

SUMMARY MEMORANDUM

August 22, 2013

To: Western Albuquerque Land Holdings

From: Mitch Mosesman
Nathan Perez, Esq.

Subject: Fiscal Impacts Resulting from the Proposed Santolina Master Plan

Attached for your review is the Fiscal Impact Analysis (“FIA”) related to the proposed development of the Santolina Master Plan (the “Project”) in the County of Bernalillo, New Mexico (the “County”). The intent of this memorandum is for David Taussig and Associates, Inc. (“DTA”) to provide a brief summary of the projected fiscal impacts to the County’s General Fund as a result of the development. The significance of this type of analysis is to determine whether development is generating enough revenues for the County to fully offset expenditures for services that are provided on its behalf by the County.

With the exception of one-time gross receipts taxes from construction, only recurring revenues and costs are analyzed in the model. Costs that are considered non-recurring, such as capital expenditures, are excluded from the analysis. This is because new development is generally required to construct its own new capital improvements, such as roads or parks, or to pay fees that enable the County or some other developer to construct these improvements. As these are considered to be “one-time” costs that will not recur, there is no expectation that new development will need to pay for these capital expenditures a second time. Likewise, revenues that are considered to be non-recurring, such as development impact fees paid by developers, are also excluded from the model. In sum, the model reflects the estimated recurring annual deficit or surplus to the County’s general fund that will result from the development of the Project.

The FIA is based on the land use and demographic assumptions shown in Table 1 on the following page:

**Table 1
 Land Use and Demographics Summary**

Land Use Type	Units/Sq. Ft.
Single Family Detached (Units)	20,118
Single Family Attached (Units)	10,832
Multi-Family (Units)	6,980
Retail/Commercial (Sq. Ft.)	9,872,012
Office (Sq. Ft.)	7,472,102
Industrial/Warehousing (Sq. Ft.)	7,568,700
Industrial/Manufacturing (Sq. Ft.)	2,522,900
Industrial/Energy (Acres)	515
Institutional (Sq. Ft.)	1,919,288
Demographic Category	(Exhibit A-3)
Projected Residential Population	92,929
Projected On-Site Full-Time Employees	75,006
Persons Served Population (Residents plus 50% Employees)	130,432

For additional details regarding the assumptions utilized to calculate the fiscal impacts for the Project, please see Exhibit A.

County General Fund – Net Fiscal Impact Summary

As shown in Table 2 below, the overall fiscal impact to the County’s General Fund, as a result of revenues anticipated to be generated by the Project and the demand for public services associated with the Project’s buildout, will be an annual recurring fiscal surplus of \$22,365,075. The Project will also contribute an additional \$20,027,049 in non-General Fund revenues. Annual recurring revenues generated by the Project are projected to equal approximately 1.78 times the General Fund costs associated with the Project.

**Table 2
 General Fund - Net Fiscal Impact Summary**

Fiscal Impact Category	(Exhibit A-10)
Total Annual Recurring Revenues	\$51,214,233
Total Annual Recurring Costs	(\$28,849,158)
Total Annual Recurring Surplus/(Deficit)	\$22,365,075
Total Annual Revenue/Cost Ratio	1.78

As depicted in Exhibit A-10, the largest projected County General Fund revenue sources attributable to the Project will be the Secured Property Taxes and the Gross Receipts Taxes. The largest projected County General Fund expenditures will be for Public Safety, General Government, and Public Works.

County One-Time Gross Receipts Tax Revenues Resulting from Project Construction

As shown in Table 3 below, the one-time (construction) gross receipts tax revenues flowing to the County, over the buildout of the Project, are substantial. Please see Exhibit B-1 for further information.

Table 3
County – One-Time GRT

Fiscal Impact Category	(Exhibit B-1)
Total One-Time (Construction) GRT	\$88,503,959
General Fund	\$47,655,978
Non-General Fund	\$40,847,981

DTA chooses its analytical assumptions in accordance with industry standards and documents those decisions carefully. The following may require further explanation:

- Discounting Revenues and Expenses: Certain revenues and expenditures are not always expected to increase one-to-one with new development. Thus, a 50% discount rate has been applied to General Government to reflect the estimated ratio of fixed expenditures to variable expenditures. Notably, no such discounts have been applied to County revenues.
- Square Feet per Employee: Total employment and square feet per employee are based on the Santolina Master Plan. DTA maintains a database of fiscal impact studies and information obtained from numerous city and county planning departments which generally support these estimates.
- Taxable Sales per Square Foot: Taxable gross receipts per square foot of retail are estimated from Dollars & Cents of Shopping Centers / The Score 2008, Average Sales / Building Square Foot for Neighborhood Shopping Centers in the West. Taxable gross receipts per square foot of non-retail are estimated using data from the New Mexico Taxation and Revenue, Gross Receipts by Geographic Area & NAICS Code (RP-80) quarterly report and the New Mexico Department of Labor, Quarterly Census of Employment & Wages report. Energy/solar farm taxable gross receipts are estimated from information contained in a December 2011 article published in *Clean Technica* and the U.S. Energy Information Administration's average retail price of electricity to ultimate customers data for January 2013.
- Property Values and Construction Costs: Non-residential property values and construction costs based on comparable sales data compiled by Godfrey Appraisal Services. Estimated value for energy based on Hardee County, Florida 200-MW Solar

Farm as reported on Clean Technica.com. Multi-family property values based on information provided by David Pearson, MAI. Multi-family and single-family detached and attached construction costs values based on the *2013 RS Means, Square Foot Costs (34th Edition)*. Single-family detached and attached property values based on estimated construction costs plus completed detached and attached lot values of \$50,000 and \$25,000, respectively.

For more information regarding the assumptions utilized in analyzing the Project's fiscal impact on the County General Fund please see Exhibits A and B attached.

[http://localhost/resources/Clients/WALH/Santolina/Fiscal Impact Summary Memorandum 8.22.13 \(Final - Level A Submittal\).doc](http://localhost/resources/Clients/WALH/Santolina/Fiscal Impact Summary Memorandum 8.22.13 (Final - Level A Submittal).doc)

EXHIBIT A

SANTOLINA MASTER PLAN - FISCAL IMPACT ANALYSIS

EXHIBIT A-1

**BERNALILLO COUNTY, NEW MEXICO - SANTOLINA MASTER PLAN
COUNTY GENERAL FUND REVENUES (BY TYPE)**

I. Demographics and Other Data

2012 Estimated Countywide Population¹	670,968
2012 Estimated Countywide Employees²	281,095
2012 Persons Served Population³	811,516

Notes:

- ¹ U.S. Census Bureau, State & County Facts, as of July 1, 2011. Confirmed by the University of New Mexico Bureau of Business & Economic Research.
- ² U.S. Census Bureau, State & County Facts, as of July 1, 2011. Confirmed by the University of New Mexico Bureau of Business & Economic Research. Annual Average.
- ³ Assumes County population plus 50% of employees.
- ⁴ Certain revenues are not expected to increase one-to-one with the new development. A discount was applied to reflect the estimated ratio of fixed revenues to variable revenues and/or one-time to recurring revenues.

II. County Revenue Sources (by Type)

Revenue Type	Total Revenues	Revenue Type	Fiscal Impact Basis	Discount ⁴	Fiscal Impact Revenue Factor
Tax Revenue	\$199,224,298		Persons Served		\$10.63
Property Tax	\$107,803,145	Recurring	Case Study	0%	NA
Gross Receipts Tax (Non-Utility)	\$82,788,984	Recurring	Case Study	0%	NA
Utility Gross Receipts Tax	\$4,228,110	Recurring	Persons Served	0%	\$5.21
Motor Vehicle	\$2,700,614	Recurring	Persons Served	0%	\$3.33
Cigarette	\$3,445	Recurring	Persons Served	0%	\$0.00
Gasoline Tax	\$1,700,000	Recurring	Persons Served	0%	\$2.09
Intergovernmental	\$506,600	Recurring	Persons Served	0%	\$0.62
Licenses and Permits	\$3,224,070	Recurring	Persons Served	0%	\$3.97
Fees for Service	\$4,886,434	Recurring	Persons Served	0%	\$6.02
Investment Income	\$3,600,725	Recurring	Case Study	0%	NA
Miscellaneous	\$5,300,039	Recurring	Persons Served	0%	\$6.53
Transfers Out	(\$8,967,712)	Non-Recurring	N/A	0%	NA
Total Recurring Revenues	\$216,742,166				

EXHIBIT A-2
BERNALILLO COUNTY, NEW MEXICO - SANTOLINA MASTER PLAN
COUNTY GENERAL FUND EXPENDITURES (BY TYPE)

I. Demographics and Other Data

2012 Estimated Countywide Population¹	670,968
2012 Estimated Countywide Employees²	281,095
2012 Persons Served Population³	811,516

Notes:

- ¹ U.S. Census Bureau, State & County Facts, as of July 1, 2011. Confirmed by the University of New Mexico Bureau of Business & Economic Research.
- ² U.S. Census Bureau, State & County Facts, as of July 1, 2011. Confirmed by the University of New Mexico Bureau of Business & Economic Research. Annual Average.
- ³ Assumes County population plus 50% of employees.
- ⁴ Certain expenditures are not expected to increase one-to-one with the new development. A discount was applied to reflect the estimated ratio of fixed expenditures to variable expenditures and/or one-time to recurring expenditures.

II. County Expenditures (by Type)

Expenditure Type	Total Expenditures	Revenue Type	Fiscal Impact Basis	Discount⁴	Fiscal Impact Revenue Factor
GENERAL GOVERNMENT					
Assessor	\$3,175,383	Recurring	Case Study	0%	NA
Clerk	\$3,323,096	Recurring	Case Study	0%	NA
Commission	\$555,665	Recurring	Case Study	0%	NA
County Manager	\$1,336,136	Recurring	Case Study	0%	NA
Economic Development	\$331,839	Recurring	Case Study	0%	NA
Finance Division	\$4,541,724	Recurring	Case Study	0%	NA
Insurance Premiums & Deductibles	\$5,431,940	Recurring	Case Study	0%	NA
General County	\$18,312,815	Recurring	Case Study	0%	NA
Human Resources	\$2,676,533	Recurring	Case Study	0%	NA
Information Technology/ERP	\$7,435,200	Recurring	Case Study	0%	NA
Legal	\$1,813,165	Recurring	Case Study	0%	NA
Probate Court	\$170,033	Recurring	Case Study	0%	NA
Public Information	\$801,724	Recurring	Case Study	0%	NA
Real Estate/CIP	\$632,547	Recurring	Case Study	0%	NA
Fleet-Facilities Management	\$10,000	Recurring	Case Study	0%	NA
Solid Waste	\$287,686	Recurring	Case Study	0%	NA
Treasurer	\$2,410,709	Recurring	Case Study	0%	NA
Environmental Health and Zoning	\$3,319,745	Recurring	Case Study	0%	NA

EXHIBIT A-2

**BERNALILLO COUNTY, NEW MEXICO - SANTOLINA MASTER PLAN
COUNTY GENERAL FUND EXPENDITURES (BY TYPE)**

NON-GENERAL GOVERNMENT

Public Safety (MDC, Sheriff, Fire & Rescue, etc.)	\$114,839,406	Recurring	Persons Served	0%	\$141.51
Health & Welfare (Environmental, Solid Waste, Social Service)	\$2,620,006	Recurring	Persons Served	0%	\$3.23
Housing	\$481,182	Recurring	Persons Served	0%	\$0.59
Culture & Recreation	\$8,958,603	Recurring	Persons Served	0%	\$11.04
Public Works (Fleet/Facilities, O&M, Planning, etc.)	\$24,309,317	Recurring	Persons Served	0%	\$29.96

Total Recurring Expenditures	\$207,774,454
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**EXHIBIT A-3
 BERNALILLO COUNTY, NEW MEXICO - SANTOLINA MASTER PLAN
 LAND USE AND DEMOGRAPHICS SUMMARY**

FUTURE LAND USE DATA

I. Santolina Master Plan Developable Land Use Description

A. Development/Neighborhood	Acres¹
Residential	6,626
Non-Residential	4,378
Industrial/Energy Park	
Warehousing	1,158
Manufacturing	386
Energy	515
Business Park	676
Town Center	480
Urban Center	
Office	79
Commercial	252
Multi-Family	236
Institutional/Schools/Public Facilities	220
Village Centers	
Office	38
Commercial	225
Multi-Family	113

B. Residential Land Uses	Number of Units¹
Single-Family Detached	20,118
Single-Family Attached	10,832
Multi-Family	6,980

C. Non-Residential Land Uses	FAR	BSF¹
Industrial/Energy Park	0.22	10,091,600
Warehousing		7,568,700
Manufacturing		2,522,900
Energy		NA
Business Park	0.22	6,459,942
Town Center	0.25	5,228,289
Urban Center		4,798,221
Office	0.20	685,460
Commercial	0.20	2,193,473
Institutional	0.20	1,919,288
Village Centers		2,776,950
Office	0.25	326,700
Commercial	0.20	2,450,250

**EXHIBIT A-3
BERNALILLO COUNTY, NEW MEXICO - SANTOLINA MASTER PLAN
LAND USE AND DEMOGRAPHICS SUMMARY**

DEMOGRAPHIC DATA

II. Demographics

A. Residential Land Use Population		Persons per Household²
Persons per Household (SFD/SFA)		2.45
Persons per Household (MF)		2.45
B. Non-Residential Land Use Employee Generation		BSF per Employee³
Industrial/Energy Park		
Warehousing		781
Manufacturing		559
Business Park		316
Town Center		400
Urban Center		
Office		223
Commercial		400
Institutional		173
Village Centers		
Office		223
Commercial		400
		Acres per Employee³
Energy		5

POPULATION AND EMPLOYEES (CALCULATIONS)

III. Residential Land Uses	Number of Units	Residential Population
Total	37,930	92,929
Single-Family Detached	20,118	49,289
Single-Family Attached	10,832	26,538
Multi-Family	6,980	17,101

IV. Non-Residential Land Uses	Land Use Category	BSF	Total Direct Employees
Industrial/Energy Park			
Warehousing	Industrial/Warehousing	7,568,700	9,688
Manufacturing	Industrial/Manufacturing	2,522,900	4,516
Energy	Industrial/Energy	NA	100
Business Park	Office	6,459,942	20,413
Town Center	Retail/Commercial	5,228,289	13,071
Urban Center			
Office	Office	685,460	3,071
Commercial	Retail/Commercial	2,193,473	5,484
Institutional	Institutional	1,919,288	11,074
Village Centers			
Office	Office	326,700	1,464
Commercial	Retail/Commercial	2,450,250	6,126
Sub-Totals:			
Total		29,355,002	75,006
Retail/Commercial		9,872,012	24,680
Office		7,472,102	24,948
Industrial/Warehousing		7,568,700	9,688
Industrial/Manufacturing		2,522,900	4,516
Industrial/Energy		NA	100
Institutional		1,919,288	11,074

**EXHIBIT A-3
BERNALILLO COUNTY, NEW MEXICO - SANTOLINA MASTER PLAN
LAND USE AND DEMOGRAPHICS SUMMARY**

POPULATION AND EMPLOYEES (TOTALS)

V. Total Projected Residential Population	92,929
VI. Total Projected Direct Employees	75,006
VII. Total Persons Served Population	130,432

NOTES:

- 1** Source: Santolina Level A Master Plan.
- 2** Source: 2010 US Census, average household size for County.
- 3** Source: Santolina Level A Master Plan.
- *** *All figures subject to rounding*

**EXHIBIT A-4
 BERNALILLO COUNTY, NEW MEXICO - SANTOLINA MASTER PLAN
 PROPERTY TAX REVENUE ANALYSIS**

GENERAL PROPERTY TAX ASSUMPTIONS

I. Property Tax Rates

	County of Bernalillo¹		
	Total	Debt Service/Other	General Fund
Residential Tax Rate (Mills)²			
County Operational	7.21		7.21
County Debt Service	0.90	0.90	
Judgment A	0.01	0.01	
Total Residential County Property Tax Rate	8.12	0.91	7.21
Non-Residential Tax Rate (Mills)²			
County Operational	10.75		10.75
County Debt Service	0.90	0.90	
Judgment A	0.01	0.01	
Total Non-Residential General Fund Property Tax Rate	11.66	0.91	10.75
Assessment Rate - Applicable to Residential & Non-Residential²			33%

II. Head of Household Exemption

Head of Household Exemption (Annually)	\$2,000
Percent of Sale Units Taking Homeowner's Exemption ³	50%

TAXABLE VALUATION ASSUMPTIONS

III. Assessed Valuation - Projected Land Uses

Residential Land Uses

A. Single-Family Detached

Number of Units ⁴	20,118
Estimated Blended Appraised Value per Unit ⁵	\$203,000
Total Estimated Net Taxable Value ⁶	\$1,341,200,000

B. Single-Family Attached

Number of Units ⁴	10,832
Estimated Blended Appraised Value per Unit ⁵	\$109,000
Total Estimated Net Taxable Value ⁶	\$382,730,667

C. Multi-Family

Number of Units ⁴	6,980
Estimated Appraised Value per Unit ⁵	\$95,000
Total Estimated Net Taxable Value	\$221,033,333

Non-Residential Land Uses

D. Retail/Commercial

Estimated BSF ⁴	9,872,012
Estimated Valuation per BSF ⁷	\$215
Total Estimated Net Taxable Value	\$708,493,170

EXHIBIT A-4
BERNALILLO COUNTY, NEW MEXICO - SANTOLINA MASTER PLAN
PROPERTY TAX REVENUE ANALYSIS

E. Office	
Estimated BSF ⁴	7,472,102
Estimated Valuation per BSF ⁷	\$122
Total Estimated Net Taxable Value	\$304,189,712
F. Industrial/Warehousing	
Estimated BSF ⁴	7,568,700
Estimated Valuation per BSF ⁷	\$58
Total Estimated Net Taxable Value	\$146,674,257
G. Industrial/Manufacturing	
Estimated BSF ⁴	2,522,900
Estimated Valuation per BSF ⁷	\$58
Total Estimated Net Taxable Value	\$48,891,419
H. Industrial/Energy	
Estimated Acre ⁴	515
Estimated Valuation per Acre ⁷	\$350,000
Total Estimated Net Taxable Value	\$60,083,333
I. Institutional	
Estimated BSF ⁴	1,919,288
Estimated Valuation per BSF ⁸	\$0
Total Estimated Net Taxable Value	\$0
J. Total Land Use Net Taxable Value (Includes Takeout from Homeowner's Exemption)	\$3,213,295,892

**EXHIBIT A-4
 BERNALILLO COUNTY, NEW MEXICO - SANTOLINA MASTER PLAN
 PROPERTY TAX REVENUE ANALYSIS**

FISCAL IMPACT CALCULATION

IV. Fiscal Impact Category

A. Secured Property Tax

	County of Bernalillo¹		
	Total	Dedicated	General Fund
Residential Land Uses			
Single-Family Detached	\$10,887,075	\$1,219,705	\$9,667,370
Single-Family Attached	\$3,106,783	\$348,060	\$2,758,723
Multi-Family	\$1,794,219	\$201,011	\$1,593,208
Non-Residential Land Uses			
Retail/Commercial	\$8,260,615	\$644,313	\$7,616,302
Office	\$3,546,673	\$276,634	\$3,270,039
Industrial/Warehousing	\$1,710,135	\$133,387	\$1,576,748
Industrial/Manufacturing	\$570,045	\$44,462	\$525,583
Industrial/Energy	\$700,537	\$54,641	\$645,896
Institutional	\$0	\$0	\$0

B. Less Estimated Property Taxes on Base Year Value ⁹ (\$7,677)

Total County Property Tax Revenues	\$30,568,405	\$2,922,213	\$27,646,192
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NOTES:

- ¹ Based on data provided by New Mexico Department of Taxation and Revenue.
- ² Source: Certificate of Property Tax Rates in Mills, Bernalillo County, Tax Year 2012.
- ³ DTA estimate, subject to change.
- ⁴ Please see Exhibit A-3. Subject to change.
- ⁵ Estimated construction cost plus completed lot value per single-family detached and single-family attached units of \$50,000 and \$25,000, respectively.
Appraised value = 0.95 of sales price.
Estimated MF valuation per unit also based on input from Dave Pearson, MAI.
- ⁶ Includes estimated takedown from \$2,000 homeowner's exemption.
- ⁷ Estimated Retail/Commercial, Office, and Industrial valuation per square foot based on data and research provided by Godfrey Appraisal Services (MAI), dated May 1, 2013.
Estimated solar farm valuation based on Hardee County, Florida 200-MW Solar Farm as reported on Clean Technica.com.
- ⁸ Institutional assumed to be publicly owned with zero taxable value.
- ⁹ Source: Bernalillo County Treasurer/Assessor.
- * **All figures subject to rounding**

**EXHIBIT A-5
 BERNALILLO COUNTY, NEW MEXICO - SANTOLINA MASTER PLAN
 GROSS RECEIPTS TAX REVENUE ANALYSIS**

GROSS RECEIPTS TAX RATE ASSUMPTIONS

I. Gross Receipts Tax ("GRT") Rates

A. Generally Applicable Rates (Location Code 02-002)¹

	County of Bernalillo		
	Total	Dedicated	General Fund
First 1/8 Percent Tax - General Fund (Sec. 78-41)	0.1250%		0.1250%
Second 1/8 Percent Tax - County Indigent Care (Sec. 78-42) ²	0.1250%		0.1250%
Third 1/8 Percent Tax - General County Purposes (Sec. 78-44) ³	0.1250%		0.1250%
County Environmental Services Gross Receipts Tax (Sec. 78-43) ⁴	0.1250%	0.1250%	
1/16 Tax for General Purposes (Sec. 78-45) ⁵	0.0625%		0.0625%
County Correctional (NMSA 7-20F, 1-12) ⁶	0.1250%	0.1250%	
"Health Care" Tax (Sec. 78-47) ⁷	0.0625%	0.0625%	
"Health Care" Tax (Sec. 78-48) ⁸	0.0625%	0.0625%	
Total GRT	0.8125%	0.3750%	0.4375%

DIRECT NON-RESIDENTIAL TAXABLE GROSS RECEIPTS

II. Santolina Master Plan Gross Receipts Assumptions

A. Direct Annual Taxable Gross Receipts⁹

Non-Residential BSF

Retail	\$364
Office	\$133
Industrial	
Warehousing	\$19
Manufacturing	\$57

Non-Residential Acre

Energy	\$75,949
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B. Substituted/Displaced Gross Receipts

Substituted/Displaced Gross Receipts within the County of Bernalillo ¹⁰	10%
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C. Project Household (Residential and Employee) Element of Project Direct GRT

Percentage of Project Resident and Employee Spending outside of Santolina ¹⁰	25%
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INDIRECT RESIDENTIAL & EMPLOYEE TAXABLE GROSS RECEIPTS

III. Indirect Residential Gross Receipts Assumptions

A. Mortgage Assumptions

Projected Sales Price per Unit (Blended)	\$156,281
Average Mortgage (20% Down Payment) ¹⁰	\$125,025
Annual Mortgage Payment (8% for 30 Years) ¹¹	\$11,009
Additional Annual Taxes & Insurance (2.00%)	\$3,126

B. Household Disposable Income Assumptions

Average Household Income (3:1 Income to Household Payment Ratio) ¹⁰	\$42,403
Retail Taxable Expenditures (as a % of Disposable Income) ¹²	30.85%

**EXHIBIT A-5
BERNALILLO COUNTY, NEW MEXICO - SANTOLINA MASTER PLAN
GROSS RECEIPTS TAX REVENUE ANALYSIS**

C. Other Indirect Sales Tax Assumptions

Employees (Annual Spending per Employee)¹³	\$4,293
Retail Taxable Sales Capture	
County of Bernalillo Retail Taxable Purchase Capture ¹⁴	75%
Unincorporated County of Bernalillo Retail Taxable Purchase Capture ¹⁴	75%

FISCAL IMPACT CALCULATION

IV. Fiscal Impact Category Fiscal Impact Amount

A. Direct Non-Residential GRT

Projected Non-Residential Land Uses	County of Bernalillo		
	Total	Dedicated	General Fund
Retail/Commercial	\$26,275,384	\$12,127,100	\$14,148,284
Office	\$7,271,483	\$3,356,069	\$3,915,414
Industrial/Warehousing	\$1,034,845	\$477,621	\$557,224
Industrial/Manufacturing	\$1,050,192	\$484,704	\$565,488
Industrial/Energy	\$286,020	\$132,009	\$154,011
Institutional	\$0	\$0	\$0
Minus 75% of Indirect GRT (below)¹⁵	<u>\$32,825,835</u>	<u>\$14,995,504</u>	<u>\$17,830,331</u>

B. Indirect Residential and Non-Residential GRT

Projected Residential Land Uses			
Single-Family Detached	\$1,326,161	\$678,501	\$647,660
Single-Family Attached	\$714,036	\$365,321	\$348,715
Multi-Family	\$460,116	\$235,408	\$224,708
Non-Residential (Employee)	\$1,622,473	\$830,102	\$792,371

Total County Gross Receipts Tax Revenues	\$36,948,620	\$17,104,836	\$19,843,784
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NOTES:

- ¹ All references herein are to the Bernalillo County Code, Article II, Chapter 78.
 - ² First \$1.0MM, then General Fund.
 - ³ Including payment of revenue bonds.
 - ⁴ Used solely for the acquisition, construction, operation, and maintenance of various County waste and sewer facilities.
 - ⁵ Used for general County purposes including the payment of principal, interest, and premium on revenue bonds.
 - ⁶ Construct or operate correctional facility; extradite/transport prisoners.
 - ⁷ County Medicaid Fund.
 - ⁸ Used for County support of Indigent Patients.
 - ⁹ Source for Retail: Dollars & Cents of Shopping Centers / The Score 2008, Average Sales / BSF for Neighborhood Shopping Centers in the West.
Source for Non-Retail: (i) New Mexico Taxation and Revenue, Gross Receipts by Geographic Area & NAICS Code (RP-80) (last four quarters) and (ii) New Mexico Department of Labor, Quarterly Census of Employment & Wages, First Quarter 2012.
Source for Energy: Based on Hardee County, Florida 200-MW Solar Farm as reported on Clean Technica.com.
 - ¹⁰ DTA estimate. Subject to change.
 - ¹¹ DTA estimate. Annual payment includes principal, interest, property taxes, and homeowner's insurance.
 - ¹² Source: BOE 2008 Consumer Expenditure Survey.
 - ¹³ Source: "Office Worker Retail Spending Patterns: A Downtown and Suburban Area Study," ICSC (2004). Adjusted for inflation assuming 3% annual inflation rate.
 - ¹⁴ DTA estimate. Subject to change.
 - ¹⁵ Reduced to avoid double-counting of "indirect" household spending within Santolina.
- * All figures subject to rounding

**EXHIBIT A-6
 BERNALILLO COUNTY, NEW MEXICO - SANTOLINA MASTER PLAN
 INVESTMENT INCOME REVENUE ANALYSIS**

ASSUMPTIONS

I. Investment Income Assumptions

Investment Period for Recurring Non-Interest General Fund Revenues	12 Months
Local Government Investment Pool ("LGIP") Approximate Rate of Return ¹	0.20%
LGIP Participation Costs ²	0.05%

FISCAL IMPACT CALCULATION

II. Fiscal Impact Category	Fiscal Impact Amount
Total Property Tax Revenues (Exhibit 4)	\$27,646,192
Total Gross Receipts Tax Revenues (Exhibit 5)	\$19,843,784
Total Multiplier Revenues (Exhibit 7)	<u>\$3,622,084</u>
Projected Recurring General Fund Revenues Available for Investment	\$51,112,060
Plus: Investment Income (Less Earnings Cost)	\$102,173
Total Recurring General Fund Revenues	<u>\$51,214,233</u>

NOTES:

- ¹ Based on historic daily rates available at New Mexico State Treasurer's Office ("STO") website.
- ² STO charges a fixed rate fee which is assessed at the end of each month. The fee is 5 basis points.
- * *All figures subject to rounding*

**EXHIBIT A-7
 BERNALILLO COUNTY, NEW MEXICO - SANTOLINA MASTER PLAN
 MULTIPLIER REVENUE SOURCES ANALYSIS**

ASSUMPTIONS

I. Multiplier Revenues

Revenue Category	Multiplier Factor¹	Revenue Projection Basis¹
Miscellaneous Tax Revenue		
Utility Gross Receipts Tax	\$5.21	Persons Served
Motor Vehicle	\$3.33	Persons Served
Cigarette	\$0.00	Persons Served
Gasoline Tax	\$2.09	Persons Served
Intergovernmental	\$0.62	Persons Served
Licenses and Permits	\$3.97	Persons Served
Fees for Service	\$6.02	Persons Served
Miscellaneous	\$6.53	Persons Served

FISCAL IMPACT CALCULATION

II. Fiscal Impact Category

Fiscal Impact Amount

Miscellaneous Tax Revenue	
Utility Gross Receipts Tax	\$679,548
Motor Vehicle	\$434,337
Cigarette	\$0
Gasoline Tax	\$272,602
Intergovernmental	\$80,868
Licenses and Permits	\$517,813
Fees for Service	\$785,198
Miscellaneous	\$851,718

Total Multiplier Revenues	\$3,622,084
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NOTES:

¹ Based on County of Bernalillo Adopted Budget, Fiscal Year 2012-2013.

* *All figures subject to rounding*

**EXHIBIT A-8
 BERNALILLO COUNTY, NEW MEXICO - SANTOLINA MASTER PLAN
 MULTIPLIER EXPENDITURES ANALYSIS**

ASSUMPTIONS

I. Multiplier Expenditures

Expenditure Category	Multiplier Factor¹	Expenditure Projection Basis¹
Public Safety (MDC, Sheriff, Fire & Rescue, etc.)	\$141.51	Persons Served
Health & Welfare (Environmental, Solid Waste, Social Services, etc.)	\$3.23	Persons Served
Housing	\$0.59	Persons Served
Culture & Recreation	\$11.04	Persons Served
Public Works (Fleet/Facilities, O&M, Planning, etc.)	\$29.96	Persons Served

FISCAL IMPACT CALCULATION

II. <u>Fiscal Impact Category</u>	Fiscal Impact Amount
Public Safety (MDC, Sheriff, Fire & Rescue, etc.)	\$18,457,372
Health & Welfare (Environmental, Solid Waste, Social Services, etc.)	\$421,294
Housing	\$76,955
Culture & Recreation	\$1,439,965
Public Works (Fleet/Facilities, O&M, Planning, etc.)	\$3,907,730
Total Multiplier Expenditures	\$24,303,316

NOTES:

¹ Based on County of Bernalillo Adopted Budget, Fiscal Year 2012-2013.

* *All figures subject to rounding*

**EXHIBIT A-9
 BERNALILLO COUNTY, NEW MEXICO - SANTOLINA MASTER PLAN
 GENERAL GOVERNMENT EXPENDITURES ANALYSIS**

ASSUMPTIONS

Total Recurring General Fund Expenditures (excluding General Government Overhead) ¹	\$151,208,514
Recurring General Government Overhead Expenditures (as a % of Total Recurring General Fund Expenditures) ²	37%
Marginal Increase in General Government Costs ³	50%

FISCAL IMPACT CALCULATION

I. <u>Fiscal Impact Category</u>	<u>Fiscal Impact Amount</u>
Total Multiplier Expenditures (Exhibit 8)	\$24,303,316
	Projected Recurring General Fund Expenditures
	\$24,303,316
	Plus: General Government Costs
	\$4,545,842
	Total Recurring Expenditures
	\$28,849,158

NOTES:

- ¹ Based on County of Bernalillo Adopted Budget, Fiscal Year 2012-2013.
- ² General Government Overhead Expenditures defined as costs for General County, Finance, Legal, Human Resources, etc. Please see Exhibit A-2.
- ³ Estimate, subject to change.
- * *All figures subject to rounding*

**EXHIBIT A-10
 BERNALILLO COUNTY, NEW MEXICO - SANTOLINA MASTER PLAN
 TOTAL FISCAL REVENUE SUMMARY**

RECURRING GENERAL FUND REVENUES¹	TOTAL	DEDICATED	GENERAL FUND	PERCENT OF GF TOTAL
Secured Property Tax	\$30,568,405	\$2,922,213	\$27,646,192	54.0%
Gross Receipts Tax	\$36,948,620	\$17,104,836	\$19,843,784	38.7%
Miscellaneous Tax Revenue				
Utility Gross Receipts Tax	\$679,548		\$679,548	1.3%
Motor Vehicle	\$434,337		\$434,337	0.8%
Cigarette	\$0		\$0	0.0%
Gasoline Tax	\$272,602		\$272,602	0.5%
Intergovernmental	\$80,868		\$80,868	0.2%
Licenses and Permits	\$517,813		\$517,813	1.0%
Fees for Service	\$785,198		\$785,198	1.5%
Miscellaneous	\$851,718		\$851,718	1.7%
Investment Income	\$142,207		\$102,173	0.2%
Total Recurring General Fund Revenues	\$71,281,316	\$20,027,049	\$51,214,233	100.0%

RECURRING GENERAL FUND EXPENDITURES²	TOTAL	DEDICATED	GENERAL FUND	PERCENT OF GF TOTAL
Public Safety (MDC, Sheriff, Fire & Rescue, etc.)	\$18,457,372		\$18,457,372	64.0%
Health & Welfare (Environmental, Solid Waste, Social Services, etc.)	\$421,294		\$421,294	1.5%
Housing	\$76,955		\$76,955	0.3%
Culture & Recreation	\$1,439,965		\$1,439,965	5.0%
Public Works (Fleet/Facilities, O&M, Planning, etc.)	\$3,907,730		\$3,907,730	13.5%
General Government	\$4,545,842		\$4,545,842	15.8%
Total Recurring General Fund Expenditures	\$28,849,158		\$28,849,158	100.0%

NET FISCAL IMPACT				
Total Annual Recurring General Fund Surplus/(Deficit)	\$42,432,158		\$22,365,075	
Total Annual Revenue/Expenditure Ratio	2.47		1.78	
Total Fiscal Surplus/(Deficit) per Unit	\$1,119		\$590	

NOTES:

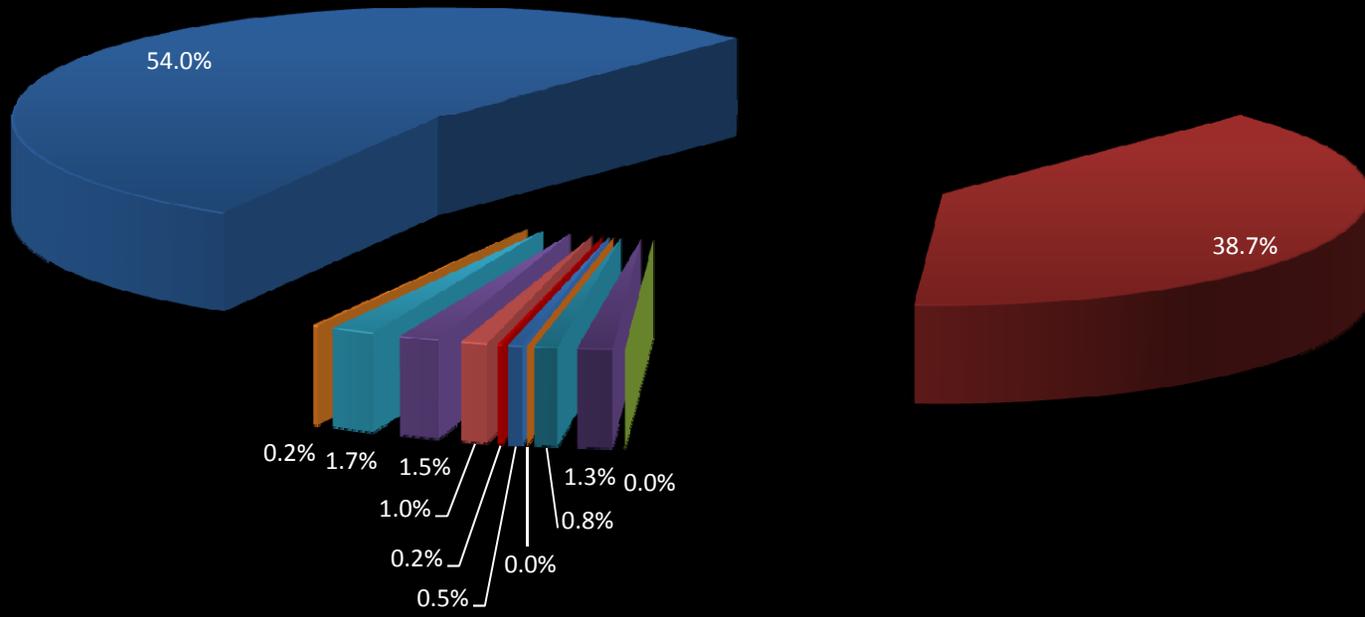
¹ Please see Exhibits 4-7 for the derivation of these calculations.

² Please see Exhibits 8-9 for the derivation of these calculations.

* All figures subject to rounding

Recurring General Fund Revenues

- SECURED PROPERTY TAX
- GROSS RECEIPTS TAX
- Miscellaneous Tax Revenue
- Utility Gross Receipts Tax
- Motor Vehicle
- Cigarette
- Gasoline Tax
- Intergovernmental
- Licenses and Permits
- Fees for Service
- Miscellaneous
- Investment Income



Recurring General Fund Expenditures

- PUBLIC SAFETY (MDC, SHERIFF, FIRE & RESCUE, ETC.)
- Health & Welfare (Environmental, Solid Waste, Social Services, etc.)
- Housing
- Culture & Recreation
- PUBLIC WORKS (FLEET/FACILITIES, O&M, PLANNING, ETC.)
- GENERAL GOVERNMENT

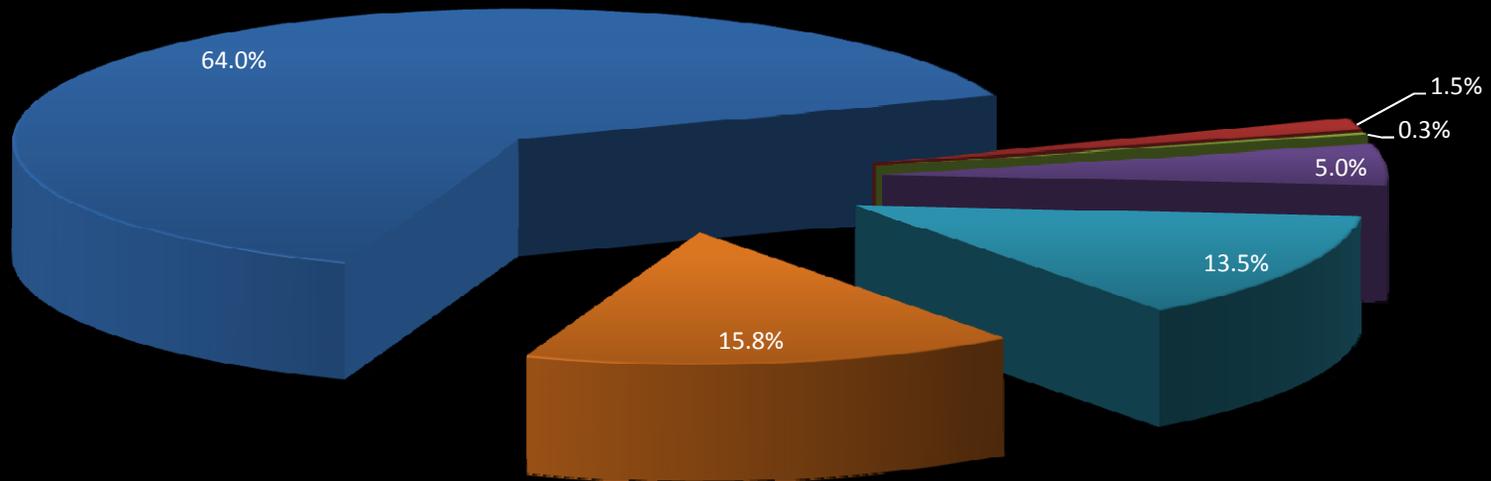


EXHIBIT B

SANTOLINA MASTER PLAN – ONE-TIME
(CONSTRUCTION) GROSS RECEIPTS TAX REVENUES

**EXHIBIT B-1
 BERNALILLO COUNTY, NEW MEXICO - SANTOLINA MASTER PLAN
 CONSTRUCTION (ONE-TIME) GRT SUMMARY**

FUTURE LAND USE DATA

I. Santolina Master Plan Developable Land Use Description¹

A. Residential Land Uses	<u>Number of Units</u>¹
Single-Family Detached	20,118
Single-Family Attached	10,832
Multi-Family	6,980
B. Non-Residential Land Uses	<u>BSF</u>¹
Retail/Commercial	9,872,012
Office	7,472,102
Industrial/Warehousing	7,568,700
Industrial/Manufacturing	2,522,900
Institutional	1,919,288
	<u>Acres</u>¹
Industrial/Energy	515

CONSTRUCTION COST DATA

II. Infrastructure²

Total	\$2,912,784,914
Trunk Infrastructure	\$922,960,947
Residential Tracts	\$1,074,191,297
Commercial Tracts	\$915,632,670

III. Vertical Construction Costs

A. Residential Land Uses - Per BSF³

Single-Family Detached	\$82
Single-Family Attached	\$74
Multi-Family	\$84

B. Non-Residential Land Uses - Per BSF³

Retail/Commercial	\$170
Office	\$85
Industrial/Warehousing	\$46
Industrial/Manufacturing	\$46
Institutional	\$137

C. Non-Residential Land Uses - Per Acre³

\$350,000

IV. TOTAL CONSTRUCTION COSTS

\$10,892,795,011

**EXHIBIT B-1
 BERNALILLO COUNTY, NEW MEXICO - SANTOLINA MASTER PLAN
 CONSTRUCTION (ONE-TIME) GRT SUMMARY**

GRT CALCULATIONS

V. Applicable GRT Rate⁴

County of Bernalillo		
Total	Dedicated	General Fund
0.8125%	0.3750%	0.4375%

VI. TOTAL ONE-TIME CONSTRUCTION GRT⁵

County of Bernalillo		
Total	Dedicated	General Fund
\$88,503,959	\$40,847,981	\$47,655,978

NOTES:

- ¹ Please see Exhibit A-3.
 - ² Source: Western Albuquerque Land Holdings, LLC ("WALH"), Santolina Master Plan, Infrastructure Costs (December 2012).
Reflects Trunk, In-Tract, and Offsite Development Costs (includes both hard and soft costs).
 - ³ Source: Godfrey Appraisal Services for Retail/Commercial, Industrial, Office
RS Means, Square Foot Costs, 34th Edition (2013 - Albuquerque, New Mexico location factor applied) for Residential, Institutional.
Per Acre solar farm construction costs based on Hardee County, Florida 200-MW Solar Farm as reported on Clean Technica.com.
 - ⁴ Please see Exhibit A-5.
 - ⁵ Non-recurring, over entire Santolina Master Plan buildout period.
- * **All figures subject to rounding**