

Village of Taos Ski Valley

Agenda Item

AGENDA ITEM TITLE: Consideration to Approve Amended and Restated **Resolution #2015-275** for Formation of a Tax Increment Development District.

DATE: January 13, 2015

PRESENTED BY: Mark G. Fratrack

STATUS OF AGENDA ITEM: Old Business

CAN THIS ITEM BE RESCHEDULED: Not recommended

BACKGROUND INFORMATION:

Tax Increment Development Districts (TIDDs) are mechanisms to support economic development and job creation by providing gross receipts tax financing and property tax financing for public infrastructure. Twining Development, LLC ("Twining") and Taos Ski Valley, Inc. ("TSVI") and, together with Twining, (the "Applicant") have submitted to the Village of Taos Ski Valley ("VTSV") a plan for the revitalization of the Village through various redevelopment and improvement projects. As part of this process, VTSV has submitted a preliminary application to the State requesting a portion of the incremental State GRT to help fund various infrastructure projects. The Village of Taos Ski Valley must now pass a Resolution on the formation of the TIDD, which includes the application, petition, feasibility study, and master development agreement. By passing this resolution, the Village commits to implementing the Formation of a TIDD outlined by the supporting documentation.

At the January 6, 2015 council meeting, a Public Hearing was conducted in regards to Resolution #2015-275 for formation of a Tax Increment Development District. The Council made a motion "to approve Resolution No. 2015-275 and the documentation in support thereof as to the overall form, with the final modifications to such documentation to be approved by the Village Council not later than January 14, 2015" and approved that motion,.

Besides minor administrative corrections or modifications that would not be deemed material in nature to the document as a whole, there were four primary areas of concern. Those areas of concern were:

1. TIDD Governance (board make up)
2. Treasurer Designation
3. TSVI concerns with Franchise Fee assessments
4. How to handle Impact and Development Fee assessments

Staff summary and recommendations are attached. Actual verbiage might read a little different in the actual documents but will maintain the integrity of the recommendations presented.

RECOMMENDATION: Staff Recommends Approval

Staff Summary and Recommendations

Items 1 & 2 are in the Formation Resolution, section 8 item A & F.

1. TIDD Governance – Should read something to the effect of, “Board will be composed of 3 members designated by the Village of Taos Ski Valley, the makeup could be either 3 members from the Village Council, or 2 members from the Village Council and 1 Member At-Large from the community appointed or selected by the Council, one representative from TSVI and one from the State Board of Finance.”

The idea of the “Member at-large” for the third person with the two Council Member appointees could be considered.

2. Treasurer Designation – After gathering more information on the working of the financing/accounting concerning the TIDD, VTSV staff is comfortable that we have “co-treasurers” with Chaz Rockey (TSVI) being the primary and Nancy (VTSV Finance Director) as the reviewing Treasurer. The Village would still have oversight, and could review documents and reports when needed or required. Chaz Rockey (TSVI employee) would be required to generate the reports, requests for reimbursements, bonding, etc... All reimbursement checks (or EFT’s) will require joint signatures; the TIDD board will have to authorize all reimbursements through bond initiatives.

Items 3 & 4 are in the MDA (master development agreement), section 8, items A & B.

3. Franchise Fees – TSVI will receive a credit (or reimbursement) of their franchise fees that will go directly to reduce the amount that is owed to them on the Utility Trench project. Two conditions are: 1 – the franchise fees will be tracked, and 2 – the credit will go directly to pay back TSVI, i.e. paying of the amount owed to them quicker. This would lessen the amount that the TIDD is responsible for, and in essence work to shorten the period the TIDD will have to be in place. Once TSVI is paid back on the project, they would then pay the amount of their allotted franchise fees.

4. Impact and Development Fee assessments – “For each individual project requiring the issuance of a Village construction permit, the Village shall collect from TSVI the full amount of all applicable Impact and Development fees. Of the fees collected for each particular project, the Village shall credit/reimburse back to TSVI twenty-five percent of said fees. The remainder of the total, being seventy-five percent of all fees collected for each such project, shall be subject to negotiation between VTSV and TSVI for consideration of additional credit, if any, attributable back to TSVI.”

Staff feels this would guarantee TSVI gets some credit for the amount of upfront money outlay that they have committed. The remaining 75% would be up for negotiation on each project. We do not know how the Village’s budget will be in 5, 10, or 20 years nor how the TIDD will actually function. To lock the Village in (which this proposal doesn’t do) to give up all or most of the fees, could have detrimental effects in the future.

Village of Taos Ski Valley

Agenda Item

AGENDA ITEM TITLE: Consideration to Approve Resolution #2015-277 by the Village of Taos Ski Valley Council that requests Mayor Neal King direct the Village Staff to re-establish Ernie Blake Road for Two-way Vehicular Traffic.

DATE: January 13, 2015

PRESENTED BY: Tom Wittman, Councilor

STATUS OF AGENDA ITEM: New Business

CAN THIS ITEM BE RESCHEDULED: Not recommended

BACKGROUND INFORMATION:

For many years, Ernie Blake road functioned as a two-way road within the Village of Taos Ski Valley. With the advent of additional vehicular and pedestrian traffic this year, it was deemed unsafe for people to drive down during winter months due to the slope and snow/ice conditions on the road. It was feared that vehicle traffic would lose control and slide down the road. A vehicle could possibly slide into, and cause injury to, pedestrians, or cause injury to a vehicle, drivers, and passengers if a collision occurs. It must be noted that Ernie Blake Road does function partly as a two-way road up to certain distance as a person drives up the road.

RECOMMENDATION: Staff does not recommend approval