



Agenda Item Number: 2009-4-8C

BERNALILLO COUNTY BOARD OF COUNTY COMMISSIONERS

Meeting Date: April 13, 2009

Department: **Finance** Staff Contact: Thaddeus Lucero, County Manager
Dan Mayfield, Deputy County Manager,
Finance Division
Hughes & Strumor, Ltd. Co.

TITLE: Issuance and sale of Gross Receipts Tax Revenue Bonds

ACTION: Motion to:

1. Approve Financial Resolution **FR -2009** authorizing the issuance and sale of Bernalillo County, New Mexico Gross Receipts Tax Revenue Bonds, in one or more tax exempt or taxable series in the aggregate principal amount not to exceed \$13,000,000.
2. Negotiate Memorandum of Understanding with Albuquerque/Bernalillo County Water Utility Authority to complete water and sewer projects in southwest and northwest portions of Bernalillo County.

SUMMARY:

Staff requests approval for the issuance and sale of Bernalillo County, New Mexico Gross Receipts Tax Revenue Bonds for the purposes of acquiring, constructing, making additions to or making improvements to water facilities, wastewater facilities, sewer systems, and related facilities and providing funds for local economic development assistance, all within the County.

Issuance and sale of the bonds will allow the County to improve the sewer system at the Metropolitan Detention Center and providing water to the Northwest economic development district. In addition, it will provide a Local Economic Development Grant(s) (LEDA) to attract business to the area.

Under the assumption that the \$13 million will be used for construction, the economic benefits are:

1. 1.3 million for design costs
2. \$4.68 million for labor creating 94 direct jobs and an additional 204 indirect jobs (2.1745 multiplier)
3. \$8,994,960 in additional earnings in the community
4. \$516,375 in direct Gross Receipts Tax and \$486,475 in additional Gross Receipts Tax

ATTACHMENT:

1. Financial Resolution authorizing the issuance and sale of Bernalillo County, New Mexico Gross Receipts Tax Revenue Bonds, in one or more tax exempt or taxable series in the aggregate principal amount not to exceed \$13,000,000

FISCAL IMPACT

The interest rate for short-term bonds at taxable and non-taxable rates will be below 1%, or \$130,000 the first year. If interest rates change the County will be able to act quickly to refinance the bonds for a longer term.

STAFF ANALYSIS SUMMARY

COUNTY MANAGER

I recommend approval. Steps to revitalize our local economy during these times will have a positive long term benefit to our community. TL 4/3/09

DEPUTY COUNTY MANAGER FINANCE

See Summary, Dan Mayfield, DCM, Finance 4/3/09

LEGAL

Approved by Bond Counsel.

FINANCE

Budget The County's AAA rating will ensure the lowest possible cost of debt. Water and sewer line expansion is eligible for payment with the County's Environmental Service Gross Receipts Tax. General fund would be used to amortize the LEDA portion of the Bond. Dennis C. Chavez, Financial Projects Coordinator 4/3/09