonds secured by non-recurring Village GRT Increment and, if dedicated, State GRT Increment, as well as recurring Village and State GRT Increment in excess of amounts needed to pay debt service on Tax Increment revenue bonds and to fund debt service reserves therefor.

(bb) Sponge bonds are anticipated to be issued at least once but no more than 4 times per year during the TIDD's existence, in a total anticipated amount of \$29,635,000 over 25 years.

(cc) Sponge bonds will be privately sold to TSVI or one of its affiliates and will mature, typically, one day after the sale.

(dd) The TIDD may also accumulate a portion of such non-recurring revenue to fund a debt service reserve account for longer-term GRT Increment Revenue Bonds, but the legal limitations on the size of such a reserve account make it more practical to apply non-recurring GRT to the payment of sponge bonds.

(ii) Longer-term Bonds. The TIDD will issue at least 1, and potentially several series of GRT Increment revenue bonds maturing over a period of approximately 20 years.

(aa) The first series of longer-term bonds is anticipated to be issued in 2019, when recurring GRT Increment generated by ongoing economic activity in the TIDD has reached a level sufficient to pay debt service over a 23 year period, in an aggregate principal amount of approximately \$6,600,000.

(bb) The feasibility of issuing additional bonds will be dependent on the amount of GRT Increment increasing over the life of the TIDD, and whether additional series can be redeemed within 25 years after the initial issuance of bonds by the TIDD (including sponge bonds).

(cc) Assuming that the Project develops as anticipated, it is likely that the TIDD will initially issue approximately \$4,303,000 of GRT Increment bonds in 2019, a \$1,956,000 second series in 2021, a \$2,086,000 third series in 2023 and a \$1,043,000 fourth series in 2025; with all series maturing in 2041.

(dd) Longer-term bonds will probably require debt service accounts equal to approximately 1 year of debt service for each series. Debt service reserves may be funded either with accumulated GRT Increment revenue or bond proceeds.

C. Property Tax Increment Bonds. The TIDD will issue at least 1, and potentially several series of Property Tax Increment bonds maturing over a period of approximately 20 years.

(aa) The first series of property tax increment bonds will be issued when the assessed valuation in the TIDD has increased to a level sufficient to pay debt service over a 23 year period in an anticipated aggregate principal amount of \$2,297,000.

(bb) A second series of property tax increment bonds is anticipated to be issued in 2021, in an anticipated aggregate principal amount of \$1,044,000. A third series of property tax increment bonds anticipated to be issued in 2023 in the amount of \$1,114,000 and a fourth series of property tax increment bonds anticipated to be issued in 2025 in the amount of \$557,000.

(cc) The feasibility of issuing additional bonds will be dependent on the amount by which assessed value continues to grow over the life of the TIDD, and whether additional series can be redeemed within 25 years after the initial issuance of bonds by the TIDD (including sponge bonds).



Village of Taos Ski Valley  
Public Improvements Schedule (\$ in 000's)  
December 2, 2014

Finance Plan (a)										
Improvement	Timing	Total Cost	Utility Company	Developer Funded				Village Funded		Total Funded
				TIDD	PID	VTSV Devel Credit	Non-Reimb	Fed or State Program (c)	VTSV Reserves	
<b>Up -Valley Utility Trench</b>										
Trenching	2015-2016	\$ 3,390	\$ 1,000	\$ 2,140	\$ 250					\$ 3,390
Electrical	2015-2016	\$ 3,575	\$ 1,500	\$ 600	\$ 475			\$ 1,000		\$ 3,575
Natural Gas	2015-2016	\$ 1,485	\$ 735	\$ 500	\$ 250					\$ 1,485
Telecom/Fiber Optic	2015-2016	\$ 550	\$ 350	\$ 100	\$ 100					\$ 550
<b>Total Up-Valley Utility Trench</b>		<b>\$ 9,000</b>	<b>\$ 3,585</b>	<b>\$ 3,340</b>	<b>\$ 1,075</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,000</b>	<b>\$ -</b>	<b>\$ 9,000</b>
<b>Core Village Improvements</b>										
<u>Public Spaces</u>										
Public Plaza Areas	2015-2017	\$ 2,750		\$ 1,500	\$ 1,250					\$ 2,750
Riverwalk	2016-2017	\$ 1,650		\$ 1,650						\$ 1,650
Parking Lot Upgrades & RV Park	TBD	\$ 1,100		\$ 1,100						\$ 1,100
<u>Utilities</u>										
Water	2015	\$ 1,100		\$ 250	\$ 250			\$ 600		\$ 1,100
Sanitary Sewer	2015	\$ 1,100		\$ 250	\$ 250			\$ 600		\$ 1,100
Storm Sewer	2015	\$ 990		\$ 250	\$ 250			\$ 490		\$ 990
Waste Water Treatment Facility	2018	\$ 6,000		\$ 3,000				\$ 3,000		\$ 6,000
<u>Roads &amp; Crossings</u>										
Sutton Place Crossing	2015	\$ 1,485				\$ 1,485				\$ 1,485
Bridge - Parcel D-G	2016-2017	\$ 1,320		\$ 395	\$ 925					\$ 1,320
W Burroughs Crossing	2017	\$ 1,320		\$ 1,320						\$ 1,320
Strawberry Hill Access & Crossing	2018	\$ 2,585		\$ 1,885	\$ 700					\$ 2,585
Road Upgrades (EB & T'bird)	2016-2017	\$ 1,650		\$ 1,650						\$ 1,650
Street Lights & Signage	2016-2017	\$ 275		\$ 275						\$ 275
Pave Twining Road (.5 mile)	2018	\$ 660		\$ 660						\$ 660
Route 150/Village Entry	2017	\$ 1,650		\$ 1,650						\$ 1,650
<b>Total Core Village</b>		<b>\$ 25,635</b>	<b>\$ -</b>	<b>\$ 15,835</b>	<b>\$ 3,625</b>	<b>\$ 1,485</b>	<b>\$ -</b>	<b>\$ 4,690</b>	<b>\$ -</b>	<b>\$ 25,635</b>
<b>Kachina Improvements</b>										
Pave Road to Kachina	2018	\$ 2,200		\$ 2,200						\$ 2,200
Fiber Optic	2018	\$ 1,100	\$ 500	\$ 400					\$ 200	\$ 1,100
Natural Gas	2018	\$ 1,100	\$ 500	\$ 400					\$ 200	\$ 1,100
Water tank	2019	\$ 2,200						\$ 2,000	\$ 200	\$ 2,200
Public Parking Facility	2019	\$ 1,000		\$ 1,000						\$ 1,000
<b>Total Kachina</b>		<b>\$ 7,600</b>	<b>\$ 1,000</b>	<b>\$ 4,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,000</b>	<b>\$ 600</b>	<b>\$ 7,600</b>
<b>Other Improvements/Costs</b>										
Visitor Drop-off	2014-2015	\$ 1,650					\$ 1,650			\$ 1,650
PID/TID setup costs	2012-2015	\$ 1,000		\$ 700	\$ 300					\$ 1,000
<b>Total Other</b>		<b>\$ 2,650</b>	<b>\$ -</b>	<b>\$ 700</b>	<b>\$ 300</b>	<b>\$ -</b>	<b>\$ 1,650</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,650</b>
<b>Total Project Specific Costs</b>		<b>\$ 44,885</b>	<b>\$ 4,585</b>	<b>\$ 23,875</b>	<b>\$ 5,000</b>	<b>\$ 1,485</b>	<b>\$ 1,650</b>	<b>\$ 7,690</b>	<b>\$ 600</b>	<b>\$ 44,885</b>
Capitalized Interest		\$ 5,198		\$ 5,198						\$ 5,198
<b>GRAND TOTAL</b>		<b>\$ 50,083</b>	<b>\$ 4,585</b>	<b>\$ 29,073</b>	<b>\$ 5,000</b>	<b>\$ 1,485</b>	<b>\$ 1,650</b>	<b>\$ 7,690</b>	<b>\$ 600</b>	<b>\$ 50,083</b>

(a) The overall allocation to the TIDD and PID is subject to change upon successful sourcing from other mechanisms.

(b) Capitalized interest represents developer payments of interest to third-party lenders for upfront funding of costs.

(c) US Dept of Agriculture or NM State Programs (Water Board and/or Economic Development programs)



**Infrastructure Cost Estimates**

	Totals	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
<b>Infrastructure Costs (000's)</b>																												
Up-Valley Utility Trench	\$ 9,000	\$ 4,500	\$ 4,500							\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Core Village - Public Spaces	\$ 5,500		2,200	2,200	1,100																							
Core Village - Utilities	\$ 9,190	3,190			6,000																							
Core Village - Roads & Crossings	\$ 10,945	1,485	2,300	3,860	3,300																							
Other Improvements	\$ 1,650	1,650																										
Kachina Infrastructure	\$ 7,600				4,400	3,200																						
District Setup Costs	\$ 1,000	1,000																										
<b>Subtotal</b>	<b>\$ 44,885</b>	<b>\$ 11,825</b>	<b>\$ 9,000</b>	<b>\$ 6,060</b>	<b>\$ 14,800</b>	<b>\$ 3,200</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Developer Interest Expense	\$ 5,198	\$ -	\$ 285	\$ 476	\$ 715	\$ 1,121	\$ 870	\$ 497	\$ 465	\$ 260	\$ 248	\$ 110	\$ 98	35	18													
<b>Totals</b>	<b>\$ 50,083</b>	<b>\$ 11,825</b>	<b>\$ 9,285</b>	<b>\$ 6,536</b>	<b>\$ 15,515</b>	<b>\$ 4,321</b>	<b>\$ 870</b>	<b>\$ 497</b>	<b>\$ 465</b>	<b>\$ 260</b>	<b>\$ 248</b>	<b>\$ 110</b>	<b>\$ 98</b>	<b>\$ 35</b>	<b>\$ 18</b>													

<b>Development Costs (000's)</b>																													
Parcel G - Hotel/Condo	\$ 40,660	\$ 20,000	\$ 20,660							\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Parcel D Condos	\$ 43,300	1,300	14,000	14,000	14,000																								
Pioneer Glade Townhomes	\$ 10,250		5,125	5,125																									
Strawberry Hill Townhomes (parcel I)	\$ 21,500		1,500	5,000	5,000	5,000	5,000																						
Mogul Medical Condos (parcel H)	\$ 11,100				1,100	10,000																							
Resort Center Condos (parcel F)	\$ 37,500				4,500	16,500	16,500																						
West Burroughs Condo/Hotel (parcel E)	\$ 44,000					5,000	13,000	13,000																					
Kachina Cabins (Hotel)	\$ 12,900					3,700	3,200	3,000	3,000																				
Kachina Townhomes	\$ 17,600						2,300	3,800	3,800																				
Other Non TSVI Development	\$ 45,000				15,000	15,000			15,000																				
<b>Totals</b>	<b>\$ 283,810</b>	<b>\$ 21,300</b>	<b>\$ 41,285</b>	<b>\$ 24,125</b>	<b>\$ 39,600</b>	<b>\$ 40,200</b>	<b>\$ 55,000</b>	<b>\$ 19,800</b>	<b>\$ 34,800</b>	<b>\$ 3,900</b>	<b>\$ 3,800</b>																		

<b>Capital Investment (000's)</b>																												
Lifts - new	\$ 18,500		\$ 3,000	\$ 6,500		\$ 3,500		\$ 3,500		\$ 2,000		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Summer Program	\$ 2,000	500	1,000	500																								
Technology	\$ 1,000	500	500																									
Cap Assets	\$ 2,000	500	500	500	500																							
<b>Totals</b>	<b>\$ 23,500</b>	<b>\$ 1,500</b>	<b>\$ 5,000</b>	<b>\$ 1,000</b>	<b>\$ 7,000</b>		<b>\$ 3,500</b>		<b>\$ 3,500</b>		<b>\$ 2,000</b>																	

Source: Developer









Taos Ski Valley-  
Tax Increment Development District

Fiscal Impact - Summary of TIDD Revenues

Summary of Revenues for TIDD table with columns for years 2015-2041 and rows for Revenues, Village Property Taxes, GRT - Recurring - Village, etc.

Revenues by Jurisdiction table with columns for years 2015-2041 and rows for Village Taos Ski Valley, State of New Mexico, etc.

Revenues by Type table with columns for years 2015-2041 and rows for Property Tax, GRT, etc.

Summary Revenues For Village and State table with columns for years 2015-2041 and rows for Revenues, Village Property Taxes, State Property Taxes, etc.

Cumulative Revenues For Village and State table with columns for years 2015-2041 and rows for Revenues, Village Property Taxes, State Property Taxes, etc.

Revenues by Jurisdiction table with columns for years 2015-2041 and rows for Village Taos Ski Valley, State of New Mexico, etc.

Cumulative Revenue by Jurisdiction table with columns for years 2015-2041 and rows for Village Taos Ski Valley, State of New Mexico, etc.

Revenues by Type table with columns for years 2015-2041 and rows for Property Tax, GRT, State Compensating Tax, etc.











EXHIBIT 4

(Section 5-15-5(G) NMSA 1978)

Land Uses Served by TIDD-Financed (Reimbursed) Improvements

1. The TIDD-Financed Improvements include both on-site improvements and offsite utility improvements which will serve the core Village, Kachina and Phoenix areas, as follows:

(a) Relocation and improvement of the Mountain Park Entrance area (the "Park Entrance"), public plaza improvements ("Plaza Improvements"), upgrades to existing public parking areas ("Parking Improvements"), upgrades to existing recreational vehicle parking ("RV Improvements") and river walkway and stream protection and restoration improvements ("River/ Pedestrian Improvements" and, together with the Park Entrance, Plaza Improvements, Parking Improvements and RV Improvements, the "Public Space Improvements");

(b) Water, sanitary sewer and storm sewer improvements (the "Water/Wastewater Improvements");

(c) Road, river crossing and intersection crossing improvements, consisting of bridge construction on Parcel D-G, Sutton Place Crossing, West Burroughs Crossing, Strawberry Hill Crossing, upgrades to Ernie Blake Road and Thunderbird Road, paving improvements to Twining Road, improvements to Strawberry Hill Access Road, improvement of Highway 150 at Village entry, street lights and signage (the "Road Improvements"); and

(d) Electric, gas and fiber optic utility improvements, including trenching from the terminal point location in Arroyo Seco to locations within the Village (the "Offsite Utility Improvements").

2. The above-described TIDD-financed improvements will serve substantially all commercial, hospitality, retail and residential land uses within the TIDD, which include the following current and anticipated uses:

Retail:	22 current retail uses
Hospitality:	20 Hotels and Condominiums
Other Commercial:	13 non-hospitality uses
Residential:	___ individual residential units (not including condo)

EXHIBIT 5

(5-15-5(H) NMSA 1978)

Estimated Number and Types of Jobs  
Anticipated to be Created through Formation of the TIDD

[See attached Economic Impact Analysis]

# Revised Economic Impact Analysis for: Taos Ski Valley (TSVI)

**Presented to:** New Mexico State Board of Finance  
**By:** Doug Kennedy Advisors  
**Date:** December 5, 2014

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## Executive Summary

- Taos Ski Valley is already a substantial generator of economic activity in Taos County, attracting approximately 275,000 visitors on an annual basis, employing up to 735 persons during peak periods and generating total economic output of \$41.7 million.
- During the next ten years, TSVI will move forward with a broad range of improvements and expansion activities at Taos Ski Valley. These development activities will generate substantial employment and dollar outputs as a result of construction activity over a ten-year period. Further, the incremental improvement and expansion of the resort will result in the creation of a significant number of new, permanent jobs, both on direct and indirect bases.
- An estimated total of \$351 million will be expended on construction activities over the 2015 to 2024 period, including infrastructure, resort recreation projects and real estate development. It is estimated that this activity will generate a total of 3,752 Full-Time Equivalent (FTE = sufficient employment to keep one worker employed full-time for one year) over that ten-year period. The total economic output of this activity is estimated at \$576 million.
- TSVI's construction and resort expansion activities are projected to create an average of 524 FTEs in each year over the period from 2015 to 2024.
- By year 2025, total Taos Ski Valley operational revenues are projected to increase incrementally by \$19.1 million – above the current level. At that point, it is projected that these increased revenues will be supporting 295 new, permanent FTEs in northern New Mexico. Broken down, the incremental 295 FTEs convert to 167 new full-time job positions and 294 new part-time job positions. The total output of this increased activity is projected at \$30 million on an annual basis. This level of impact is projected to continue in future years beyond 2025.

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## Introduction to Economic Impact Assessment

As a recreational destination, Taos Ski Valley (TSVI) serves as a significant generator of employment and economic activity in Taos County and northern New Mexico. In addition to the jobs and income generated directly by TSVI operations, a significant number of area businesses directly benefit from spending by Taos Ski Valley visitors. Further, expenditures by visitors have a ‘multiplier’ or secondary impact, as those dollars continue to circulate through the New Mexico economy. Perhaps most significantly, TSVI can be regarded as an ‘export.’ 56 percent of Taos’ visitors are from out-of-state; expenditures by out-of-state visitors are additive inputs to the New Mexico economy.

Employment at mountain resorts like Taos Ski Valley is typically seasonal in nature, much more so than for most industries; while approximately 100 workers have full-time, year-round jobs at the resort, the resort employs up to 745 workers during peak activity periods in the ski season. Full-time, year-round workers will increase as a percentage of total resort employment as Taos Ski Valley moves toward increased levels of non-winter activity. However, resort operations will continue to require a significant number of seasonal, part-time workers to handle activity peaks.

### ***TSVI Development & Operations Plan***

Taos Ski Valley’s role as a generator of economic activity will grow over the next decade as the resort embarks upon a multi-pronged improvement program: 1) Expansion of recreational facilities (including winter & summer); 2) Substantial improvement in visitor services and redevelopment of the base area village; 3) Expansion and quality improvement of on-site accommodations; and 4) Improvement and expansion of infrastructure systems. During the next ten years, TSVI’s activities will generate new jobs and dollar flows in two major ways:

- **Construction -** Development and construction activities will create significant employment in construction and allied industries. Although individual construction projects are relatively short-term in nature, ongoing construction over an extended period will provide a steady source of employment. Moreover, it is important to note that while construction workers often spend relatively short periods on any particular job site, their jobs are typically permanent in nature, as they simply move from job site to job site.
- **Resort Operations -** TSVI’s expansion and improvement will generate increased visitation, with visitor expenditures supporting increased, long-term employment within the resort and at related businesses. Resort-based jobs and other jobs supported by direct visitor spending will include year-round, full-time and seasonal/part-time positions.



## **Economic Impact Assessment**

A two-part economic impact assessment was completed to provide an overview of TSVI's impact on the New Mexico economy; the assessment addressed:<sup>1</sup>

- The impact of development/construction activities related to the resort's expansion over the next decade. Planned construction activity includes the following major components:
  - Construction of public infrastructure improvements (Utilities, Public Spaces/Walkways; Roads; etc.) to provide improved and extended services to a growing resort community;
  - Construction and installation of resort facility improvements, including: New Ski Lifts; Summer Recreational Facilities; Technology Improvements; and other capital assets.
  - Construction of resort-based accommodations in the form of hotel rooms, condominium units and townhouse units;<sup>2</sup>
- The long-term jobs and dollar flow impact of expanded resort operations; as TSVI expands, year-round visitation will increase in response to expanded facilities/programming and in response to the new accommodations to be developed on-site. Increased visitation will result in increased visitor expenditures for:
  - Tickets; Rentals; Retail; etc.;<sup>3</sup>

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<sup>1</sup> Economic impacts were analyzed using IMPLAN3. IMPLAN3 is an economic impact assessment modeling system that allows the user to build economic models to estimate the impacts of economic changes in their states, counties or communities. IMPLAN3 is frequently used by public entities and the USDA to assess project impacts. The IMPLAN3 model measures employment generated by TSVI and associated industries in terms of 'Full-Time Equivalents' (FTEs). One FTE equals sufficient employment to keep one worker employed on a full-time basis for one year. This approach to employment measurement is common in seasonal industries, where the many workers work seasonally or on a part-time basis. It is essential to note that, in the instance of part-time or seasonal employment, one FTE represents more than one job *position*. The IMPLAN3 model was constructed for the entire State of New Mexico; assumptions regarding the geography of employment impacts are contained in the text of the report.

<sup>2</sup> It has been assumed that the expansion and improvement of the resort community will induce other developers to construct accommodations on non-TSVI owned lands; a relatively small (\$45 million construction value) has been added to the model for this purpose.

<sup>3</sup> Includes retail spending at TSVI owned businesses and resort-based retail businesses owned by other parties.

- Accommodation rentals – hotel, condominium and townhome rentals;
- Nearby businesses (Town of Taos, Taos County) that provide goods and services to Taos Ski Valley visitors. This would include: retail stores; gas stations; restaurants, etc.

The assessments measure the project’s *Direct* and *Indirect* impacts.<sup>4</sup> In addition, the operational assessment measures the *incremental* employment and economic impacts of the proposed projects – over and above TSVI’s current level of employment/economic impact.

### **Geography of Economic Impacts**

The Direct economic impacts of TSVI construction and increased Taos Ski Valley resort activity will occur in a relatively small geographic area – with the vast majority occurring within the resort (Village of Taos Ski Valley), Town of Taos or Taos County. Direct employment impacts will include jobs at Taos Ski Valley or at businesses that directly serve visitors to the resort (Restaurants, Retail Stores, Service Stations, etc.).<sup>5</sup> For purposes of analysis, the projections contained in this report assume that 95 percent of the project’s Direct impact will occur in Taos County.

The geography of Indirect economic impacts is more difficult to project. Indirect jobs and dollar impacts will flow both locally and throughout the area in which project-based contractors and the resort regularly conduct business – likely throughout northern New Mexico. Further, jobs and dollar flows generated by increased household spending will occur wherever households make those expenditures – likely throughout New Mexico. For purposes of analysis, the projections contained in the report assume that approximately 45 percent of Indirect construction impacts and 47 percent of Indirect resort operations impacts will occur in nine northern New Mexico counties, while the remainder will occur throughout New Mexico.<sup>6</sup>

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<sup>4</sup> *Direct* Impacts – employment/dollar flows created as a direct impact of a project. On and off-site construction jobs, resort-based jobs and jobs generated by visitor expenditures at area businesses are included in this category. *Indirect* Impacts – employment/dollar flow impacts created by industry to industry spending and by increased household spending; often referred to as the ‘multiplier’ impact.

<sup>5</sup> A small segment of visitors’ Direct expenditures will occur outside of Taos County; for instance expenditures completed during a drive from the airport in Albuquerque to the resort.

<sup>6</sup> Based on IMPLAN3 output. The Nine-County area includes: Taos; Rio Arriba; Colfax; Sandoval; Los Alamos; Mora; Santa Fe; Bernalillo, San Miguel.

## **Taos Ski Valley – Current Economic Impact**

Note the following regarding TSVI's current economic impact:

- Currently attracts 275,000<sup>+</sup>/- visitors on a year-round basis. 56 percent (154,000<sup>+</sup>/-) of these visitors travel from out-of-state to visit the resort;
- During peak periods, resort employment peaks at 745 workers. This converts to 187 Full-Time Equivalents (FTEs – See Footnote #1). In addition, it is estimated that resort visitor expenditures *directly* support an additional 96 FTEs at area businesses. On a secondary basis, activity at the resort supports an additional 102 FTEs, resulting in a current resort multiplier of 1.36. In summary, TSVI's current activities generate a total of 385 FTEs;
- TSVI's current annual revenues range from \$13 to \$14 million, the total dollar contribution to the New Mexico economy (Direct & Indirect) totals \$41.7 million.

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## **Background Data**

### **Population**

The table on the following page summarizes and compares recent population change for: New Mexico; Taos County; Town of Taos and Village of Taos Ski Valley:<sup>7</sup>

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<sup>7</sup> Sources: U.S. Census Bureau; Bureau of Business & Economic Research-University of New Mexico.

**Recent Population Change: New Mexico; Taos County; Town of Taos & Taos Ski Valley (2000 – 2013)**

	2000	2005	2010	2012	2013
<b>New Mexico</b>					
Population	1,819,017	1,932,274	2,059,179	2,085,538	2,085,287
% Change		6.2%	6.6%	1.3%	0.0%
<b>Taos County</b>					
Population	29,981	31,850	32,937	32,779	33,035
% Change		6.2%	3.4%	-0.5%	0.8%
<b>Town of Taos</b>					
Population	4,859	5,363	5,716	5,676	5,731
% Change		10.4%	6.6%	-0.7%	1.0%
<b>Taos Ski Valley</b>					
Population	59	65	69	69	NA
% Change		10.2%	6.2%	0.0%	

Population projections for New Mexico, Taos County and Town of Taos are shown in the table below.<sup>8</sup>

**Projected Population Change: New Mexico; Taos County; and Town of Taos (2014 – 2025)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>New Mexico</b>												
Population (Millions)	2.18	2.21	2.24	2.27	2.29	2.32	2.35	2.40	2.46	2.51	2.56	2.61
% Change		1.4%	1.3%	1.3%	1.3%	1.2%	1.2%	2.2%	2.2%	2.1%	2.1%	2.0%
<b>Taos County</b>												
Population	34,597	35,012	35,363	35,715	36,066	36,418	36,769	37,259	37,750	38,240	38,731	39,221
% Change		1.2%	1.0%	1.0%	1.0%	1.0%	1.0%	1.3%	1.3%	1.3%	1.3%	1.3%
<b>Town of Taos</b>												
Population	6,017	6,092	6,167	6,242	6,318	6,393	6,468	6,603	6,739	6,874	7,010	7,145
% Change		1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	2.1%	2.1%	2.0%	2.0%	1.9%

<sup>8</sup> Sources: Bureau of Business & Economic Research-University of New Mexico; Town of Taos Comprehensive Plan. Population projections not available for Village of Taos Ski Valley.

## Housing

The table below summarizes and compares recent total housing unit change for: New Mexico; Taos County; Town of Taos and Village of Taos Ski Valley:<sup>9</sup>

### Recent Total Housing Units Change: New Mexico; Taos County; Town of Taos & Taos Ski Valley (2000 – 2012)

	2000	2005	2010	2012
<b>New Mexico</b>				
Housing Units	780,530	849,932	902,187	900,504
% Change		8.9%	6.1%	-0.2%
<b>Taos County</b>				
Housing Units	17,397	18,924	20,275	20,116
% Change		8.8%	7.1%	-0.8%
<b>Town of Taos</b>				
Housing Units	7,751		10,164	9,696
% Change			31.1%	-4.6%
<b>Taos Ski Valley</b>				
Housing Units	221		272	297
% Change			23.1%	9.2%

The following table summarizes the number of housing units proposed under the TSVI plan, on annual and cumulative bases:

### Housing Units Proposed by TSVI (2015 – 2025)

	Housing Units										
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Annual Increment	0	17	44	27	33	14	25	40	27	20	5
Cumulative Increase	0	17	61	88	121	135	160	200	227	247	252

In addition, TSVI plans call for the development of 112 hotel units.

<sup>9</sup> Sources: U.S. Census Bureau; Bureau of Business & Economic Research-University of New Mexico.

## Base Employment

The following table summarizes current labor force, employment and unemployment values for New Mexico the nine-county area (described under Geography above) and Taos County alone, showing current values as of October 2014.<sup>10</sup>

### Labor Force, Employment & Unemployment Rate: New Mexico, Nine County Area, Taos County Alone (October 2014)

	Taos County			Nine County Area			New Mexico		
	Labor Force	Employment	Unemployment	Labor Force	Employment	Unemployment	Labor Force	Employment	Unemployment
<b>October 2014</b>	16,573	15,250	8.0%	493,097	463,371	6.0%	922,290	862,612	6.5%

## Economic Impact of Construction

Based on current planning and projections, construction expenditures over the year 2015 to 2024 period will include:<sup>11</sup>

- \$43.89 million in Public Improvements;
- \$238.81 million in Real Estate Improvements by TSVI;
- \$45.0 million in Real Estate Improvements by parties other than TSVI;
- \$23.5 million in Capital Investments relating to recreational facilities.

The table on the following page summarizes the employment-related impact of the construction activity. Employment is shown in terms of FTEs (1.0 FTE represents full-time employment for one worker for a full year). Both Direct and Indirect employment is shown. The projections are not cumulative; rather, they present the FTE impact of the construction activities planned for each year. However, the annualized projections can be averaged and totaled over the ten-year period.

<sup>10</sup> Source: New Mexico Workforce Connection. Employment figures include full and part-time employees. Taos County included in Nine-County area.

<sup>11</sup> Totals include 'hard costs' (Construction, Utilities, Landscaping, etc.) and 'soft costs' (Design, Marketing, Administration, etc.). The employment and income impacts of resort expansion will affect a number of industries.

## Annualized Employment (FTE) Impact of TSVI Construction Activity

	Annualized Employment Impact (FTEs)										Annualized Average During Construction
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
Direct Employment	185	293	169	364	252	321	109	186	0	9	189
Indirect Employment	171	281	163	353	246	321	107	187	0	10	184
<b>Annual Totals</b>	<b>356</b>	<b>574</b>	<b>331</b>	<b>717</b>	<b>499</b>	<b>642</b>	<b>215</b>	<b>373</b>	<b>0</b>	<b>19</b>	<b>373</b>

FTEs have been converted to full and part-time job positions as summarized in the table below. Again, note that one FTE represents more than one job position in the instance of part-time employment.<sup>12</sup>

## Annualized Job Positions (Full-Time; Part-Time); Impact of TSVI Construction Activity

	Job Positions										Annualized Average During Construction
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
Full-Time Employment	280	453	261	566	393	507	170	294	0	15	294
Part-Time Employment	144	231	133	289	201	258	87	150	0	7	150
<b>Annual Totals</b>	<b>424</b>	<b>684</b>	<b>394</b>	<b>854</b>	<b>594</b>	<b>765</b>	<b>256</b>	<b>444</b>	<b>0</b>	<b>22</b>	<b>444</b>

The geographic impacts of the annualized average jobs created during construction are summarized below:

<sup>12</sup> Conversion of FTEs to Job Positions based on: 1) percent of job positions held on part-time basis (19 percent of all U.S. jobs; 23.2 percent of all U.S. construction jobs); and 2) average number of weekly hours worked by part-time workers (21 hours for all U.S. part-time workers). Sources: U.S. Bureau of the Census; U.S. Bureau of Labor Standards; U.S. Department of Labor.

- Taos County – average of 294 job positions created during each of the ten years; the current employment base in the county is 15,250;
- Nine-County Area - average of 361 job positions created during each of the ten years; the current employment base is 463,371;
- New Mexico - average of 444 job positions created during each of the ten years; the current employment base is 862,612.

Construction impacts are summarized as follows:

- Ten years of TSVI construction activity will generate a cumulative total of 3,725 FTEs in New Mexico; 1,888 on a Direct basis and 1,828 on an Indirect basis;
- An average of 373 FTEs will be generated during *each* of the 10 years of construction activity;
- The ‘multiplier’ impact of TSVI construction activity is calculated at 1.97 ~ for each 100 FTEs generated on a Direct basis an additional 97 FTEs will be generated on an Indirect basis.
- **Seasonality** – the majority of Direct construction jobs are temporary in nature ~ each construction project involves the employment of a series of sub-contractors (framers, roofers, etc.) who work on-site for the period required to complete their segment of the project. However, sustained construction activity on one site (such as that proposed by TSVI) does result in continued employment for a segment of the work force ~ general contractors and other support persons often create a permanent presence on-site. Moreover, while the presence of a construction worker on a particular job site may be temporary, the worker’s job is often permanent, as the worker simply moves from job site to job site. The majority of the Indirect employment created by construction activity tends to be year-round.

The following ten New Mexico industries will experience the most significant increase in employment as a result of construction activity (Total FTEs over 10 year construction period). Average annual wages for each industry are also shown:<sup>13</sup>

1. Construction of New Residential Structures (NAICS – 236) – 1,205 FTEs; \$31,794 Average Annual Wage;
2. Architecture, Engineering & Related (NAICS – 541) – 327 FTEs; \$71,174 Average Annual Wage;

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<sup>13</sup> Annual wage figures for New Mexico. Source: U.S. Bureau of Labor Standards.



3. Construction of Non-Residential Structures (NAICS – 236) – 288 FTEs; \$31,794 Average Annual Wage;
4. Food Services & Drinking Places (NAICS – 722) – 147 FTEs; \$15,150 Average Annual Wage;
5. Retail – Furniture/Furnishings (NAICS – 442) – 91 FTEs; \$29,699 Average Annual Wage;
6. Real Estate Establishments (NAICS – 531) – 91 FTEs; \$32,087 Average Annual Wage;
7. Retail – General Merchandise (NAICS – 452) – 72 FTEs; \$21,523 Average Annual Wage;
8. Wholesale Trade (NAICS – 423) – 68 FTEs; \$52,189 Average Annual Wage;
9. Retail – Food & Beverage (NAICS – 445) – 67 FTEs; \$23,205 Average Annual Wage;
10. Office of Physicians/Dentists etc. (NAICS – 621) – 60 FTEs; \$67,125 Average Annual Wage.

The table below summarizes the impact of construction in dollar terms, showing: Labor Income; Value Added and Output – for each year of construction activity. In addition, Labor Income per FTE is shown.

**Labor Income, Value Added & Output:  
TSVI Construction Activity (2015 – 2024)**

	Annualized Output (\$Millions)										Average During Construction
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
Labor income	\$19.3	\$31.0	\$17.9	\$38.6	\$27.2	\$34.7	\$11.7	\$20.0	\$0.0	\$1.0	\$20.2
Total Value Added	\$27.6	\$44.3	\$25.3	\$55.2	\$38.3	\$49.2	\$16.5	\$28.6	\$0.0	\$1.6	\$28.7
Total Output	\$54.0	\$88.7	\$50.8	\$112.4	\$75.6	\$99.7	\$32.6	\$58.8	\$0.0	\$3.5	\$57.6
Labor Income (Per FTE)	\$54,214	\$54,066	\$53,968	\$53,866	\$54,581	\$54,067	\$54,438	\$53,721		\$56,510	\$54,381

- The Total Output (cumulative) of construction activity is estimated at \$576 million.

- The average annual Labor Income per FTE – generated by construction activity – is estimated at approximately \$54,400.

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## Economic Impact of Resort Operations

While construction activity is temporary in nature, the improvement and expansion of Taos Ski Valley resort operations will additively generate a significant number of new, permanent job positions, including both year-round and seasonal/part-time positions. New employment will be generated as increased resort visitation generates increased revenues. Note that the analysis focuses on the *net, new economic impacts* of expanded resort operations – above the current economic impact of Taos Ski Valley. Major sources of new resort-based revenue include the following:

- Retail Sales (TSVI & Non-TSVI owned businesses) – projected to increase by \$1.57 million annually over the current annual level -o by year 2025;<sup>14</sup>
- TSVI Operations – sales of lift tickets, summer recreation tickets, etc. - projected to increase by \$7.56 million annually over the current annual level - by year 2025;
- Lodging Revenues – hotel revenues, rentals of condominiums/townhouses - projected to increase by \$9.96 million annually over the current annual level - by year 2025.

The table on the following page summarizes the employment-related impact of expanded resort activity. Again, the impacts are additive ~ the net impact of expanded resort operations will be to gradually (and permanently) increase employment over time. Both Direct and Indirect employment is shown.

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<sup>14</sup> Year 2025 projections should be assumed to continue indefinitely into future years.

## Employment Impact of TSVI Resort Operations Activity

	Net Permanent Employment Increases (FTEs)										
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025*
Direct Employment	21	33	65	90	117	139	163	189	201	206	206
Indirect Employment	7	11	27	38	50	60	71	82	87	89	89
<b>Annual Totals</b>	<b>28</b>	<b>44</b>	<b>92</b>	<b>128</b>	<b>167</b>	<b>199</b>	<b>234</b>	<b>271</b>	<b>288</b>	<b>295</b>	<b>295</b>

\*Note: Year 2025 impacts assumed to continue into future years.

During the first year of expanded operations (2015), resort activity will generate 28 new FTEs. This will grow to a net, permanent increase of 295 FTEs by year 2025.

FTEs have been converted to full and part-time job positions as summarized in the table below. Again, note that one FTE represents more than one job position in the instance of part-time employment.<sup>15</sup>

## Net, Permanent Job Positions (Full-Time; Part-Time); Impact of Resort Operations Activity

	Net Permanent Job Positions										
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Full-Time Employment	16	24	52	73	95	113	133	154	164	167	167
Part-Time Employment	29	46	93	129	167	199	233	270	287	294	294
<b>Totals</b>	<b>45</b>	<b>71</b>	<b>145</b>	<b>201</b>	<b>261</b>	<b>311</b>	<b>366</b>	<b>424</b>	<b>450</b>	<b>462</b>	<b>462</b>

The geographic impacts of the net new permanent jobs (in year 2025) that will be generated by resort operations is as follows:

<sup>15</sup> Conversion of FTEs to Job Positions based on: 1) percent of job positions held on part-time basis (19 percent of all U.S. jobs; 54 percent of Taos Ski Valley jobs); and 2) average number of weekly hours worked by part-time workers (21 hours for all U.S. part-time workers). Full-time Taos Ski Valley workers will increase as a percent of the total as the resort expands its non-winter activity base. Sources: U.S. Bureau of the Census; U.S. Bureau of Labor Standards; U.S. Department of Labor.

- Taos County – 167 new job positions created by year 2025; current base employment in county is 15,250;
- Nine-County Area – 306 new job positions created by year 2025; current base employment in county is 463,371;
- New Mexico - 462 new job positions created by year 2025; current base employment is 862,212.

Resort operations impacts are summarized as follows:

- By year 2025, the Direct impact of expanded resort operations will be to create 206 new FTEs on a permanent basis; the Indirect impact will be to create an additional 89 FTEs in New Mexico. In total, expanded resort operations will generate 295 permanent FTEs in the state;
- The ‘multiplier’ impact of TSVI resort operations is calculated at 1.43 ~ for each 100 FTEs generated on a Direct basis an additional 43 FTEs will be generated on an Indirect basis.
- **Seasonality** – Taos Ski Valley is currently a highly seasonal operation, with winter (ski) operations accounting for almost 98 percent of total revenues. While resort-based employment peaks at 745 positions, full-time/year-round employment is 100<sup>+</sup>/- positions. However, the expansion of resort operations to include accommodations and a variety of non-winter activities will result in increased year-round employment (as a percent of the total) on a full-time basis. In year 2025, it is projected that approximately 15 percent of revenues will be generated by non-winter activities; resulting in an increase in the segment of all employment supported on a full-time/year-round basis. Further, the majority of the Indirect employment created by resort activity tends to be year-round.

The following five New Mexico industries will experience the most significant net increases in employment – by year 2025 - as a result of expanded resort operations activity. Average annual wages for each industry are also shown:<sup>16</sup>

1. Amusement & Recreation (NAICS – 713) – 108 FTEs; \$17,077 Average Annual Wage;
2. Accommodations (NAICS – 721) – 85 FTEs; \$19,472 Average Annual Wage;
3. Food Services & Drinking (NAICS – 722) – 10 FTEs; \$15,150 Average Annual Wage;

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<sup>16</sup> Annual wage figures for New Mexico. Source: U.S. Bureau of Labor Standards.

4. Retail – General Merchandise (NAICS – 452) – 10 FTEs; \$21,523 Average Annual Wage;
5. Real Estate Establishments (NAICS – 531) – 7 FTEs; \$32,087 Average Annual Wage.

The table below summarizes the impact of expanded resort operations in dollar terms, showing: incremental Labor Income; incremental Value Added and incremental Output. In addition, Labor Income per FTE is shown.

**Incremental Labor Income, Value Added & Output:  
TSVI Resort Operations (2015 – 2025)**

	Output (\$Millions)										
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025*
Labor income	\$0.8	\$1.3	\$2.9	\$4.1	\$5.4	\$6.4	\$7.6	\$8.8	\$9.4	\$9.4	\$9.4
Total Value Added	\$1.5	\$2.4	\$5.5	\$7.8	\$10.2	\$12.2	\$14.4	\$16.7	\$17.8	\$17.9	\$17.9
Total Output	\$2.4	\$3.8	\$9.0	\$12.9	\$17.0	\$20.2	\$23.9	\$27.6	\$29.5	\$30.0	\$30.0
Labor Income (Per FTE)	\$28,679	\$28,679	\$31,528	\$32,032	\$32,309	\$32,329	\$32,408	\$32,452	\$32,532	\$32,042	\$32,042

- The incremental Output (in year 2025) of expanded resort activity is estimated at \$30 million, on a continuing annual basis.
- The average annual Labor Income per FTE – generated by resort operations – will increase in real terms from \$28,679 in year 2015 to \$32,042 in year 2025.

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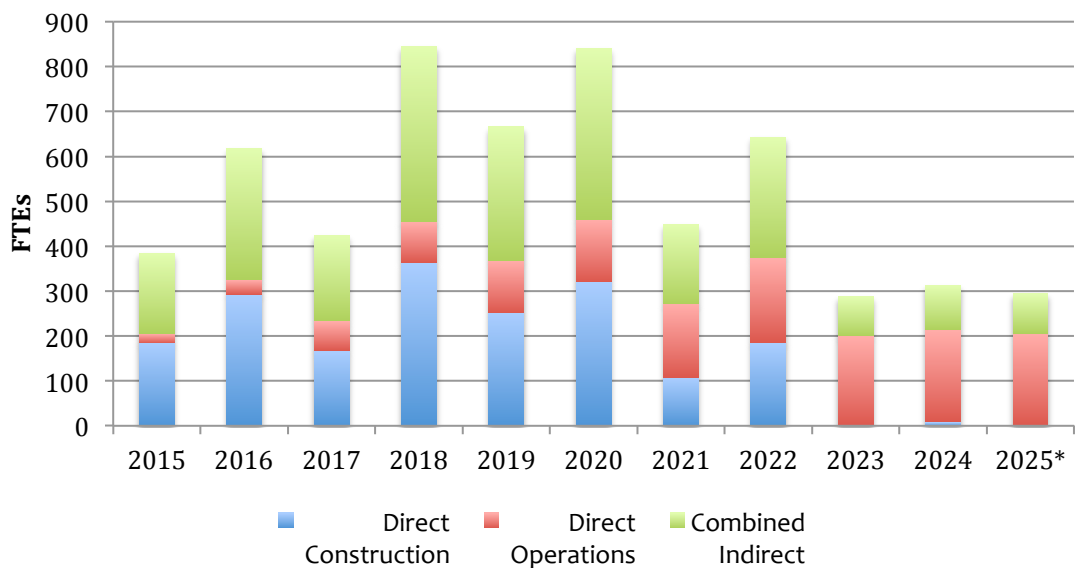
## Combined Employment Impact

The table and graphic on the following page summarize the combined FTE employment impact of TSVI’s proposed projects and operations, during the 2015 to 2025 period. Year 2025 level projections (following the completion of construction activity) are assumed to continue into future years:

## Combined Employment Projections - FTEs (2015 to 2025)

	Incremental Employment Increases (FTEs)										
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025*
Direct Construction	185	293	169	364	252	321	109	186	0	9	0
Direct Operations	21	33	65	90	117	139	163	189	201	206	206
Indirect Combined	178	292	189	391	297	381	177	269	87	98	89
<b>Annual Totals</b>	<b>384</b>	<b>618</b>	<b>423</b>	<b>846</b>	<b>666</b>	<b>841</b>	<b>449</b>	<b>643</b>	<b>288</b>	<b>313</b>	<b>295</b>

## Combined Employment Projections - FTEs (2015 to 2025)



During the period from 2015 through 2025, it is estimated that construction and expanded operations activity at Taos Ski Valley will generate an *average* of 524 FTEs on an annual basis. Year 2025 level impacts can be expected to continue into the future.

EXHIBIT 6

(Section 5-15-5(I) NMSA 1978)

Amount and Characteristics of Workforce Housing to be Created by the Project

As planned, existing workforce housing in surrounding areas is sufficient to serve need driven by project. The Village has not identified workforce housing as a current or anticipated future need.

EXHIBIT 7

(Section 5-15-5(J) NMSA 1978)

Location and Characteristics of Public School Facilities Created,  
Improved, Rehabilitated or Constructed through the TIDD

There are no public schools located in the Village and has not identified public schools as a current or anticipated future need. As planned, existing public school facilities in surrounding areas are sufficient to serve need driven by project



## EXHIBIT 8

(Section 5-15-5(K) NMSA 1978)

Innovative Planning Techniques, including Mixed Use, Transit Oriented Development, Traditional Neighborhood Design or Sustainable Development Techniques deemed by the Village to be Beneficial to be incorporated into the TIDD Project

### A. Innovative Planning Techniques.

The Master Plan for the Village Core was created through an extensive public involvement process, and as a result, the proposed improvements will create a significantly more comprehensive and integrated development than incremental and piecemeal approach that has occurred in the past. The Master Plan sets a priority on redevelopment and infill, saving precious natural resources and allocating more land to open space and a network of green infrastructure. The Master Plan resulted in extensive amendments to the Village zoning ordinance which allow density transfers to preserve open space, shared parking ratios for mixed-use developments, and underground parking structures to create a "park once" experience and to encourage walking throughout the village core. There will be major riparian area restoration to include native plants, with nature/riverwalk trails. The TIDD will also incorporate alternative energy where possible for heating of public spaces and snow removal.

The connections between the riverwalk, Plaza and new river crossings will all contribute to much better pedestrian travel and experience. The Village and TSVI currently collaborate to provide shuttle service from the Town of Taos to the Village, which will be expanded through private investment in shuttle service within Village, between Town of Taos and Village and the Sunport and Taos Regional Airport and Village will all assist in reducing vehicle traffic, pollution, dust, and noise, and contribute to more sustainable energy consumption.

B. Sustainability. TSVI and its ownership are committed to sustainability and recognize its beneficial impact. The following the following has been incorporated into the program to date:

- Commitment to LEED certification of TSVI's first development product. The LEED standards will serve as a baseline for subsequent developments.
- TSVI has engaged the Brendle Group, a sustainability consulting firm with many clients working in mountain environments, to serve as TSVI's sustainability advocate through design review of developments and will also perform energy efficiency audits of existing TSVI structures and equipment to identify opportunities to incorporate sustainable practices.
- Natural gas will become available to TSVI and other owners in the Core Village when the Up-Valley underground trench is completed. TSVI is committed towards the use of natural gas in all possible ways for environmental and financial reasons.