

TIDDs

Tax Increment Development Districts

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Statutory **Overview**

TIDD **Challenges**

Summary of current TIDDs

STATUTORY AUTHORITY

Tax Increment for Development Act

5-15-1 through 5-15-28

STATUTORY PURPOSE

“...to create a mechanism for providing
GRT financing and property tax
financing for public infrastructure for
the purpose of supporting economic
development and job creation.”

FORMATION PROCESS

FORMATION PROCESS : STEP 1

Governing body approves tax increment
development **plan**.

FORMATION PROCESS : STEP 2

After the approved plan is filed with the clerk and a petition with signatures of at least 50% of the owners within the proposed district is submitted, governing body adopts resolution of intent to form a TIDD.

FORMATION PROCESS : STEP 3

Owners/developers may enter into an agreement with the governing body about improvement of specific property.

FORMATION PROCESS : STEP 4

Governing body may require the petitioners to prepare a feasibility study.

FORMATION PROCESS : STEP 4A

Governing body may require the petitioners to deposit the estimated costs of the study (these costs will be reimbursed for bond sale if the district is formed and bonds are issued).

FORMATION PROCESS : STEP 5

Notify TRD, DFA, and LFC within 10 days.

FORMATION PROCESS : STEP 6

Hold **public hearing** (properly notice it)
between 30 and 60 days after adoption of
the resolution.

FORMATION PROCESS : STEP 7

Governing body adopts a resolution forming the TIDD and sets an election (unless it has been waived).

FORMATION PROCESS : STEP 8

Hold an **election** (unless it has been waived).

FORMATION PROCESS : STEP 9

If election is successful, notify required parties and **record notice** of formation and description of the land with **county clerk**.

GOVERNANCE

GOVERNANCE: Option 1

Governing body that formed the district.

GOVERNANCE: Option 2

5-member board (4 appointed by governing body and DFA Secretary)

GOVERNANCE: Option 2

2 appointed members serve 6-year term;
2 appointed members serve 4-year term.

GOVERNANCE: Option 2

At the end of the appointed members' term, the board holds an **election by majority** vote of owners and qualified resident electors.

INCREMENTS

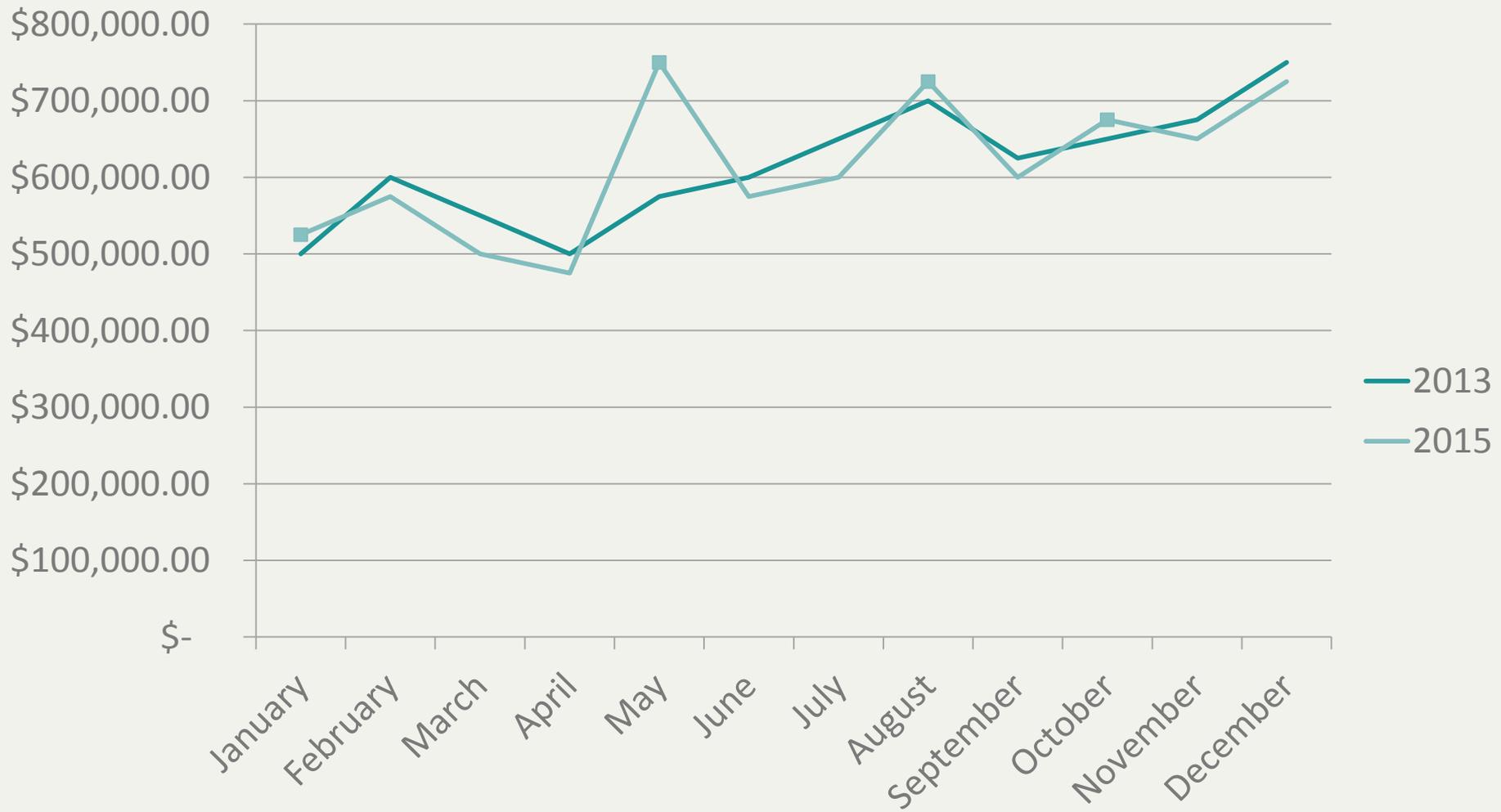
INCREMENTS: GRT

A taxing entity may dedicate **no more than 75%** of its GRT increment.

INCREMENTS: GRT

The increment is measured against a baseline which is estimated by the local government in consultation with TRD for the prior calendar year.

INCREMENTS: GRT



BONDING

BONDING : GRT

District adopts a resolution to authorize the issuance of GRT bonds.

BONDING : GRT

If the bond is going to be issued against the state's GRT, NMFA must review, determine the bonds will be used in accordance with the plan, and present to the legislature.

BONDING : GRT

If the bond is going to be issued against the state's GRT, the issuance and maximum amount shall be specifically authorized by law.

BONDING : GRT

District adopts a resolution to authorize the issuance of GRT bonds.

Statutory **Overview**

TIDD **Challenges**

Summary of current TIDDs

BASELINE CALCULATIONS

While straightforward for a TIDD that is completely undeveloped, it is more complicated for those with existing activity.

BASELINE CALCULATIONS

Anomalies such as **construction spikes** must be accounted for in the determination of the baseline.

TAXPAYER REPORTING

Creates a new location code...taxpayers must report correctly in order for the TIDD to get the benefit of the activity.

Statutory **Overview**

TIDD **Challenges**

Summary of current TIDDs

thanks!

RYAN GLEASON

TAX POLICY & RESEARCH DIRECTOR

taxation and revenue

Downtown TIDD – Las Cruces

Effective Date of TIDD Formation

January 1, 2009

Tax Dedications

- State Gross Receipts Tax – 75%
- City Gross Receipts Tax – 75% of 1.9375% (municipal impositions) & 75% of 1.225% (municipal portion of State rate)
- County Gross Receipts Tax – 75 of .125% (county impositions)

Revenue Distributions

TIDD Distributions – Gross Receipts Tax	
2009	\$15,402.65
2010	\$717,933.45
2011	\$2,318,495.05
2012	\$1,857,357.72
2013	\$2,091,325.42
2014	\$2,191,666.81
2015	\$129,529.83
Total	\$9,321,710.93

Base Year

2006

Bonds Issued

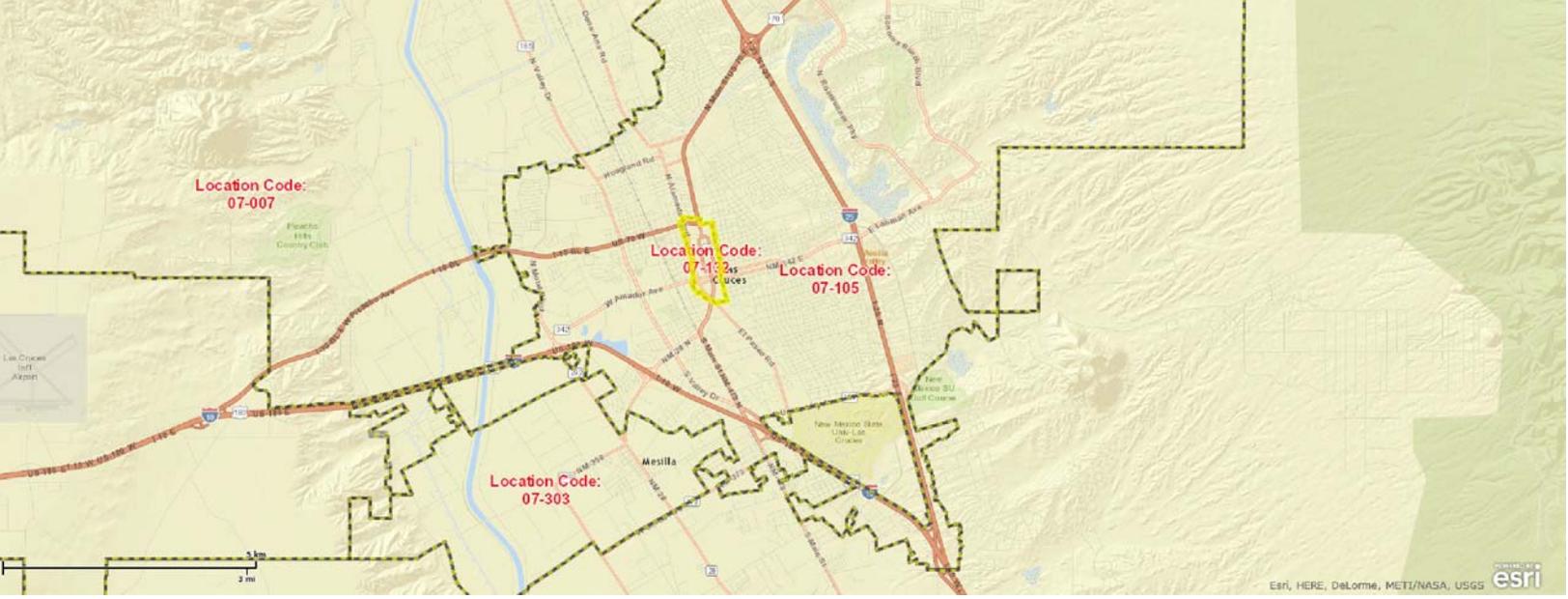
- \$4.7 million short-term bonds (gross receipts tax increment revenue) expected to be purchased by mid-December 2014

Board Member Composition

The district board consists of the members of the city council. The Dona Ana County Board of Commissioners may select a member of the commission to serve as an adjunct representative. The county's adjunct representative shall be appointed to the district board by the mayor with the advice and consent of the city council. The adjunct representative of Dona Ana County shall be a non-voting member of the district board.

Downtown TIDD

Las Cruces



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Mesa del Sol TIDD

Effective Date of TIDD Formation

January 1, 2008

Tax Dedications

- State Gross Receipts Tax – 75%
- City Gross Receipts Tax – 67% of 0.8125% (municipal impositions) & 67% of 1.225% (municipal portion of State rate)
- County Gross Receipts Tax – 100% of .1875% (county impositions)
- Property Tax – 10%

Revenue Distributions

TIDD Distributions – Gross Receipts Tax	
2008	\$3,138,608.55
2009	\$1,020,950.37
2010	\$661,124.06
2011	\$1,226,039.84
2012	\$1,818,931.56
2013	\$412,321.91
2014	\$399,578.14
Total	\$8,677,554.43

Base Year

Not applicable; land was undeveloped at the time the TIDD was formed.

Bonds Issued

- \$800,000 Mesa del Sol Tax Increment Development District No. 1 Taxable Short-term Tax Increment Revenue Bond, Series 2013
 - Issued December 19, 2013
 - Interest Rate of 5%
 - Redeemed December 20, 2013, through the use of previously accumulated gross receipts tax increment revenues.
- \$1,600,000 Mesa del Sol Tax Increment Development District No. 1 Taxable Short-term Tax Increment Revenue Bond, Series 2011A
 - Issued December 9, 2011
 - Interest Rate of 5%
 - Redeemed December 10, 2011, through the use of previously accumulated gross receipts tax increment revenues.
- \$3,600,000 Mesa del Sol Tax Increment Development District No. 1 Taxable Short-term Tax Increment Revenue Bond, Series 2009A
 - Issued October 26, 2009
 - Interest rate of 5%

- Redeemed October 27, 2009, through the use of previously accumulated gross receipts tax increment revenues.

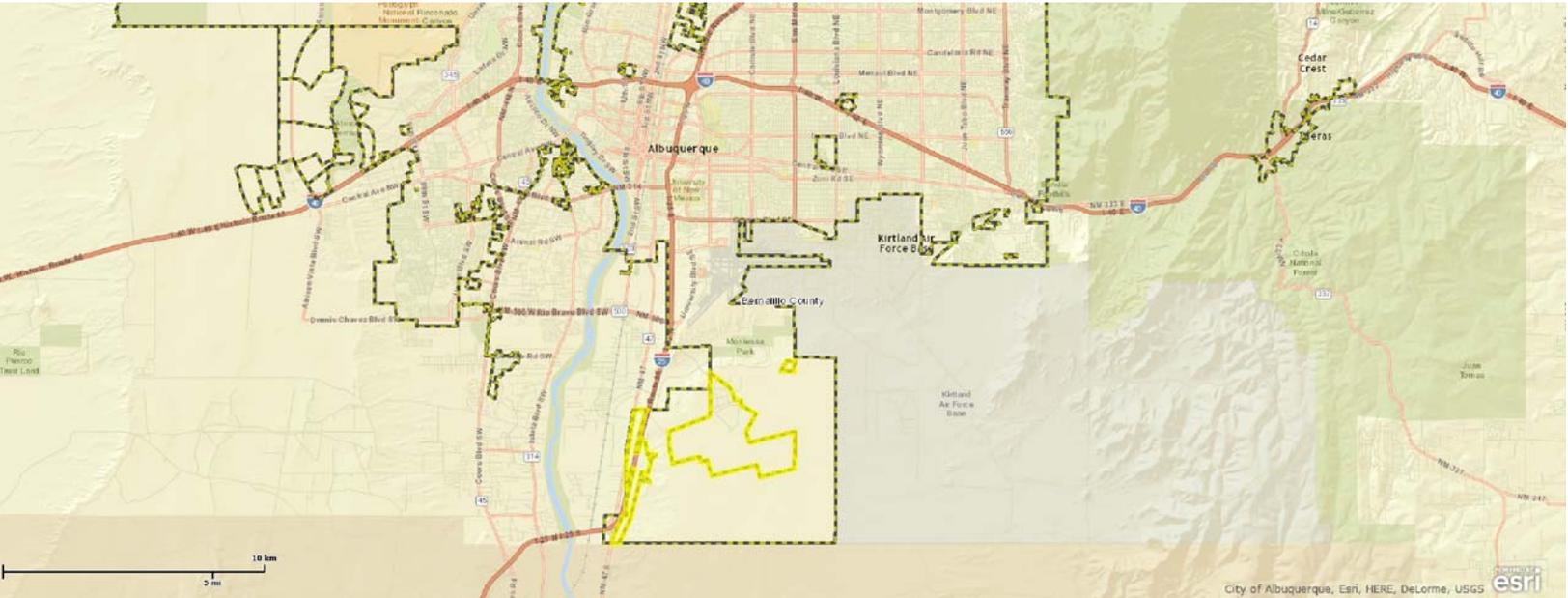
Board Member Composition

The board is appointed by the City Council and is made up of:

- The President and Vice President of the City Council
- The District 3 City Councilor
- The Chief Administrative Officer of the City
- Budget Analyst – City Council Services
- Ex-officio members include a representative of Mesa del Sol

Mesa del Sol TIDD

Albuquerque



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Stonegate TIDD

Effective Date of TIDD Formation

January 1, 2014

Tax Dedications

- State Gross Receipts Tax – 0%
- City Gross Receipts Tax – 75% of 1.625% (municipal impositions) & 75% of 1.225% (municipal portion of State rate)

Revenue Distributions

TIDD Distributions – Gross Receipts Tax	
2014	\$914.72
Total	\$914.72

Base Year

Not applicable; land was undeveloped at the time the TIDD was formed.

Bonds Issued

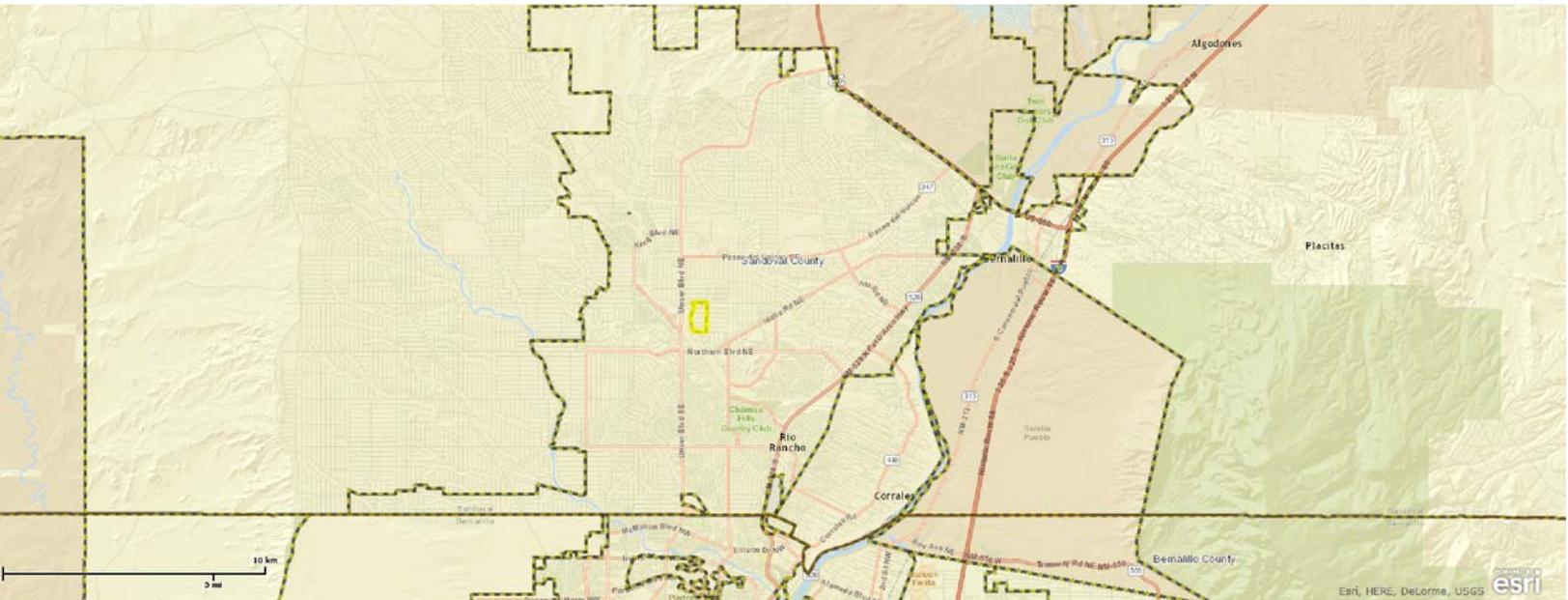
None

Board Member Composition

The board is composed of four members appointed by the governing body, including a representative of the developer, and a delegate from the DFA.

Stonegate TIDD

Rio Rancho



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Upper Petroglyphs TIDD 1-9

Effective Date of TIDD Formation

July 1, 2008

Tax Dedications

- State Gross Receipts Tax – 50%
- City Gross Receipts Tax – 0%
- County Gross Receipts Tax – 0%
- Property Tax – 10%

Revenue Distributions

None

Base Year

Not applicable; land is currently undeveloped.

Bonds Issued

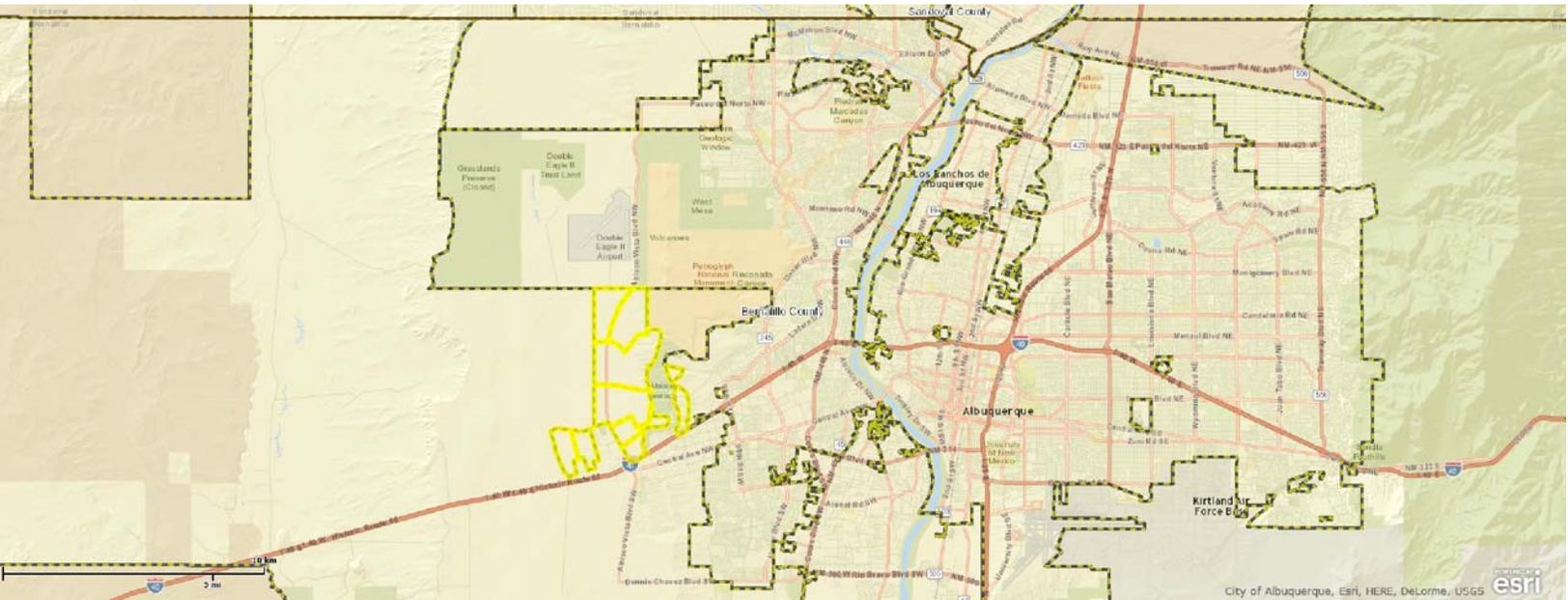
None

Board Member Composition

TRD has not been notified that a board has been established.

Upper Petroglyphs TIDDs

Albuquerque



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City of Albuquerque, Esri, HERE, DeLorme, USGS



Village of Rio Rancho TIDD

Effective Date of TIDD Formation

July 1, 2010

Tax Dedications

- State Gross Receipts Tax – 0%
- City Gross Receipts Tax – 70% of 1.375% (municipal impositions) & 70% of 1.225% (municipal portion of State rate)

Revenue Distributions

TIDD Distributions – Gross Receipts Tax	
2011	\$106,617.32
2012	\$90,673.71
2013	\$6,796.52
2014	\$25.94
Total	\$204,113.49

Base Year

Not applicable; land was undeveloped at the time the TIDD was formed.

Bonds Issued

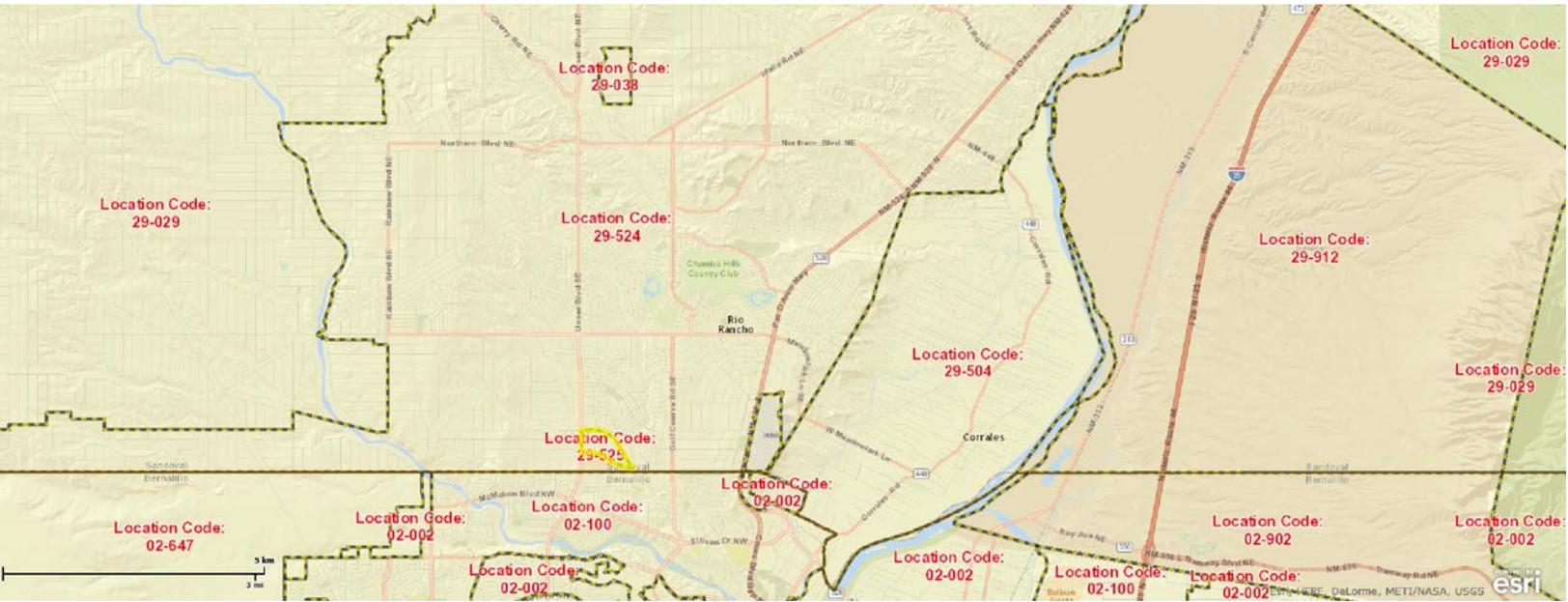
None

Board Member Composition

The board is composed of four members appointed by the governing body, including a representative of the developer, and a delegate from the DFA.

Village of Rio Rancho TIDD

Rio Rancho



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Winrock Town Center TIDD 1

Effective Date of TIDD Formation

July 1, 2009

Tax Dedications:

- State Gross Receipts Tax – 57%
- City Gross Receipts Tax – 70% of .5625% (municipal impositions) & 70% of 1.225% (municipal portion of State rate)
- County Gross Receipts Tax – 67% of .4375% (county impositions)

Revenue Distributions:

TIDD Distributions – Gross Receipts Tax	
2010	\$317.97
2011	\$2,813.16
2012	\$13,688.70
2013	\$5,078,497.40
2014	\$778,398.39
Total	\$5,873,711.62

Base Year

2007

Bonds Issued

None

Board Member Composition

- 4 members appointed by the governing body & Secretary of DFA
- Elected board

Winrock Town Center TIDD 2

Effective Date of TIDD Formation

July 1, 2009

Tax Dedications

- State Gross Receipts Tax – 70%
- City Gross Receipts Tax – 70% of 1.0625% (municipal impositions) & 70% of 1.225% (municipal portion of State rate)
- County Gross Receipts Tax – 67% of .4375% (county impositions)

Revenue Distributions

TIDD Distributions – Gross Receipts Tax	
2014	\$436,146.11
2015	\$11,808.77
Total	\$447,954.88

Base Year

2007

Bonds Issued

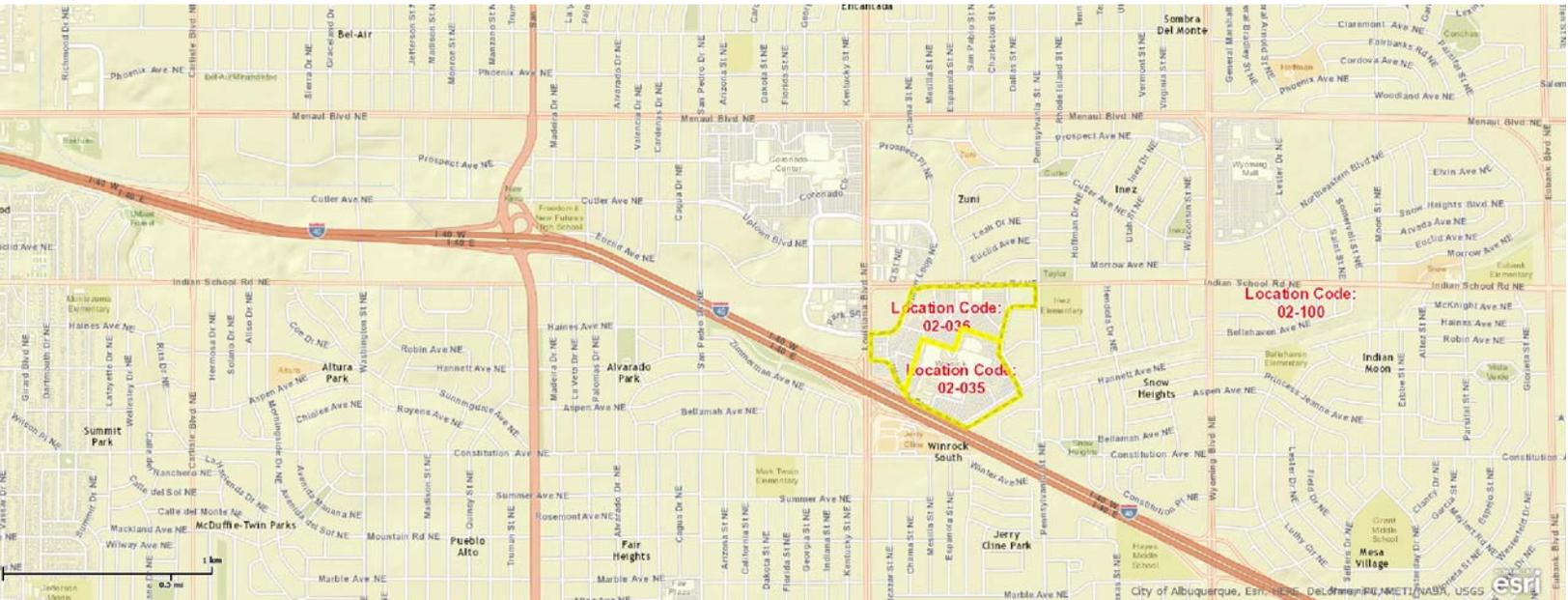
None

Board Member Composition:

- 4 members appointed by the governing body & Secretary of DFA
- Elected board

Winrock Town Center TIDDs

Albuquerque



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