



BUREAU OF BUSINESS
& ECONOMIC RESEARCH



Potential Impacts of Santolina Development

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TABLE OF CONTENTS

Acknowledgments	5
Executive Summary	6
Introduction	7
1. Study Background & Context	8
2. Inputs & Assumptions	9
3. Historical Economic, Population, & Housing Trends	11
4. Discussion: Santolina Growth Targets vs. Historical Experience	17
5. Mesa Del Sol Experience	21
6. New Public Infrastructure and Public Facilities Capital Costs + Related Tax Revenues	26
7. Future Analysis	34
Data & Sources	35
Appendix 1: Garret Development Corp Portfolio	36
Appendix 2: Proposed Santolina Roadways (Full Buildout)	37
Appendix 3: Water Infrastructure Estimated Costs	38
Appendix 4: Santolina Fiscal Impact Study, August 22, 2013 (Taussig & Associates)	39
Appendix 5: Building Permit & Employment	40

Appendix 6: Bernalillo County Property Data	42
Appendix 7: Water Service and Public School Maps	45
Appendix 8: Public Transit Job Density & Serviceability	46
Appendix 9: Alternate GRT TIDD Analysis with 45% County & 75% State Enactment	50
Appendix 10: Santolina Timeline & Important Milestones	53
Appendix 11: Mesa Del Sol Timeline & Important Milestones	55

TABLE OF FIGURES

Figure 1. Santolina Dwelling Unit and Employment Expectations by Threshold	9
Figure 2. Annual Santolina Housing, Population, and Employment Expectations to Full Buildout	10
Figure 3. Cumulative Santolina Housing, Population, and Employment Expectations to Full Buildout	10
Figure 4. Drivers of Housing Growth/Formation	11
Figure 5. Real GDP Growth, 2001-2020	12
Figure 6. Real Household Income, 2011-2020	13
Figure 7. Bernalillo County Population Growth Compared to Relevant Geographies	13
Figure 8. Bernalillo County and New Mexico Population Growth by Age Group, 2010 to 2020	14
Figure 9. Net Migration in Bernalillo County and New Mexico, 2010 to 2020	14
Figure 10. Statewide Population Forecasts, 2020-2040	15
Figure 11. Bernalillo County Population Forecasts, 2020-2040	15
Figure 12. City of Albuquerque Building Permits, 2010-2022	16
Figure 13. Median Sales Price and Home Affordability for the Greater Albuquerque Area	16
Figure 14. Albuquerque MSA Employment and Annual Growth Rates, 1990-2022	18
Figure 15. Recent Albuquerque Building Permits (2010-2022) & 10-Year Forecast (2023-2032)	19
Figure 16. Albuquerque Building Permit Activity by Neighborhood (2016-2021)	20
Figure 17. Mesa del Sol v. Santolina: Comparison of Key Metrics	21

Figure 18. Mesa del Sol v. Santolina: Comparison of Key Metrics	22
Figure 19. Mesa Del Sol Annual Home Sales and Average Sale Prices, 2005 – 2022	23
Figure 20. Mesa Del Sol Annual Employment and Year-over-Year Change, 2005 – 2020	24
Figure 21. Mesa Del Sol Targets v. Actuals (Cumulative and Annualized)	24
Figure 22. Public Facilities to be Constructed to Serve Santolina Development	26
Figure 23. Estimated Costs to Construct Public Facilities Serving Santolina Community	27
Figure 24. Estimated Cost to Construct Santolina Development Roadways	27
Figure 25. Estimated Water Infrastructure Costs for Santolina	28
Figure 26. PPI for Building Materials and Supplies (left) AND Construction Employment Cost Index (right)	29
Figure 27. Gross Receipts Tax Pledged to Santolina TIDD	30
Figure 28. Public Infrastructure & Facilities Capital/Development Investment Costs	31
Figure 29. Construction Costs (One-time) and Associated GRT Revenues: Level A (Full Buildout)	32
Figure 30. Construction Costs (One-time) and Associated GRT Revenues: Level A (20% of Target)	32
Figure 31. Property Tax Mills Pledged to Santolina TIDD	33

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Executive Summary

- The Santolina Developers expect to achieve the annual targets of 761 new housing units, 1,866 additional residents, and 1,500 new jobs per year by full buildout of the Santolina Master Plan;¹
- The City of Albuquerque averaged 1,457 new residential building permits per year in the period from 2010 to 2022 – building permit activity serves as a proxy for housing stock growth;
- If the housing stock in Albuquerque grew by 1% per year, which is in line with the historical average, a realistic expectation is that the city will add an average of 1,540 additional building permits per year over the next decade;
- The Bernalillo County population grew from 662,564 to 672,508 in the period from 2010 to 2022, an increase of almost 10,000; this is equivalent to an increase of 828 inhabitants per year over the same period;
- Bernalillo County is expected to grow in population by 22,544 over the next 20 years, or 1,127 new inhabitants per year;
- Albuquerque Metropolitan Statistical Area (ABQ MSA) Employment grew by 0.9% (3,191 per year) over the last decade, and is expected to grow by 0.6% or 2,396 new jobs per year over the next five years (2023-2028);
- If Santolina were to achieve its stated targets, it would account for 49% of new housing, 165% of population growth, and 62% of employment (based on forward expectations);
- Upon our review of recent demographic and economic data, we think the Santolina targets are likely overstated;
- In this report, BBER offers an alternative scenario for the Santolina Development with more probable targets for housing, population, and employment growth;
- Having evaluated available historical data, BBER offers the following annual targets as more realistic expectations: 154 new housing units per year, 374 additional inhabitants annually, and 240 new jobs per year (over the next 50 years);
- Bernalillo County approved the creation of the Santolina TIDD, which allocates 45% of county revenues reimbursable to the Developer;
- Having completed a pro forma analysis of the capital cost to provide public facilities (schools, community centers, etc.) and services (public safety, transit, water and sewer, etc.) to Santolina, the capital costs to New Mexico governments appear to exceed potential revenues (when taking the TIDD into account); With the data available to BBER, researchers were not able to estimate the ongoing cost to provide public services and to maintain and operate public facilities on an ongoing basis, or the ongoing potential tax revenues/benefits;
- BBER recommends future research focus on the potential cost to operate and maintain public services in Santolina as informed by recent demographic and economic trends;

¹ The cumulative totals for the Santolina development by full buildout are 38,045 (housing units), 93,300 (population), and 75,006 (jobs).

Introduction

BBER has been tasked with completing an independent, third-party assessment of the impacts of the planned Santolina development. Funding facilitated a high-level, preliminary analysis that begins by reviewing the number of anticipated housing units and jobs residing within the boundaries of the new development, as set forth by the developers. Because the Santolina development must meet the “no new net cost” requirement, the developers have specified target employment, population, and housing targets. These targets set forth serve as the key assumptions and inputs used for previous fiscal and economic impact estimates used to substantiate the Santolina Master Planned Community.

Relying on widely accepted economic theory and BBER’s broad knowledge of the local economy and demographic and socioeconomic variables, BBER researchers consider historical population, housing, and economic trends to assess these key assumptions and inputs used to assess the “no new net cost” test. We also incorporate reputable forecasts for the greater Albuquerque area developed by local experts to better assess future impacts.

Our evaluation focuses on the impacts related to development and construction costs for public infrastructure, facilities, and services at full buildout; development and construction are often referred to as capital costs. Secondly, where data is available and obtainable, we provide a review of the information needed to provide a preliminary assessment of the ongoing maintenance and operations of public services and facilities. Finally, we seek to highlight areas that would benefit from additional attention and research.

1. Study Background & Context

The Santolina Master Planned Community was first introduced to the Bernalillo County government in 2013 by a group of developers known as the Santolina Project Development Team. The original developers included Western Albuquerque Land Holdings (WALH), Garrett Development Corporation, Bohannon Huston, SEC Planning, and Consensus Planning. The Level A Master Plan was adopted and the Development Agreement was recorded with the Bernalillo County Clerk's Office in 2015. The County Commission also approved the Santolina Tax Increment Development Districts (TIDD), 1 through 20, in 2016, allowing for the developers to be reimbursed using up to 45% of tax revenues generated in the TIDD districts to recover development costs. In the same year, Santolina Public Infrastructure Districts (PID), 1 through 40, were created and approved by Bernalillo. Notably, June 2023 marked the 8-year anniversary of the Master Plan's approval and implementation, which is expected to take 40-50 years to complete with full buildout expected by 2055-2065.

The Santolina development is part of the original Atrisco Land Grant deeded to Spanish settlers by the Spanish crown in 1692. Hispano and mestizo families have inhabited this land continuously for over 400 years. These lands were inhabited and interacted with by the Tiwa people for thousands of years prior to Spanish colonization. In 1892 the land grant families received approval of their petition to create the Town of Atrisco and a patent was issued for the town totaling 83,000 acres in 1905, all prior to New Mexico statehood. The conversion of lands held in common to private ownership for large-scale residential development dates back to at least 1952 when the Atrisco Board of Trustees sold 4,500 acres that would be used to build houses in the modern-day Ladera area; a lawsuit challenging the legality of the sale ensued. In 1959, another 4,000 acres were segregated, parceled, and sold to Hoffman Homes for what would become Westgate Heights, an incorporated area within the Albuquerque City limits. Less than 10 years later, in 1967, the Westland Development Corporation was formed. Organized and created by a group of Atrisco heirs and upheld by vote, this act converted the land grant into a private company for the purpose of managing approximately 55,000 acres. Forty (40) years later, in 2006, Westland Development Corp was merged with SunCal, and three years after the merger, Westland/Suncal went bankrupt with the land and all other assets of the new entity foreclosed upon by creditors.

2. Inputs & Assumptions

The viability of the proposed Santolina Development relies on specific assumptions and inputs in order to achieve the “no new net cost” requirement. These inputs are that the Santolina Development will attain specific housing, population, and employment targets. The specific targets are **38,045 new residential housing units, 93,300 in new population, and 75,000 in new employment**; these levels will be achieved over the next 40-50 years when full buildout is achieved in 2055-2065. The basis for these targets is an older version of the Middle Rio Grande Council of Governments 2040 Master Transportation Plan (MTP), which assumed a jobs per household ratio of 2.0 once the development was fully completed.²

Figure 1. Santolina Dwelling Unit and Employment Expectations by Threshold

Dwelling Units Thresholds	Jobs
2,000	300
2,500	700
3,000	2,000
3,500	3,500
4,000	4,500
4,001 to 12,540	1.25 Jobs per Dwelling Unit
12,541 to 25,080	1.30 Jobs per Dwelling Unit
25,081 to 34,000	1.59 Jobs per Dwelling Unit
34,001 to Full Buildout	2.0 Jobs per Dwelling Unit at Full Buildout

(Source: Level A Development Agreement, pp. 4; Level B.I Plan, p. 5; and based upon MRCOG 2040 MTP)

In order to assess the feasibility of these outcomes, BBER allocated these housing, population, and employment targets evenly across the buildout period. The following figures show the annual and cumulative numbers. Using the Santolina targeted metrics at full buildout would result in 761 additional housing units per year, additional annual increases in population of 1,866, and incremental increases in new employment of 1,500 per year. These annual numbers assume that these numbers were realized beginning in Year 1. Given that Santolina has yet to reach these annual targets in the eight years since receiving approval and development began, the annual targets will need to be higher than what we estimated for our analysis in order to accomplish

²Level A Development Agreement, p. 4, 26, 96, 98; Level B.I Plan, p. 5 Taussig estimates new re-occurring employment of 115,906.

the cumulative/averages set forth by the developers: 38,045/761 (housing units), 93,300/1,866 (population), 75,000/1,500 (employment) by full buildout.³

Figure 2. Annual Santolina Housing, Population, and Employment Expectations to Full Buildout

Level A - 50 Year Horizon

ANNUAL Adds to Housing, Population, Employment

Year	CY:	Phase:	Alloc:	Housing Units	Popn	Jobs	Year	CY:	Phase:	Alloc:	Housing Units	Popn	Jobs
1	2016	1.0	2.0%	761	1,866	1,500	26	2041	3.0	2.0%	761	1,866	1,500
2	2017	1.0	2.0%	761	1,866	1,500	27	2042	3.0	2.0%	761	1,866	1,500
3	2018	1.0	2.0%	761	1,866	1,500	28	2043	3.0	2.0%	761	1,866	1,500
4	2019	1.0	2.0%	761	1,866	1,500	29	2044	3.0	2.0%	761	1,866	1,500
5	2020	1.0	2.0%	761	1,866	1,500	30	2045	3.0	2.0%	761	1,866	1,500
6	2021	1.0	2.0%	761	1,866	1,500	31	2046	4.0	2.0%	761	1,866	1,500
7	2022	1.0	2.0%	761	1,866	1,500	32	2047	4.0	2.0%	761	1,866	1,500
8	2023	1.0	2.0%	761	1,866	1,500	33	2048	4.0	2.0%	761	1,866	1,500
9	2024	1.0	2.0%	761	1,866	1,500	34	2049	4.0	2.0%	761	1,866	1,500
10	2025	1.0	2.0%	761	1,866	1,500	35	2050	4.0	2.0%	761	1,866	1,500
11	2026	2.0	2.0%	761	1,866	1,500	36	2051	4.0	2.0%	761	1,866	1,500
12	2027	2.0	2.0%	761	1,866	1,500	37	2052	4.0	2.0%	761	1,866	1,500
13	2028	2.0	2.0%	761	1,866	1,500	38	2053	4.0	2.0%	761	1,866	1,500
14	2029	2.0	2.0%	761	1,866	1,500	39	2054	4.0	2.0%	761	1,866	1,500
15	2030	2.0	2.0%	761	1,866	1,500	40	2055	4.0	2.0%	761	1,866	1,500
16	2031	2.0	2.0%	761	1,866	1,500	41	2056	5.0	2.0%	761	1,866	1,500
17	2032	2.0	2.0%	761	1,866	1,500	42	2057	5.0	2.0%	761	1,866	1,500
18	2033	2.0	2.0%	761	1,866	1,500	43	2058	5.0	2.0%	761	1,866	1,500
19	2034	2.0	2.0%	761	1,866	1,500	44	2059	5.0	2.0%	761	1,866	1,500
20	2035	2.0	2.0%	761	1,866	1,500	45	2060	5.0	2.0%	761	1,866	1,500
21	2036	3.0	2.0%	761	1,866	1,500	46	2061	5.0	2.0%	761	1,866	1,500
22	2037	3.0	2.0%	761	1,866	1,500	47	2062	5.0	2.0%	761	1,866	1,500
23	2038	3.0	2.0%	761	1,866	1,500	48	2063	5.0	2.0%	761	1,866	1,500
24	2039	3.0	2.0%	761	1,866	1,500	49	2064	5.0	2.0%	761	1,866	1,500
25	2040	3.0	2.0%	761	1,866	1,500	50	2065	5.0	2.0%	761	1,866	1,500

Figure 3. Cumulative Santolina Housing, Population, and Employment Expectations to Full Buildout

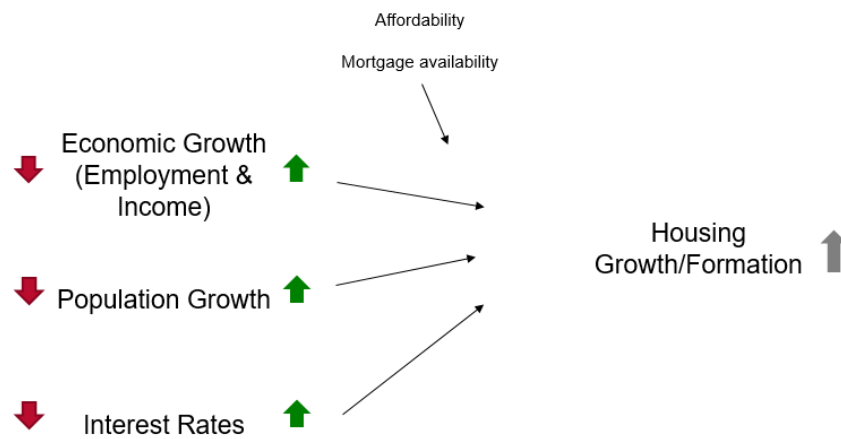
Phase	Period	Cum. Years	Per Phase Totals			Cumulative Totals		
			Housing Units	Population	Jobs	Housing Units	Population	Jobs
1	2016-2025	10	7,609	18,660	15,001	7,609	18,660	15,001
2	2026-2035	20	7,609	18,660	15,001	15,218	37,320	30,002
3	2036-2045	30	7,609	18,660	15,001	22,827	55,980	45,004
4	2046-2055	40	7,609	18,660	15,001	30,436	74,640	60,005
5	2056-2065	50	7,609	18,660	15,001	38,045	93,300	75,006

³ For example, if there were only 40 years remaining in the development period, then the annual targets might be: 38,045/40 = 951 (housing); 93,300/40 (population) = 2,332; 75,000/40 = 1,875 (employment).

3. Historical Economic, Population, & Housing Trends

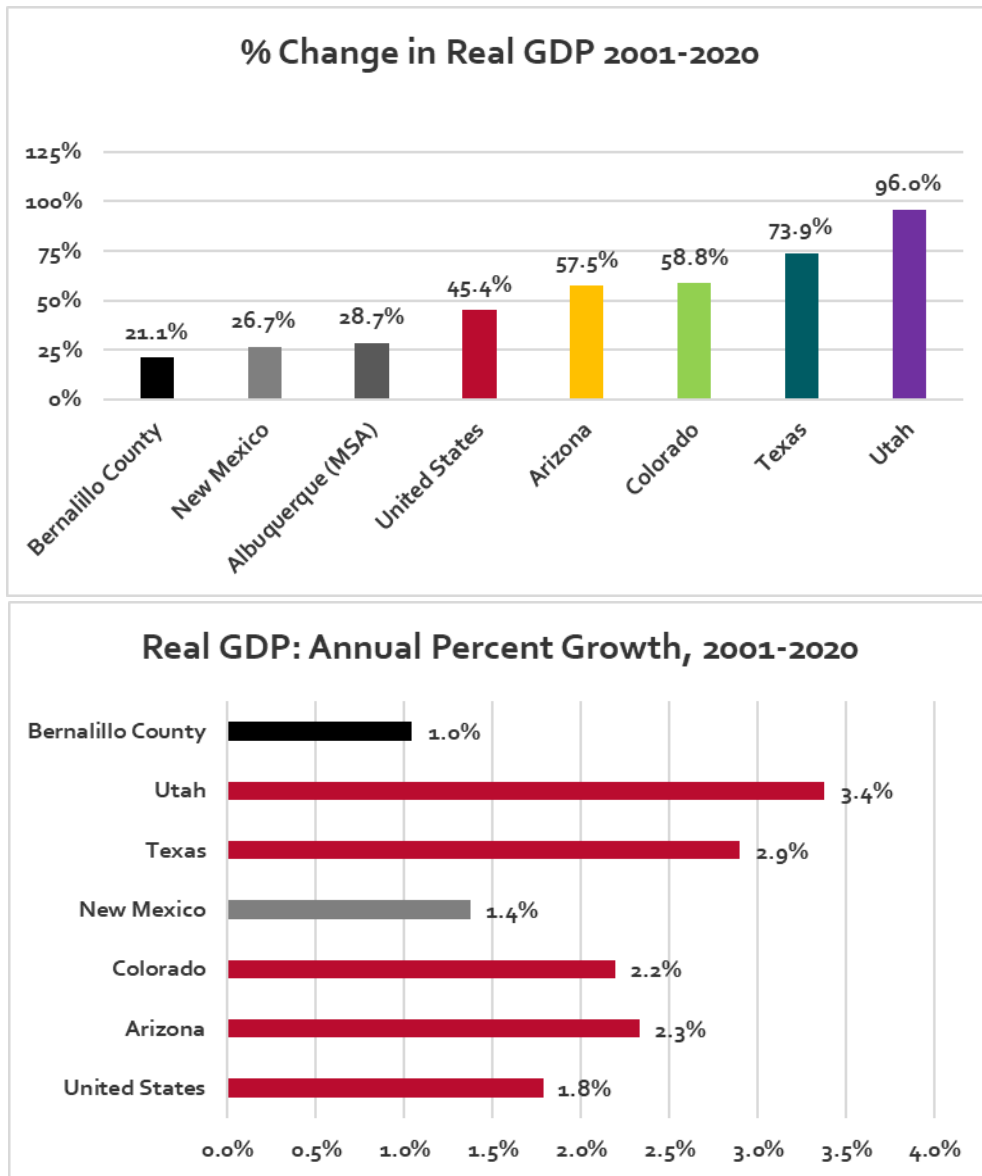
Economic theory predicts that an endogenous or exogenous expansion in demand for goods and services in a regional economy causes goods producers and business service providers to demand additional labor as a key input to meet the increase in demand for their firms’ goods and services. In turn, an expanding job market (and increasing total income) results in greater demand for housing, causing an expansion in housing formation. A more robust version of the residential real estate supply-demand model incorporates additional variables, including interest rates, population, mortgage availability, and affordability. Importantly, this relationship cannot be flipped or reversed. That is, an independent, developer-driven expansion of the supply of housing does not create permanent demand/employment. Our analysis begins by reviewing current and historical demographic and economic data. This enables us to evaluate the economic and fiscal estimates set forth by the Santolina developers.

Figure 4. Drivers of Housing Growth/Formation



Real Gross Domestic Product (GDP) is the broadest and one of the most widely accepted measures of economic activity. Researchers reviewed these data for Bernalillo County, New Mexico, and neighboring states. New Mexico has grown at a slower rate than the national average over the last two decades (2001-2020) by a large margin. Relative to neighboring states, NM has lagged by an even larger margin and the Bernalillo County annual average (1.0%) has trailed the statewide (1.4%) GDP growth rate.

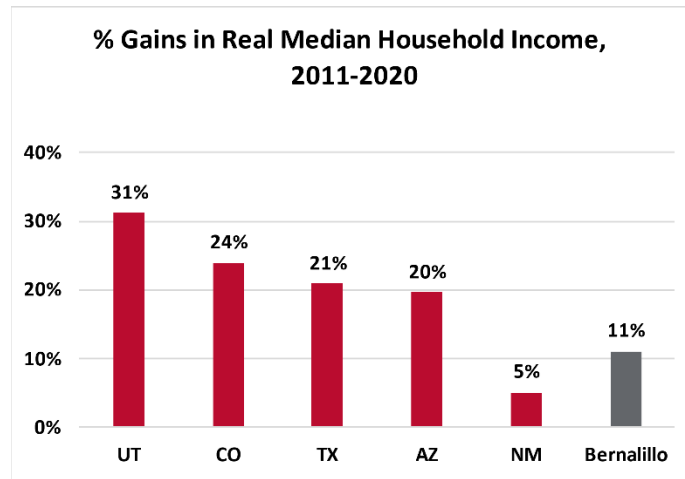
Figure 5. Real GDP Growth, 2001-2020



(Source: 2010, 2020 U.S. Bureau of Economic Analysis)

BBER also considered household-level trends. These data illustrate that the median household income in Bernalillo County grew by 1.1% per year, half the annual rate of its closest peer, Arizona, which grew at an annual rate of 2.0% from 2011-2020.

Figure 6. Real Household Income, 2011-2020

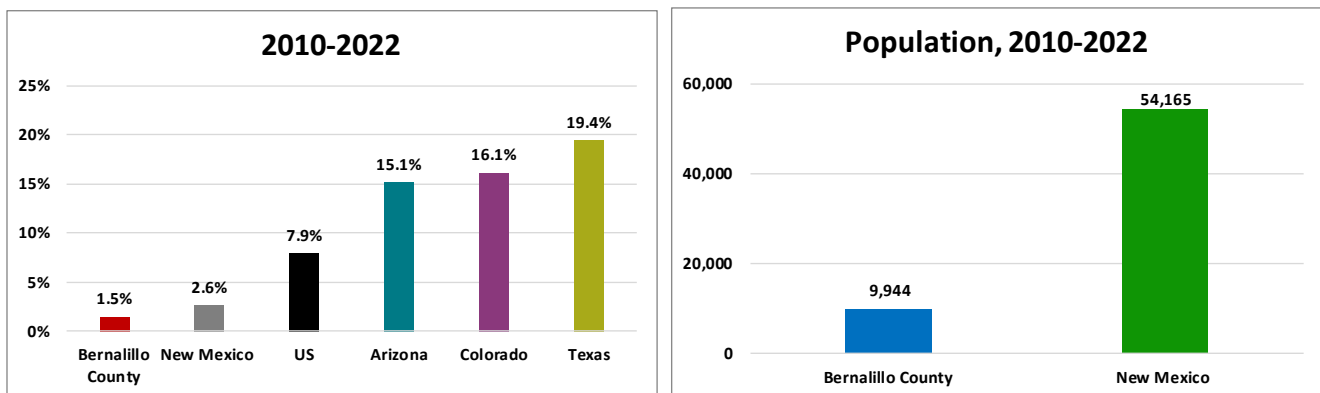


Geography	2011	2020	Diff	Pct.% Chg.	An. Rt.
UT	66,995	87,915	20,920	31%	3.1%
CO	70,781	87,689	16,908	24%	2.4%
TX	59,213	71,599	12,386	21%	2.1%
AZ	58,698	70,220	11,522	20%	2.0%
NM	50,683	53,283	2,600	5%	0.5%
Bernalillo	51,008	56,632	5,624	11%	1.1%

(Source: U.S. Census; Federal Reserve Economic Data)

Using decennial US Census data Bernalillo County's population increased by 9,944 to 672,508 in the period from 2010 to 2022, a cumulative increase of 1.5%, or 828 inhabitants per year. The New Mexico population grew by 58,343 to 2,113,344 in the same time period, or 2.6% cumulatively. Bernalillo County's growth rate lagged the state and national averages; the county also lagged growth rates for neighboring states by a large margin.

Figure 7. Bernalillo County Population Growth Compared to Relevant Geographies

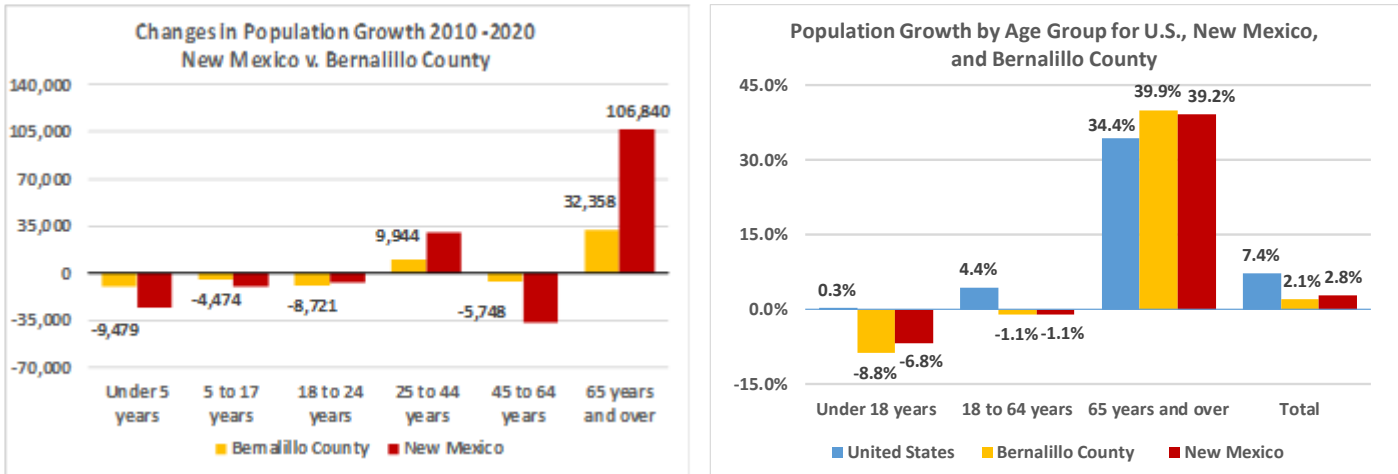


(Source: U.S. Census, American Community Survey, 5-Year estimates)

Disaggregating the decennial census data by age group provides insights into sectors of the population experiencing growth and those that are contracting. Importantly, retirement-age individuals, 65 years and

older, contributed 75% of the population growth in Bernalillo, growing by 32,358 or 39.9%. The working age population, ages 18 to 64 years, declined by 1.1%. The decrease of 6.8% in the population Under 18 years suggests that the future labor force in the county contracted in the last decade.

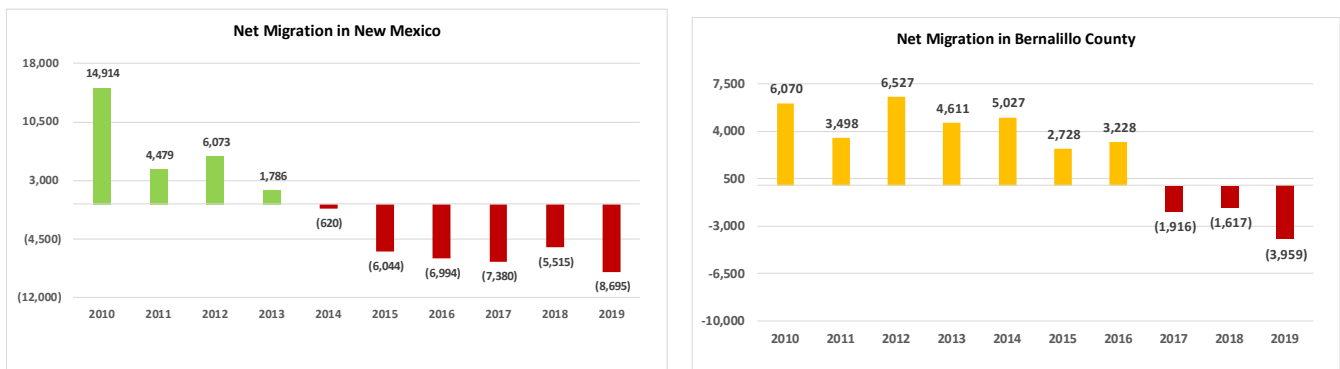
Figure 8. Bernalillo County and New Mexico Population Growth by Age Group, 2010 to 2020



(Source: 2010, 2020 U.S. Decennial Census)

By reviewing Census components, we decomposed which factors are causing the population to expand/contract. Specifically, Bernalillo County experienced migration outflows for three of the last 10 years for which data was available when this analysis was completed. Similarly, New Mexico experienced negative net migration in the last six years.

Figure 9. Net Migration in Bernalillo County and New Mexico, 2010 to 2020



(Source: 2010, 2020 U.S. Decennial Census)

BBER researchers also considered statewide population forecasts as well as Bernalillo County forecasts. According to the UNM Geospatial and Population Studies (GPS) model, New Mexico's growth is expected to be weak in the next two decades, from 2020 to 2040. GPS forecasts that the statewide population will increase by 25,774, or by 1%. Disaggregating by age group shows that the retirement-age population will experience the largest increase (+81,608); however, the working-age population will decline by 21,080 (-2%) and the school-

age population will decrease by -38,120 or -10%. Needless to say, an extended contraction in the working-age population is not supportive of robust future employment growth.

Figure 10. Statewide Population Forecasts, 2020-2040

<u>Age Group</u>	<u>2020</u>	<u>2040</u>	<u>Diff</u>	<u>% Change</u>
0 - 14	372,945	334,825	(38,120)	-10%
15 - 49	953,502	932,422	(21,080)	-2%
50 - 64	392,483	395,849	3,366	1%
65+	388,051	469,659	81,608	21%
Total	2,106,981	2,132,755	25,774	1%

(Source: UNM Geospatial and Population Studies)

Bernalillo County population forecasts are only slightly better than expectations for the state. The Middle Rio Grande Council of Governments (MRCOG) completes population forecasts for Bernalillo County. MRCOG expects the county population to expand by 22,544, or 3.3% over the next 20 years. This is equivalent to 1,127 new inhabitants per year. UNM GPS demographers are less optimistic, expecting Bernalillo to grow by 13,094 between 2020 and 2040, or 655 people per year over the next two decades. BBER researchers also delved into available data to better understand housing formation trends.

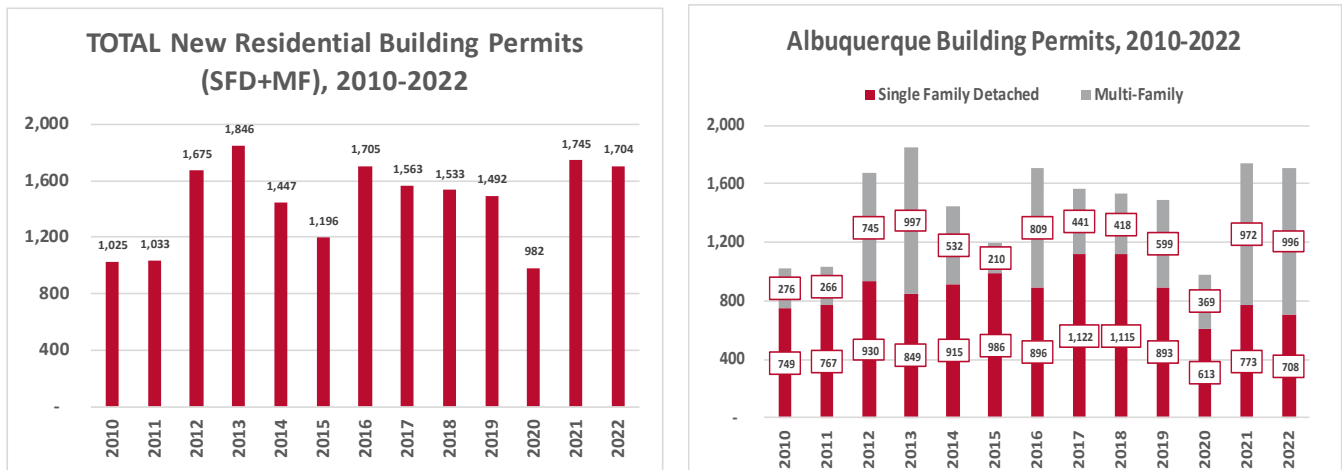
Figure 11. Bernalillo County Population Forecasts, 2020-2040

<u>Age Group</u>	<u>2020</u>	<u>2040</u>	<u>Diff</u>	<u>% Change</u>
0 - 14	116,819	102,103	(14,716)	-13%
15 - 49	315,851	316,014	163	0.1%
50 - 64	126,207	133,481	7,274	6%
65+	117,560	147,383	29,823	25%
Total	676,438	698,982	22,544	3%

(Source: Middle Rio Grande Council of Governments)

The City of Albuquerque approved an average of 1,457 residential building permits – as measured by the number of units – per year from 2010 to 2022. These figures include both multi-family and single-family permits. This matters for estimating future housing stock growth, which we discuss in the following sections. Importantly, because these numbers include “reissues,” the numbers are likely overstated. Although the City does not provide guidance on double counts or duplicate permits in connection with reissued permits, BBER researchers analyzed a sample of building permit data dating back to 2016 and found that roughly 38% of approved permits were reissues.

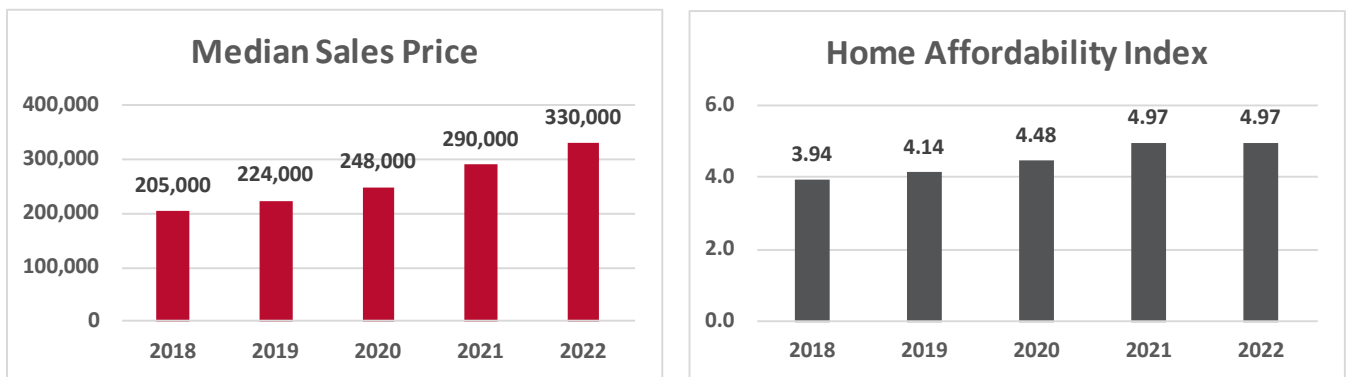
Figure 12. City of Albuquerque Building Permits, 2010-2022



(Source: City of Albuquerque Building Permits)

According to the Greater Albuquerque Association of Realtor data (GAAR), home values have risen rapidly with the median price for a single-family detached house increasing from \$205,000 in 2018 to \$330,000 by year-end 2022, an increase of more than 60% over the last five years. The disconnect between strong housing values and weak economic growth, as measured by household income and Real GDP, is probably best illustrated by the deteriorating affordability of homes in the Albuquerque Area. The Home Affordability Index divides the median home value by the median annual household income to measure. By way of example, if the median home value is \$300,000 and the median household income index for a given city is \$100,000, then the Home Affordability index for this city would be 3.0. Albuquerque homes have become less affordable in recent years, where this important index rose to 4.97 in 2022 (from 3.94 in 2018). Affordability for homes statewide is 3.4 (NM) and 3.5 nationally (2022). The higher the affordability index, the larger the percentage (local) households must spend on monthly/annual mortgage expenses. Economic theory predicts that a prolonged elevation in the affordability index will dampen (local) demand as households will likely choose to rent or seek other alternatives to purchasing a new home.

Figure 13. Median Sales Price and Home Affordability for the Greater Albuquerque Area



(Source: Greater Albuquerque Association of Realtors; U.S. Census)

4. Discussion: Santolina Growth Targets vs. Historical Experience

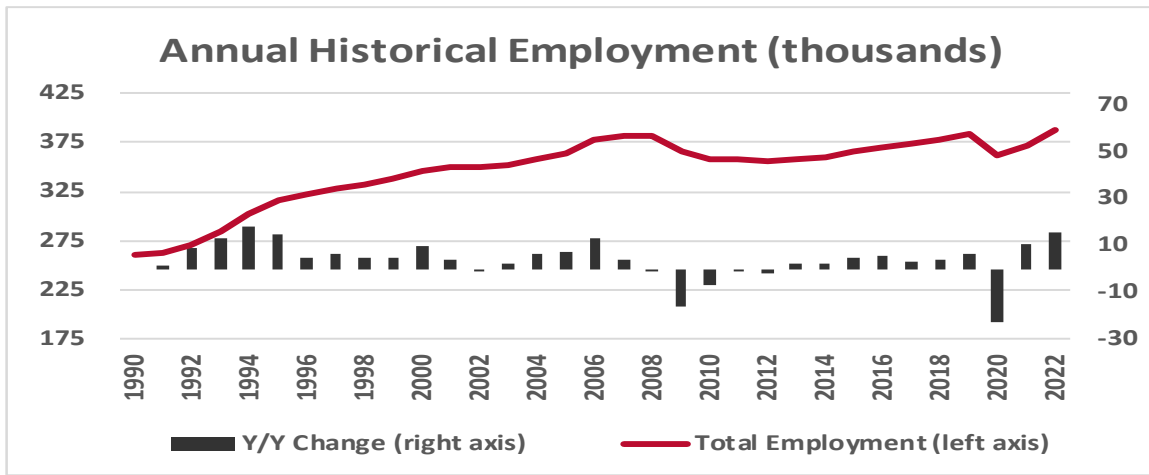
In this section, BBER applies the data and the analysis of the previous sections of this report to test the targets detailed in the Master Plan, while seeking to develop more realistic targets based on the experience of recent data trends. First, BBER analyzed employment growth since 1990, a 30+ year period, for the Albuquerque Metropolitan Statistical Area (ABQ MSA). Over several business cycles, these data show that employment has grown 1.3% annually, adding an average of nearly 4,000 jobs per year.⁴ The Santolina Developers estimate that the new development will create 1,500 permanent jobs per year. If the Albuquerque Area were to grow by 4,000 jobs per year over the next several decades, Santolina employment would account for more than one out of three new jobs in the Albuquerque MSA. Based on experience, we do not consider this assumption to be highly probable. Specifically, employment growth in the last five to 10 years has been under 1.0% per year or an average of 2,629 to 3,191 new jobs annually. In this scenario, if Santolina succeeded in adding 1,500 new jobs per year, it would contribute at least half of the new jobs in the Albuquerque Area.

When we consult the FORUNM baseline economic forecast, the expectations are even more conservative. **BBER economists expect the ABQ MSA economy to add 2,396 new jobs per year** over the next five years; if this number proves accurate, and the Santolina Developer target of 1,500 new jobs per year holds, then the Santolina development would account for nearly two out of three (63%) new jobs.

If the BBER baseline forecast proves correct, and the Santolina job creation expectation is too optimistic, then it might be prudent to adjust the Santolina target to a more reasonable level. By way of example, if the Santolina Development was responsible for contributing 10% of new employment, and using the BBER forecast of 2,396, then Santolina would contribute **240 new jobs per year**. This number will become applicable in the latter part of this report.

⁴ The Albuquerque MSA includes the Bernalillo, Sandoval, Valencia, and Torrance counties. We also considered the forecast for New Mexico generated by BBER economists responsible for the statewide model; these forecasts show that ABQ MSA will grow by less than 1% or 2,396 jobs per year over the next five years.

Figure 14. Albuquerque Metropolitan Statistical Area (MSA) Employment and Annual Growth Rates, 1990-2022

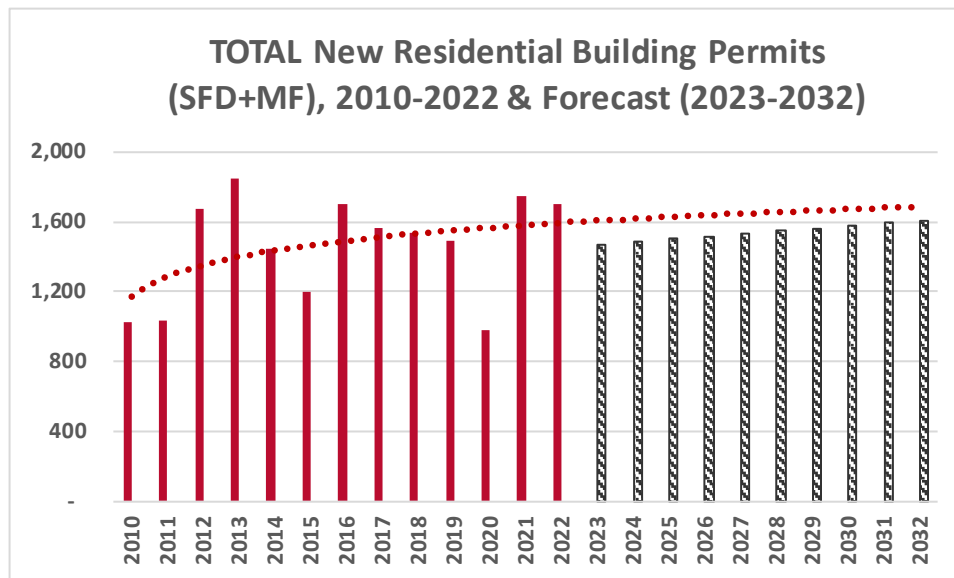


<i>Annual Average Increase in Employment</i>	<u>Incr.</u>	<u>%Pct. Chg.</u>
31-Year (1990-2022)	3,938	1.3%
20-Year (2003-2022)	1,887	0.5%
10-Year (2013-2022)	3,191	0.9%
5 Year (2018-2022)	2,629	0.8%
Forecasted (2023-2028)	2,396	0.6%

(Source: UNM BBER FORUNM Forecasts)

Next, Researchers evaluated the developers' housing targets, as guided by recent housing data. Using a simple Ordinary Least Squares (OLS) regression model to estimate future housing growth 10 years forward alongside 13 years of building permit data from the City of Albuquerque, we project that if new housing grew by 1% annually, an average of 1,540 new housing units per year would be added from 2023 to 2032. If we accept the Developers' expectation that Santolina will add 761 new housing units per year over the next 50 years, then this development would account for half (49%) of all new housing in the City of Albuquerque. These simple comparisons prompted the question, "What is a reasonable expectation for new housing growth and the likely contribution of the Santolina Development?" Drilling deeper into the building permit data, we reviewed the geographic location of all single-family and multi-family activity.

Figure 15. Recent Albuquerque Building Permits (2010-2022) & 10-Year Forecast (2023-2032)



(Source: City of Albuquerque Building Permit, Planning & Zoning Department)

Using the Greater Albuquerque Association of Realtors (GAAR) map for neighborhood boundaries, it is worth noticing that these broader communities are large and complex and span multiple smaller neighborhoods. For example, the Northwest Heights and Ladera Heights neighborhoods encompass 40-50 smaller neighborhoods and subdivisions, each being actively developed by multiple developers. BBER analyzed five years of Albuquerque building permit data to assess housing growth by neighborhood and found that the most active broader neighborhoods accounted for no more than 10-15% of new housing in the last five years. Bearing this in mind, in our assessment a single developer accounting for 10% of new housing is an ambitious assumption. Therefore, if Santolina Developers achieved 10% of new housing units over the next period, based on the BBER forecast of 1,540 total new units per year, Santolina’s activity would contribute 150 units per year. It is also worth noting that Mesa del Sol, a similar development to Santolina, has accounted for less than 2% of Albuquerque building permits issued since ground was broken on the first residential unit constructed in this development, or the period spanning from 2012 to 2022.⁵

Another important insight comes from the demand part of the equation. That is, households/consumers desire homes in certain parts of town more than others. The Northeast part of Albuquerque (Academy, Albuquerque Acres, Foothills) has been experiencing significant growth over the last 20-30 years given that, ostensibly, many people prefer to live in this part of town because of the high performing schools, retail and shopping abundance, and beautiful vistas. By way of example, if homebuilders in the South Valley were to increase supply by a factor of 200-300%, there might not be sufficient demand to purchase all these new homes.

⁵ The total number of single-family and multi-family units permitted between 2012 and 2022 totaled 16,888; MDS permits totaled 283 or 1.7%—source: City of Albuquerque Building Permits.

Figure 16. Albuquerque Building Permit Activity by Neighborhood (2016-2021)

Neighborhood	New Units	Percent-%
1 North Valley	692	6.4%
2 Sandia Heights/Foothills North	102	0.9%
3 Academy/Far NE	1,072	9.9%
3a Albuquerque Acres	968	8.9%
4 Uptown/NE Heights	375	3.5%
5 Foothills South/Juan Tabo/Four Hills	474	4.4%
6 UNM/Downtown	1,226	11.3%
7 Fairgrounds/SE	245	2.3%
8 Paradise Hills East & West	1,163	10.7%
9 NW Heights	1,454	13.4%
10 Ladera	1,695	15.6%
11 SW Heights/Westgate	765	7.1%
12 South Valley (Near SV, Valley Farms, Pajarito)	449	4.1%
13 Mesa del Sol	163	1.5%
Total	10,843	10,844
Average	775	7.1%

(Source: City of Albuquerque Building Permit, Planning & Zoning Department)

BBER also evaluated population forecasts alongside developer expectations. Using the Middle Rio Grande Council of Governments (MRCOG) population forecasts, Bernalillo County will add 22,544 inhabitants over the next 20 years, the county population could expect to expand by an average of 1,127 inhabitants per year. According to developers, Santolina will increase the local population by 93,300 new inhabitants, or 1,866 per year. When considering the recent experience and the current outlook from UNM demographers, we think the Santolina growth expectations are not likely. For estimating a more realistic population estimate, we return to the 154 new housing units per year expectation and apply the US Census median household size estimate of 2.4 to derive **374 new inhabitants per year**.⁶ We think this number is better supported by recent data and the guidance of expert demographers specializing in forecasting New Mexico population trends.

⁶ US Census, ACS 5-Year estimates.

<https://www.census.gov/quickfacts/fact/table/bernalillocountynewmexico,US/HSD310221>

5. Mesa Del Sol Experience

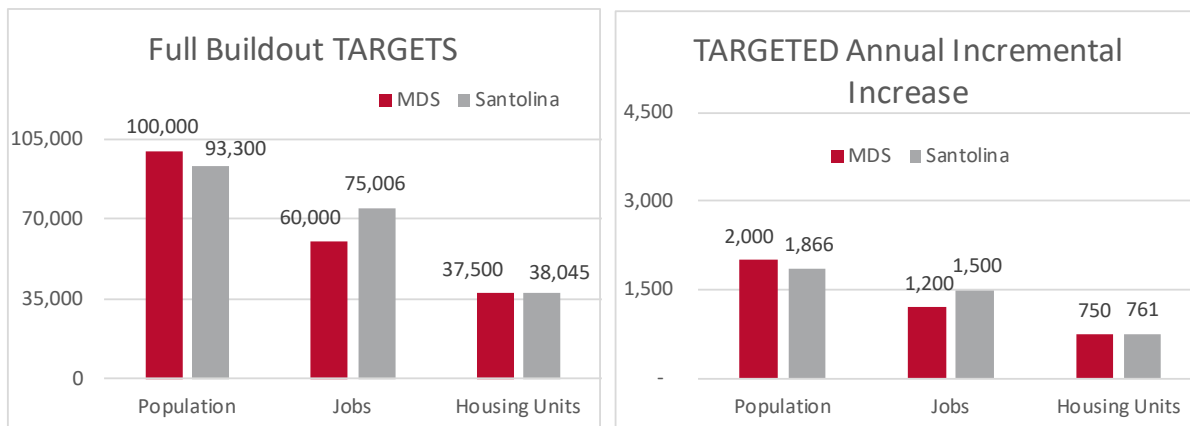
Mesa Del Sol (MDS) is the other major Master Planned Community in the Albuquerque Area. We found it to be worthwhile to consider Santolina and MDS alongside each other as both developments are designated for mixed commercial/residential use and received local government approval within a decade of each other. Further, at a high level, Santolina and MDS have similar public service and public infrastructure needs and requirements. Both developments have received approval for special Tax Increment Development Districts (TIDDs) and Public Infrastructure Development Districts (PIDs) to use tax revenues to reimburse developers for infrastructure public-use investment.

Another important similarity between the two Master Planned Communities is their development targets. The MDS developers intend to utilize 12,993 acres of land and build 37,500 housing units that will provide homes for 100,000 people. Santolina will span 13,700 acres and construct 38,045 new housing units for 93,300 new residents. Santolina expects to create 75,000 new jobs (direct). The equivalent expectation for MDS is 60,000 in new employment. These key metrics are summarized in Figures 17 and 18 below. MDS developers are a decade ahead in the execution of their master plan, receiving approval in 2005, and having broken ground on residential construction seven years later in 2012; that is, MDS has been under development for 18 years, since receiving City approval. Santolina was approved in 2015 and has been under development for eight years. The following section provides a brief review of available relevant data.

Figure 17. Mesa del Sol v. Santolina: Comparison of Key Metrics

Full Buildout			Annual Averages		
<u>Metrics</u>	<u>MDS</u>	<u>Santolina</u>	<u>Metrics</u>	<u>MDS</u>	<u>Santolina</u>
Acres	12,993	13,700	Acres	-	-
Population	100,000	93,300	Population	2,000	1,866
Jobs	60,000	75,006	Jobs	1,200	1,500
Housing Units	37,500	38,045	Housing Units	750	761
Inception	2005	2015			
Active Years	18	8			

Figure 18. Mesa del Sol v. Santolina: Comparison of Key Metrics



(Source: Santolina Master Plan; Mesa del Sol Master Plan)

A reliable source on residential real estate transactions dating back several decades, the Greater Albuquerque Association of Realtors (GAAR) publishes monthly, quarterly, and annual data covering various valuable statistics. According to the GAAR data, by year-end 2022, there were 283 homes sold in the MDS development since the first house was constructed in 2012. The annual average number of homes sold per year since 2012 is 26 (2012-2022). The annual average since the approval of the Master Planned Community is 16 (2005-2022).⁷ Researchers validated the GAAR figures alongside U.S. Census data to confirm these numbers make sense.⁸

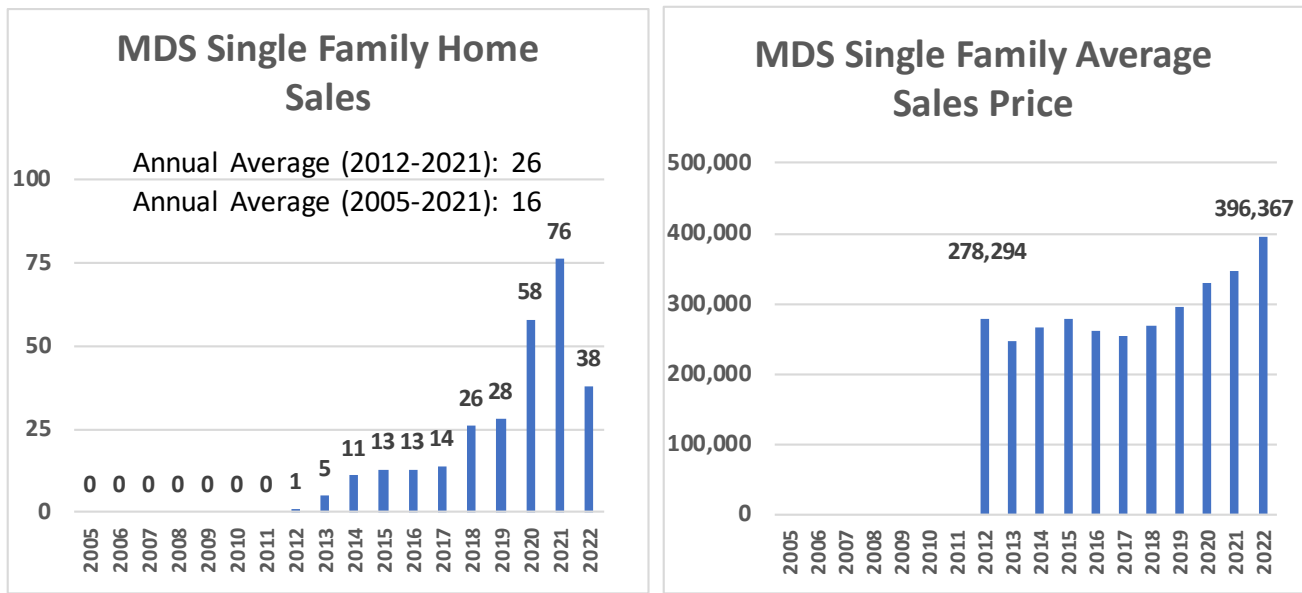
⁷ Preliminary GAAR data shows 43 sales in 1H2023. According to local business news, there’s a new multi-family complex that will have 312 units with an estimated completion in 2023.

(<https://www.bizjournals.com/albuquerque/news/2022/11/28/mesa-del-sol-residential-development-2023.html>)

⁸ According to the 2020 decennial U.S. Census, there were 233 housing units; the American Community Survey 5-Year estimate for Mesa del Sol was 206 and a margin of error of +/-72.

(<https://data.census.gov/table?t=Housing+Units&g=1500000US350010040011&tid=DECENNIALDHC2020.H1;>
<https://data.census.gov/table?t=Housing+Units&g=1500000US350010040011&tid=ACSDT5Y2021.B25001>)

Figure 19. Mesa Del Sol Annual Home Sales and Average Sale Prices, 2005 – 2022



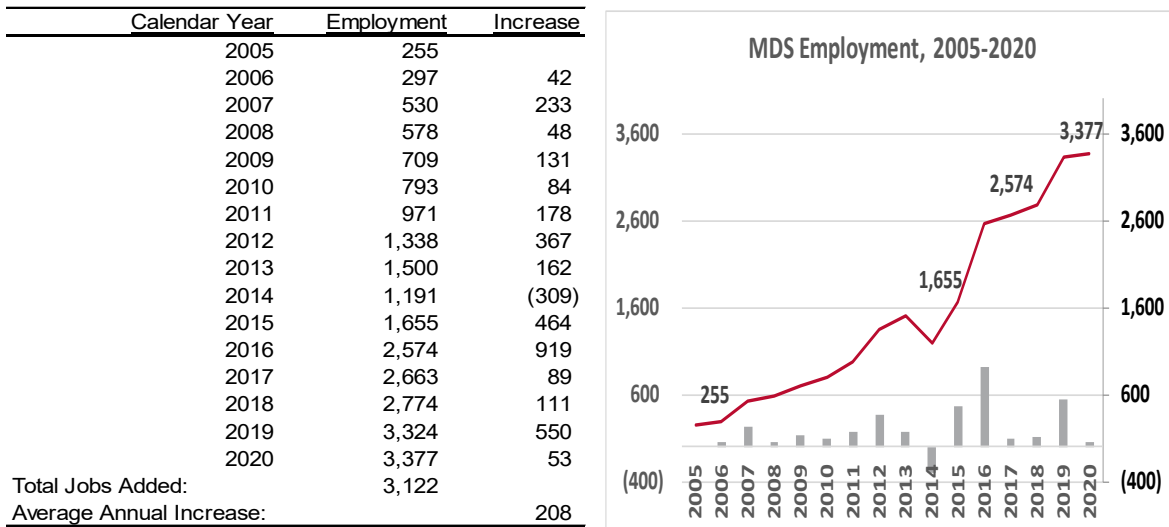
(Source: Greater Albuquerque Association of Realtors (GAAR))

MDS marked its 15th year of development in 2020. BBER reviewed data collected by federal and local governments, including the U.S. Census, the U.S. Bureau of Labor Statistics, and the NM Department for Workforce Solutions. These data show that the Mesa Del Sol population was 511 as of the last decennial Census in 2020 and total employment was 3,377.⁹ Employers based in MDS have been the recipients of various economic development incentives in the form of publicly financed tax abatements, tax credits, Industrial Revenue Bonds, direct grants, and job training incentives. One might argue that these publicly financed incentives should also be factored into the equation when assessing the costs of economic and public finance gains.¹⁰

⁹ <https://data.census.gov/table?q=1500000US350010040011>; <https://onthemap.ces.census.gov/>.

¹⁰ Mesa del Sol-based companies receiving economic development incentives include Fidelity Investments, Netflix and ABQ Studios, Maxeon, Kairos Power, Jabil-Nypro, and Schott Solar.

Figure 20. Mesa Del Sol Annual Employment and Year-over-Year Change, 2005 – 2020



(Source: U.S. Census, OnTheMap)

Figure 21 tracks the experience of MDS relative to the development’s targets. These data are presented on a cumulative and annual average basis. Specifically, MDS has achieved 0.8% of its housing target¹¹ and 0.5% of its population target, on a cumulative basis; employment has reached 5.6% of the full buildout target. Using the annual averages achieved thus far, relative to the annual targets, MDS has accomplished: 6% (housing), 3% (population), and 17% (jobs). MDS developers have performed best in the creation of jobs, albeit falling markedly short of short-term and long-term targets.

Figure 21. Mesa Del Sol Targets v. Actuals (Cumulative and Annualized)

<u>Cumulative</u>	<u>Target</u>	<u>Actual</u>	<u>Actual/Target</u>
Housing Units	37,500	283	0.8%
Population	100,000	511	0.5%
Jobs	60,000	3,377	5.6%

<u>Annual</u>	<u>Target</u>	<u>Actual</u>	<u>Actual/Target</u>
Housing Units	750	47	6%
Population	2,000	51	3%
Jobs	1,200	208	17%

It is worth highlighting some of the divergences between the two developments as well. Two of the key differences between Mesa del Sol and Santolina are: (a) MDS is located within the municipal city limits of Albuquerque, thus has access to important City services like public works, solid waste, parks & recreation, etc.; (b) MDS has all the entitlements needed for development, namely water rights to supply residential and

¹¹ A 312-unit multi-family building was permitted in May 2022. Once these apartments are completed, the annual average will increase but modestly to just above 50 new units per year.

commercial residents and tenants. Additionally, there is one school located in MDS, a K-12 APS charter school with an enrollment of 314 as of April 2022.¹² MDS does, however, lack public transit service.

Much of this report has focused on the economic and demographic data as well as the targets, inputs, and assumptions needed to substantiate the Santolina Development. This next section explores the potential costs and tax revenues that the development may generate.

¹² <https://www.aps.edu/schools/schools/international-school-at-mesa-del-sol>

6. New Public Infrastructure and Public Facilities Capital Costs Plus Related Tax Revenues

To create a cost-benefit approach, BBER sought to complete independent calculations of the cost to the public sector to provide services to Santolina as well as the potential revenues that the state and local governments might expect to receive. For example, BBER estimated the cost to provide public safety services, such as fire and police, and the cost to maintain public amenities, such as libraries, aquatic centers, senior centers, and the like. Apart from public transit costs, researchers were not able to obtain or estimate the cost of providing ongoing service. Given the limited availability of ongoing public service costs, this analysis focuses on the one-time impacts of development and capital investment. We believe a more in-depth analysis is appropriate, focusing on what it would cost local governments to provide public services, including the maintenance and operation of public infrastructure and facilities, and the new tax revenues local governments might expect on an ongoing basis.

Public Facilities

Researchers began by seeking to quantify what it would cost to provide new public infrastructure and public services to the Santolina development. These costs include public facilities, transportation (roads), transit, and water infrastructure. The following table details the specific facility types required to service this new community as envisioned by the developers and detailed in the master plan approved by the Bernalillo County Commission.

Figure 22. Public Facilities to be Constructed to Serve Santolina Development

Public Facility Type	Facilities	Park/Open Space/Recreation Type	Facilities (acres)
Elementary Schools	3.6	Community Center	6
Middle Schools	1.3	Swimming Pools	5
High Schools	0.8	Neighborhood Parks (acres)	93
Fire Station	1	Community Park (acres)	233
Sheriff's Station	1	Regional Park (acres)	466
Libraries	1+	Major Public Open Space (acres)	940
Central NM Community College Can	1	Open Space (acres)	1,797

(Sources: Santolina Level A Master Plan, Adopted June 16, 2015 and amended June 2022, pp. 96 & 98)

Researchers estimated facility costs using recent construction price data, dimensions from recent and comparable facilities, and other pertinent variables like the per pupil recommended school size. We estimate the expenditures to build these facilities at approximately \$800 million, based on the most current available square-foot construction costs. Importantly, the expenses needed to furnish and equip these facilities are not included in estimates (e.g., fire trucks, paramedic vehicles, classroom furnishings, gymnasium equipment, etc.). The cost of these facilities would be paid directly by local government tax revenues. Although these calculations are based on current prices, in actuality, it

will take decades to complete the required public facilities and infrastructure, thus the cost will be a function of the prevailing prices at the time of construction.

Figure 23. Estimated Costs to Construct Public Facilities Serving Santolina Community

Facility Type	Number of Facilities	Sq. Footage (SF)		Building Cost		Total Construction Costs
		Per Facility	Total SF	Per SF	Per Facility Cost	
Elementary School	4	73,740	294,960	750	55,305,000	221,220,000
Middle School	1	90,735	90,735	750	68,051,250	68,051,250
High Schools	1	204,000	204,000	750	153,000,000	153,000,000
Swimming Pool	5	27,495	137,475	1000	27,494,952	137,474,761
Community Center	6	18,167	109,000	750	13,625,000	81,750,000
Library	1	17,100	17,100	750	12,825,000	12,825,000
Sheriff Station	1	10,677	10,677	750	8,007,750	8,007,750
Fire Station	1	7,552	7,552	750	5,664,000	5,664,000
College Campus	1	142,000	142,000	750	106,500,000	106,500,000
TOTAL						794,492,761

(Sources: Santolina Level A Master Plan, Adopted June 16, 2015 and amended June 2022, pp. 96 & 98; City of Albuquerque Planning Division; NM Public School Facility Authority)

Transportation (Roadways)

Because the land encompassed by Santolina is raw, transportation infrastructure would need to be built to support the new community. Using details contained in the developer’s master plan, researchers estimated the prospective expenditures to construct roadways servicing the development. Those estimates are based on current road construction data obtained from local sources, including Bernalillo County, where it costs approximately \$4 million per road mile (1 dedicated lane going in both directions) and 129 to 203 miles of roadways. The estimated price based on the roadway mileage range is \$520 million to \$818 million. Typically, the developer pays for road construction, but the local government is responsible for ongoing maintenance, operations, and repairs (local government M&O expenses). Researchers were not able to obtain these M&O costs from local agencies. It is important to note that a percentage of these expenses are reimbursable to the Santolina developers under the TIDD and PID agreements with the County.

Figure 24. Estimated Cost to Construct Santolina Development Roadways

Road Type	Road Segment Description	Est. per lane distance miles	Lanes (each direction)	Lane miles (both directions) MIN	Lane Miles (both directions) MAX	Road Type	Road Segment Description	Est. per lane distance miles	Lanes (each direction)	Lane miles (both directions) MIN	Lane Miles (both directions) MAX
Principal/minor	I-40 to Village Azul	4.74	2-3	9.48	14.22	Local	West Industrial Park	1.5	1-2	1.5	3
Principal/minor	Atrisco Vista to Village Amarillo	4.44	2-3	8.88	13.32	Local	Central Rd to Industrial Park	1.5	1-2	1.5	3
Principal/minor	Future Overpass to Village Amarillo	3.9	2-3	7.8	11.7	Local	East Industrial Park	1.53	1-2	1.53	3.06
Principal/minor	Paseo del Volcan to Village Naranjo	4.64	2-3	9.28	13.92	Local	West Town Center to Urban Center	2.23	1-2	2.23	4.46
Principal/minor	Future Overpass to Village Naranjo	3.87	2-3	7.74	11.61	Local	Central Town Center to Urban Center	2.38	1-2	2.38	4.76
Principal/minor	Future Interchange to Detention Center	3.52	2-3	7.04	10.56	Local	Town Center to Village Verde	1.1	1-2	1.1	2.2
Principal/minor	Open Space to Town Center	4.25	2-3	8.5	12.75	Local	Urban Center to Dennis Chavez Blvd	0.18	1-2	0.18	0.36
Principal/minor	Open Space to Gibson Blvd	7	2-3	14	21	Local	Northside Industrial Park	0.71	1-2	0.71	1.42
Principal/minor	Open Space to Dennis Chavez Blvd	5.9	2-3	11.8	17.7	Local	Central Rd to Industrial Park	0.71	1-2	0.71	1.42
Principal/minor	Village Armarillo to Gun Club Rd	3.76	2-3	7.52	11.28	Local	Proxima Industrial Park	0.71	1-2	0.71	1.42
Principal/minor	Village Oro Center to Village Verde Center	2.55	2-3	5.1	7.65	Local	South Industrial Park	1.11	1-2	1.11	2.22
Principal/minor	Village Oro Center to Village Verde Center	6.68	2-3	13.36	20.04	Local	Village Oro Segments	1.16	1-2	1.16	2.32
Collector	West Village Oro	1.44	1-2	1.44	2.88	Local	Urban Center	0.6	1-2	0.6	1.2
Collector	Central Rd to Village Oro	1.55	1-2	1.55	3.1	Local	Town Center	0.19	1-2	0.19	0.38
Collector	Business Park to Village Naranjo	2.3	1-2	2.3	4.6	Local	Middle of Village Verde	0.53	1-2	0.53	1.06
Collector	Town Center to Urban Center	3.21	1-2	3.21	6.42	Local	Northside of Village Amarillo	0.48	1-2	0.48	0.96
Collector	Village Center to Village Amarillo	1.21	1-2	1.21	2.42			78.49		129.14	203.03
Collector	North Side Village Verde	2.02	1-2	2.02	4.04						
Collector	Village Oro to Village Verde	3.33	1-2	3.33	6.66						
Collector	Village Oro past Urban Center	3.58	1-2	3.58	7.16						
Collector	Village Oro to Middle of Urban Center	2.47	1-2	2.47	4.94						
Collector	Village Oro to Bottom of Urban Center	2.13	1-2	2.13	4.26						

Cost Per Road Mile (both directions): 4,030,000

Cost to Construct all Roads in Development

Min: 520,434,200 Mid: **669,322,550** Max: 818,210,900

(Sources: Santolina Level A Master Plan, Adopted June 16, 2015 and amended June 2022; Bernalillo County Public Works Division)

Transportation (Public Transit)

Researchers were able to obtain information from ABQ Ride transportation planners as it relates to the capital costs needed to extend bus service as well as annual operating costs. The largest capital cost for public transit systems is roadways. Based on ABQ Ride guidance, adding a new route would require three new Compressed Natural Gas (CNG) buses priced at \$650,000 per new vehicle. Given that the Americans with Disabilities Act requires that regular bus service be augmented with paratransit services for individuals with physical disabilities who are unable to ride the regular city bus. New paratransit vans are \$200,000 per vehicle. Concrete pad and signage price estimates are \$25,250 per new stop; if three physical stops were added for this route, the capital expense would be \$75,750. Total capital costs would run an estimated \$2,225,750.

As for annual operating expenses, adding a single route with regular service on weekdays and weekends would consist of three new CNG buses, running 18 hours per day, for 359 days per year. Using the most current per-hour operating cost of \$115 (FY2023), the annual operating expenditures for regular service would run \$2,229,390. The new paratransit per-hour operating cost runs \$75 per hour. One new Sun Van maintaining the same schedule as a regular bus would cost \$484,650 per year. The total public transportation annual operating expenditures would therefore run \$2,714,040.

Water Infrastructure

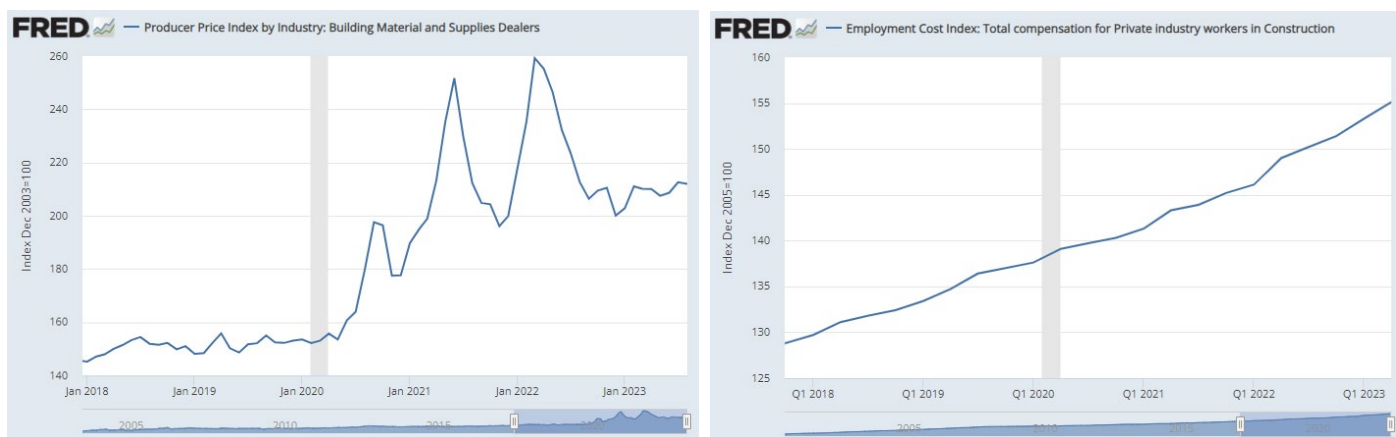
BBER was also able to obtain documentation detailing what it would cost to provide Water Infrastructure to the Santolina Development. According to the Santolina Water and Sewer Serviceability Basis of Cost memo provided by a third-party consultant commissioned by the Albuquerque Bernalillo County Water Utility Authority, the water infrastructure required to serve Santolina would cost an estimated \$659 million. Importantly, this memorandum was completed and based on materials and labor costs in 2018. Broad inflation across the global economy in the last five years suggests that these estimates are too low by a substantial margin. For example, by April 2022 the Producer Price Index for the Building Material and Supplies industry (PPI) increased by 80% above 2018 prices and since then, leveled off at 46% above 2018 levels. The Employment Cost Index for construction labor wages and salaries increased by approximately 22% over the same time period. Industry publications have also highlighted elevated infrastructure prices over the last few years. Importantly, the water infrastructure construction expenses are reimbursable to the developers pursuant to the TIDD and PID agreements executed with the County.

Figure 25. Estimated Water Infrastructure Costs for Santolina

	Phase			Subtotal by Type
	I	II	III	
Water	\$ 113,000,000	\$ 6,000,000	\$ 90,000,000	\$ 209,000,000
Reuse	\$ 95,000,000	\$ 63,000,000	\$ 111,000,000	\$ 269,000,000
Wastewater	\$ 42,000,000	\$ -	\$ -	\$ 42,000,000
Raw Water	\$ -	\$ -	\$ 139,000,000	\$ 139,000,000
TOTAL	\$ 250,000,000	\$ 69,000,000	\$ 340,000,000	\$ 659,000,000

(Source: Jacobs and CDM Smith Memo to ABCWUA on Santolina Water and Sewer Serviceability Basis of Cost, October 2018)

Figure 26. Producer Price Index for Building Materials and Supplies (left) AND Construction Employment Cost Index (right)



(Source: Bureau of Labor Statistics (BLS))

Development/Capital Investment Costs for Public Infrastructure & Facilities

In this section, we make a first attempt to quantify the potential tax impacts in connection with the capital investment to construct the roadways, public facilities (schools, community centers, etc.), and water infrastructure needed to service the proposed Santolina development. In this analysis, we use the estimates developed in the previous sections, while differentiating between the costs traditionally paid for upfront by the developer versus the cost responsibility for local governments. Next, we indicated the expenses that are reimbursable to the developer under the TIDD agreement, and we calculated the revenues that could be reimbursed to the developer and the net revenues received by the local governments. Finally, because Public Infrastructure Districts were also approved for Santolina, we indicated the projects that are eligible for public finance.

By the publication of this report, we were not able to incorporate the potential impacts of the PID in our analysis, thus researchers were not able to assign or estimate the economic value of the Public Infrastructure Districts for which taxpayers and developers are responsible. A high-level review of the PID documents we were able to access suggests that in addition to creating a political subdivision that is authorized to levy taxes to finance the construction of capital projects, eligible project types include: water and sewer systems; streets and trails; parks; electrical, gas and telecommunications systems; public buildings, libraries, and cultural facilities; school facilities; equipment and related costs of operation and administration. If the PID is activated and public infrastructure is built using public finance, backed by local tax revenues, then the “no new net expense” calculus will need to be updated.

Gross Receipts Tax and TIDD Enactments (Base Case 45% of County and 0% of State)

The following table depicts the allocations of the Gross Receipts enactments with the existence of the Santolina TIDD. Pursuant to Bernalillo County Resolution 2016-83, 45% of incremental revenues are allocated to the TIDD while 0% of the State enactment revenues are allocated to Santolina. The Santolina TIDD receives 0.59% and the balance of 5.60% is allocated to the State and Bernalillo County. These enactments and allocations are fundamental to analyzing the impacts of the proposed construction activities for the Santolina Development.¹³

Figure 27. Gross Receipts Tax Pledged to Santolina TIDD

State Share Pledged to TIDD			0%
County Share Pledged to TIDD			45%
			<u>County/State</u> <u>Share</u>
<u>County</u>	<u>Full Rate</u>	<u>TIDD</u>	<u>(Net of TIDD)</u>
<i>Subtotal</i>	1.3125%	0.5906%	0.7219%
County Regional Transit GRT/Comp (415)	0.1250%	0.0563%	0.0688%
County Health Care (380)	0.0625%	0.0281%	0.0344%
County Health Care (490)	0.0625%	0.0281%	0.0344%
County Area GRT/Comp (403)	0.1250%	0.0563%	0.0688%
County Wide GRT/Comp (401)	0.9375%	0.4219%	0.5156%
			<u>County/State</u> <u>Share</u>
<u>State</u>	<u>Full Rate</u>	<u>TIDD</u>	<u>(Net of TIDD)</u>
<i>Subtotal</i>	4.875%	0.00%	4.8750%
TOTAL	6.187500%	0.59%	5.60%

(Source: NM Tax & Revenues Department, GRT CMP enactment rate table, July 1, 2023; Bernalillo County Santolina TIDD Formation Resolution 2016-83)

The following table estimates the tax impacts while allocating up-front costs between the developers and the local governments. For example, school districts would pay for the construction of new schools while the developer is responsible for building the roads and water infrastructure that would service the community. The GRT is allocated pursuant to the State and County enactments and the percentages pledged to the TIDD. TIDD revenues can be used to reimburse the developers for upfront 'public use' costs.

¹³ This analysis focuses on the GRT given that most of the revenues will be generated in connection with this tax.

Figure 28. Public Infrastructure & Facilities Capital/Development Investment Costs

PUBLIC INFRASTRUCTURE & FACILITIES CONSTRUCTION COSTS											
DEVELOPER	UPFRONT COSTS Paid by:		Covered by:		TIDD Revenues:			Remaining Revenues Net of TIDD Allocation			Full Rate (6.1875%)
	LOCAL/STATE GOV	TIDD	PID	State Enactment Pledged to TIDD	County Enactment Pledged to TIDD	State + County Pledged to TIDD	State Remainder	County Remainder	State + County Remainder		
COMMUNITY SERVICES											
Community Center	\$ 81,750,000	X	X	-	\$ 482,836	482,836	\$ 3,985,313	\$ 590,133	\$ 4,575,445	\$ 5,058,281	
Library	\$ 12,825,000	X	X	-	\$ 75,748	75,748	\$ 625,219	\$ 92,580	\$ 717,799	\$ 793,547	
Swimming Pools	\$ 137,474,761	X	X	-	\$ 811,960	811,960	\$ 6,701,895	\$ 992,396	\$ 7,694,291	\$ 8,506,251	
SCHOOLS											
Elementary	\$ 221,220,000	X	X	-	\$ 1,306,581	1,306,581	\$ 10,784,475	\$ 1,596,932	\$ 12,381,407	\$ 13,687,988	
Middle	\$ 68,051,250	X	X	-	\$ 401,928	401,928	\$ 3,317,498	\$ 491,245	\$ 3,808,743	\$ 4,210,671	
High	\$ 153,000,000	X	X	-	\$ 903,656	903,656	\$ 7,458,750	\$ 1,104,469	\$ 8,563,219	\$ 9,466,875	
Colleges	\$ 106,500,000	X	X	-	\$ 629,016	629,016	\$ 5,191,875	\$ 768,797	\$ 5,960,672	\$ 6,589,688	
PUBLIC SAFETY											
Sheriff	\$ 8,007,750	X	X	-	\$ 47,296	47,296	\$ 390,378	\$ 57,806	\$ 448,184	\$ 495,480	
Fire	\$ 5,664,000	X	X	-	\$ 33,453	33,453	\$ 276,120	\$ 40,887	\$ 317,007	\$ 350,460	
PUBLIC WORKS											
Roads	\$ 669,322,550	X	X	-	\$ 3,953,186	3,953,186	\$ 32,629,474	\$ 4,831,672	\$ 37,461,146	\$ 41,414,333	
FLOOD & DRAINAGE											
Flood & drainage control		X	X								
Misc.		X	X								
TRANSPORTATION											
Public Transportation	\$ 2,225,750			\$ -	\$ 13,146		\$ -	\$ 137,718	\$ 137,718	\$ 137,718	
PARKS & RECREATION											
Parks		X	X								
Open Space & Trails		X	X								
WATER											
Water	\$ 209,000,000	X	X	-	\$ 1,234,406	1,234,406	\$ 10,188,750	\$ 1,508,719	\$ 11,697,469	\$ 12,931,875	
Reuse	\$ 269,000,000	X	X	-	\$ 1,588,781	1,588,781	\$ 13,113,750	\$ 1,941,844	\$ 15,055,594	\$ 16,644,375	
Wastewater	\$ 42,000,000	X	X	-	\$ 248,063	248,063	\$ 2,047,500	\$ 303,188	\$ 2,350,688	\$ 2,598,750	
Raw Water	\$ 139,000,000	X	X	-	\$ 820,969	820,969	\$ 6,776,250	\$ 1,003,406	\$ 7,779,656	\$ 8,600,625	
GRAND TOTAL	\$ 1,328,322,550	\$ 796,718,511		\$ -	\$ 12,551,024	\$ 12,537,878	\$ 103,487,246	\$ 15,461,791	\$ 118,949,038	\$ 131,486,916	

State Imposed	4.8750%
County Imposed	1.3125%
Full GRT Rate	6.18750%

Local/State Gov Expenditures:	\$ (796,718,510.67)
Total GRT Revenues:	\$ 131,486,915.63
TIDD Revenues (Reimbursible):	\$ (12,537,877.93)
NET	\$ (677,769,472.97)

	State Enactment	County Enactment
Pledged Revenues to TIDD:	0%	45%
TIDD Effective Rate:	0.0000%	0.5906%
Remainder to State/County:	4.8750%	0.7219%
TOTAL:	4.8750%	1.3125%

BBER researchers completed a similar analysis using the 2013 Santolina Master Plan – Fiscal Impact Analysis Summary authored by David Taussig & Associates. Using the full buildout scenario, we calculated the potential GRT in connection with construction activities by Infrastructure, Residential, and Retail/Commercial/Industrial development. Under this scenario, the GRT revenues would total \$673.991 million.¹⁴ The TIDD would receive \$64.3 million, the state would receive \$531 million, and the county \$78.6 million. This analysis, however, does not allocate the construction costs in terms of expenses paid upfront by either the developer or local and state government. For example, if local governments were responsible for one-third of Infrastructure costs, related tax revenues would need to be sufficient to cover approximately \$1 billion for new schools, community centers, etc.; under the one-third scenario, the GRT would fall short by approximately \$326 million.

¹⁴ Importantly, these are 2013 values, unchanged from the original analysis completed by the firm engaged by the developers.

Figure 29. Construction Costs (One-time) and Associated GRT Revenues: Level A (Full Buildout)

LEVEL A FULL BUILDOUT											
	Construction Costs	Covered by:		TIDD Revenues:			Remaining REVS Net of TIDD Allocation			Full Rate (6.1875%)	
		TIDD	PID	State Enactment	County Enactment	State + County	State Remainder	County Remainder	State + County Remainder		
Infrastructure	2,912,784,914	X	X	-	17,203,636	17,203,636	141,998,265	21,026,666	163,024,931	180,228,567	
Residential	4,751,085,213	X		-	28,061,097	28,061,097	231,615,404	34,296,896	265,912,301	293,973,398	
Retail/Commercial/Industrial	3,228,924,884	X		-	19,070,838	19,070,838	157,410,088	23,308,802	180,718,890	199,789,727	
TOTAL	10,892,795,011			-	64,335,571	64,335,571	531,023,757	78,632,364	609,656,121	673,991,691	
Pledged Revenues to TIDD:							State Enactment	County Enactment			
TIDD Effective Rate							0.0000%	4.5%			
State Imposed	4.8750%	Remainder to State/County							4.8750%	0.5906%	
County Imposed	1.3125%	TOTAL							4.8750%	0.7219%	
Full GRT Rate	6.1875%									1.3125%	

In this section, we return to recent building permit activity, where the City of Albuquerque approved an average of 1,457 residential building permits (housing units) per year from 2010 to 2022. This includes both multi-family and single-family permits. If the number of permits for new residential construction grew by 1% per year over the next 10 years, the annual average added would be 1,540. If Santolina accounted for 10% of these new housing units in Albuquerque, they would add 154 housing units per year; notably, this number is three times higher than the Mesa del Sol annual average units added since ground was broken in 2012 at MDS. If Santolina added an average of 154 housing units per year, this would be 20% (154/761) of the annual target set forth by developers. Using this information, we adjust the GRT calculations accordingly and also include the added feature of the potential for reimbursable TIDD revenues. Under this 20% scenario, \$12.8 million of the GRT revenues would be allocated to the TIDD with the balance received by the State and the County (\$121.9 million). BBER also ran an alternate scenario that assumes 75% of the State of New Mexico’s GRT enactment is received by TIDD. This can be found in Appendix 9.

Figure 30. Construction Costs (One-time) and Associated GRT Revenues: Level A (20% of Target)

LEVEL A FULL BUILDOUT											
	Construction Costs	Covered by:		TIDD Revenues:			Remaining REVS Net of TIDD Allocation			Full Rate (6.1875%)	
		TIDD	PID	State Enactment	County Enactment	State + County	State Remainder	County Remainder	State + County Remainder		
Infrastructure	582,556,983	X	X	-	3,440,727	3,440,727	28,399,653	4,205,333	32,604,986	36,045,713	
Residential	950,217,043	X		-	5,612,219	5,612,219	46,323,081	6,859,379	53,182,460	58,794,680	
Retail/Commercial/Industrial	645,784,977	X		-	3,814,168	3,814,168	31,482,018	4,661,760	36,143,778	39,957,945	
TOTAL	2,178,559,002			-	12,867,114	12,867,114	106,204,751	15,726,473	121,931,224	134,798,338	
Pledged Revenues to TIDD:							State Enactment	County Enactment			
TIDD Effective Rate							0.0000%	4.5%			
State Imposed	4.8750%	Remainder to State/County							4.8750%	0.5906%	
County Imposed	1.3125%	TOTAL							4.8750%	0.7219%	
Full GRT Rate	6.1875%									1.3125%	

There is also a property tax component to the TIDD where 45% of the County property tax enactment will be allocated to pay for infrastructure in the Santolina Development. In our assessment of available government-generated documentation we were able to access, researchers were able to determine that the remainder of the property tax enactments will be used to fund public schools, colleges, hospitals, soil & water conservancies, and flood control. These rates will help facilitate the assessment of the “no new net expense” requirement once the ongoing cost data can be obtained and analyzed. The County Operational enactment that will be received by the TIDD is 3.8133 (Residential) and 5.499 (NonResidential) mils.

Figure 31. Property Tax Mills Pledged to Santolina TIDD

County	0% State Share Pledged to TIDD		12 Out R: Residential 12 Out NR: Nonresidential			
	45% County Share Pledged to TIDD		Share Pledged to TIDD		Remainder	
	<u>Current Enactment</u>					
	<u>12 Out R</u>	<u>12 Out NR</u>	<u>12 Out R</u>	<u>12 Out NR</u>	<u>12 Out R</u>	<u>12 Out NR</u>
County Debt Service	1.264	1.264	-	-	1.2640	1.2640
County Operational	7.011	10.750	3.8133	5.499	3.1977	5.2510
Debt Service - 2AC Annexation	-	-	-	-	-	-
Judgment A	0.006	0.006	-	-	0.0060	0.0060
Open Space	0.193	0.200	-	-	0.1930	0.2000
County Subtotal	8.474	12.22	3.8133	5.4990	4.6607	6.7210
<u>State</u>						
State subtotal	1.360	1.360	-	-	1.3600	1.3600
<u>Municipal</u>						
Muni Subtotal	-	-	-	-	-	-
<u>School District</u>						
School District Subtotal	10.589	11.324	-	-	10.5890	11.3240
<u>Higher Education</u>						
Higher Ed Subtotal	3.775	4.000	-	-	3.7750	4.0000
<u>Hospital</u>						
Hospital Subtotal	6.279	6.400	-	-	6.2790	6.4000
<u>Other (AMAFCA/MRGCD/SWCD)</u>						
Other Subtotal	5.917	7.485	-	-	5.9170	7.4850
TOTAL	36.394	42.789	3.813	5.499	32.581	37.290

(Source: NM Department of Finance Administration, 2022 Bernalillo County Tax Certificate; Bernalillo County Santolina TIDD Formation Resolution 2016-83)

7. Future Analysis

As already mentioned, researchers were not able to obtain complete maintenance and operating data for what it costs local governments to maintain roadways, schools, parks & recreation facilities, and public services. These data would be necessary for evaluating the “no new net expense” test on an ongoing basis.

In our assessment, recent economic, demographic, and housing data do not appear to support the targets sought by the Santolina Developers. Additional attention and discovery in these areas will likely yield reasonable estimates of the cost to maintain, and operate, but also potential ongoing tax revenues. As discussed in previous sections, if Santolina managed to achieve 20% of its original housing formation targets (an 80% reduction), this would reduce the employment, population, and potential tax revenues substantially. BBER recommends that additional research be completed to gather information on the actual costs of providing ongoing services as well as an examination of the likely tax revenue potential in these lower expectation scenarios.

Data & Sources

Bernalillo County Public Works Division.

City of Albuquerque Planning & Zoning Division.

City of Albuquerque Planning & Zoning Division, Building Permits.

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U.S. Census Bureau. (2023). LEHD Origin-Destination Employment Statistics (2002-2020). Washington, DC: U.S. Census Bureau, Longitudinal-Employer Household Dynamics Program, accessed on September 2023 at <https://onthemap.ces.census.gov>.

Appendix 1: Garret Development Corp Portfolio

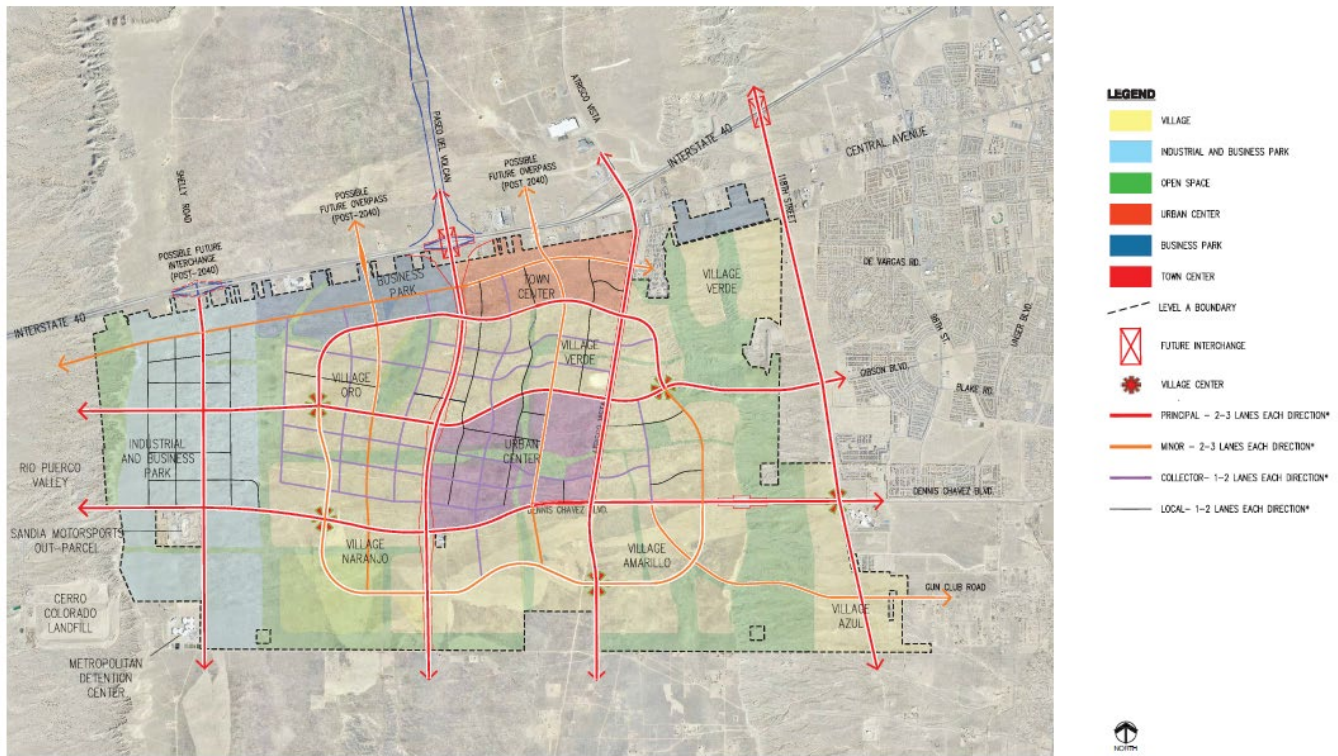
Residential	Location	Acres	Homes	Development details	Status	Notes
SilverRock	AZ	350	NA	master planned community	land investment	raw land
Hawes & Riggs	AZ	125	128	NA	sold	single family
Westwind	AZ	979	NA	master planned community	land investment	raw land
Westpark	AZ	627	NA	master planned community	land investment	raw land
Tuscano	AZ	120	821	NA	sold	single family
Ventana Ranch	AZ	285	996	NA	land investment	
McCartney Ranch	AZ	300	996	NA	land investment	
Park Place	AZ		198	NA	sold	sold partially finished lots
Terravista	AZ		188	NA	sold	sold partially finished lots
Pulte Inspiration	NM	88	330	entitled & planned	sold to Pulte	Single family (2019-2020)
Mirehaven	NM	246	950	entitled & planned	sold to Pulte/Del Webb	Single family 55+ (2013-2021); partnered with WALH
Stormcloud	NM	50	302	planned & engineered	sold to Pulte/DR Horton	sold 302 lots & sold 50 acres of raw land
<i>Santolina</i>	<i>NM</i>	13,851	38,045	master planned community	<i>In progress</i>	<i>awaitng approval</i>
TOTAL		17,021	42,954			

Commercial	Location	Sq.Ft.	Units	Development details	Status	Notes
Grand Village Center	AZ	76,089	715	-	open	Extra Storage w strip mall (12 suites)
NEC Baseline & Gilbert Valvoline	AZ	1,917	1	-	leasing	ground lease: Valvoline
Northern AZ Health Care	AZ	21,982	1	-	sold	Northern AZ Healthcare Childrens Health Center
Scottsdale Crossing	AZ	44,878	NA	-	leasing	90% full shopping center
Savers Flagstaff	AZ	31,093	2	-	leasing	savers & family dollar
NEC Baseline & Gilbert	AZ	6,026	NA	-	sold	free standing building
Olive Garden	AZ	7,757	NA	-	sold	ground lease
Starbucks Mesa	AZ	2,000	NA	-	sold	
Stapley & McKellips	AZ	2,161	NA	-	vacant	
Starbucks Tempe	AZ	2,720	-	-	sold	
67th & Lower Buckeye	AZ	1,954	-	-	vacant	
Heritage Market Place	NM	394,218	NA	Site Planned	In progress	239 apartment units approved -- Walmart and Others

INDUSTRIAL	Location	Sq.Ft.	Units	Development details	Status	Notes
Evans	AZ	86,356		conversion of building	in progress	self storage, including RV ports, awaiting approval
Cave Creek & Quail	AZ	76,692		767 construction	In progress	
20th & Whispering Wind	AZ	110,014	1052	-	In progress	awaiting permitting
25th & Peoria Ave	AZ	77,050	771	-	Open	ExtraSpace
Signal Butte & Guadalupe	AZ	74,877	809	-	Open	ExtraSpace
Tatum & Cave Creek	AZ	85,580	837	-	Open	ExtraSpace
Tempe Storage	AZ	55,905	731	-	sold	storage
99th & Lower Buckeye	AZ	73,555	772	-	Open	storage
Saguaro	ID	83,228	496	-	sold	storage
Federal Way	ID	95,360	759	-	sold	
Beverly	ID	91,180	496	-	sold	storage
Victory	ID	91,762	572	-	sold	storage
Ten Mile	ID	150,654	665	-	sold	storage
Eagle Road	ID	72,224	503	-	sold	storage
Amazon Distribution Center	NM	280,000	-	-	sold	project NICO
Amazon Fulfillment Center	NM	2,600,000	-	-	sold	project CHICO
FedEx	NM	95,000	-	-	sold	
Tempur-Pedic	NM	800,000	-	-	sold	\$100 million investment (manufacturing facility)
Boulder Storage	NV	121,141	1785	NA	sold	storage

ASSET MANAGEMENT	Location	Acres	Units	Development details	Status	Notes
PNM Substation	NM	40	NA	NA		petroglyphs, Amazon
Pajarito Substation/Western Spirit Tr	NM		NA	NA		santolina, connects 800MW wind to grid
Tres Volcanes Community Collab Scl	NM	5.6	NA	NA	completed	\$50 million investment
Abq Bernalillo County Water Utility /	NM			upgrades		\$30 mm water, sewer, upgraded pumps, new reservoir
PNM Solar Estrella	NM	200	NA	NA		solar farm (20 MW)
City of Abq Regional Sports Complex	NM	72	NA	NA	completed	
PNM Solar Santolina	NM	100	NA	NA		solar farm (10 MW)
Nusenda APS Stadium	NM	110	NA	NA		
Del Rio & West Escarpment	NM		NA	NA		movie sets , 5 mi train tack, old western towns
Shamrock Foods	NM	45	NA	NA	sold	distribution center

Appendix 2: Proposed Santolina Roadways (Full Buildout)



Appendix 3: Water Infrastructure Estimated Costs

Phase I			
<u>WATER</u>	<u>Amount</u>	<u>Units</u>	<u>Cost (\$mm)</u>
Additional Groundwater Capacity	6	MGD	6
Transmission System Pipeline	13	Miles	54
Transmission System Storage	5	Tanks	36
Transmission System Pump Stations	5	Stations	17
<u>REUSE</u>	<u>Amount</u>	<u>Units</u>	<u>Cost</u>
Bosque WRP	4	MGD	49
Northwest Reuse Pipelines	16	Miles	35
Northwest Reuse Storage	2	Tanks	4
Northwest Reuse Pump Stations	2	Stations	7
<u>WASTEWATER</u>	<u>Amount</u>	<u>Units</u>	<u>Cost</u>
Santolina Interceptor Pipelines	14	Miles	42
PHASE 1 TOTAL			250
Phase II			
<u>WATER</u>	<u>Amount</u>	<u>Units</u>	<u>Cost</u>
Additional Groundwater Capacity	6	MGD	6
<u>REUSE</u>	<u>Amount</u>	<u>Units</u>	<u>Cost</u>
Santolina Scalping SRP	1	MGD	12
Santolina Reuse Pipelines	26	Miles	46
Santolina Reuse Storage	1	Tank	3
Santolina Reuse Pump Stations	1	Station	2
PHASE II TOTAL			69
Phase III			
<u>RAW WATER</u>	<u>Amount</u>	<u>Units</u>	<u>Cost (\$mm)</u>
Diversion & Pump Station (Rainey Collectors)	10	MGD	20
Rain Water Pipeline	12	Miles	45
Reservoir	1000	AF	25
<u>WATER</u>	<u>Amount</u>	<u>Units</u>	<u>Cost</u>
Additional Groundwater Capacity	4	MGD	6
Transmission System Storage	16	Miles	5
Advanced WTP	2	Tanks	50
Conventional WTP	2	Stations	50
<u>REUSE</u>	<u>Amount</u>	<u>Units</u>	<u>Cost</u>
Santolina WRP Expansion	6	MGD	92
Southwest Reuse Pipelines	25	Miles	41
Southwest Reuse Storage	3	Tanks	5
Santolina Reuse Pump Station Expansion	1	Station (expansion)	1
PHASE III TOTAL			340
GRAND TOTAL			659

Appendix 4: Santolina Fiscal Impact Study, August 22, 2013 (Taussig & Associates)

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 Units¹</u>
Single-Family Detached	20,118
Single-Family Attached	10,832
Multi-Family	6,980
B. Non-Residential Land Uses	<u>BSF¹</u>
Retail/Commercial	9,872,012
Office	7,472,102
Industrial/Warehousing	7,568,700
Industrial/Manufacturing	2,522,900
Institutional	1,919,288
	<u>Acres¹</u>
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

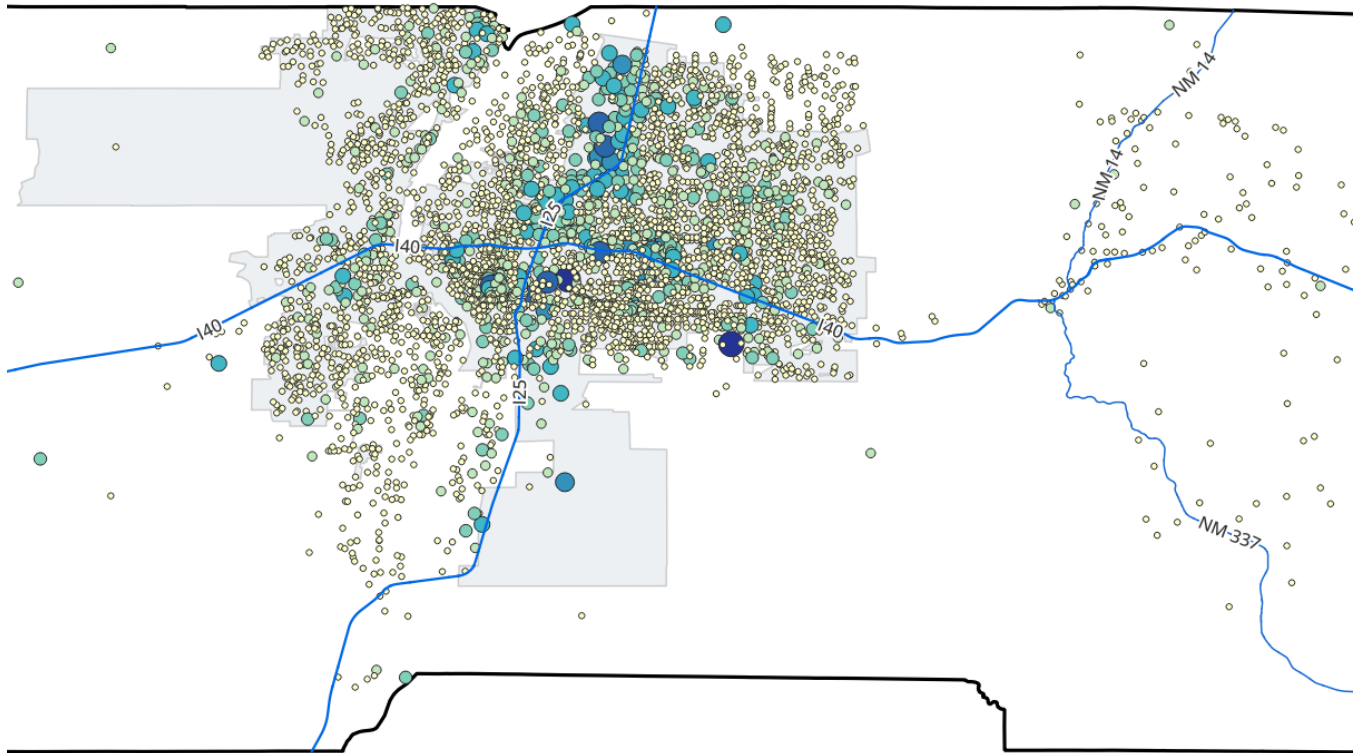
A. Residential Land Uses - Per BSF ³	
Single-Family Detached	\$82
Single-Family Attached	\$74
Multi-Family	\$84
B. Non-Residential Land Uses - Per BSF ³	
Retail/Commercial	\$170
Office	\$85
Industrial/Warehousing	\$46
Industrial/Manufacturing	\$46
Institutional	\$137

C. Non-Residential Land Uses - Per Acre ³	\$350,000
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IV. <u>TOTAL CONSTRUCTION COSTS</u>	\$10,892,795,011
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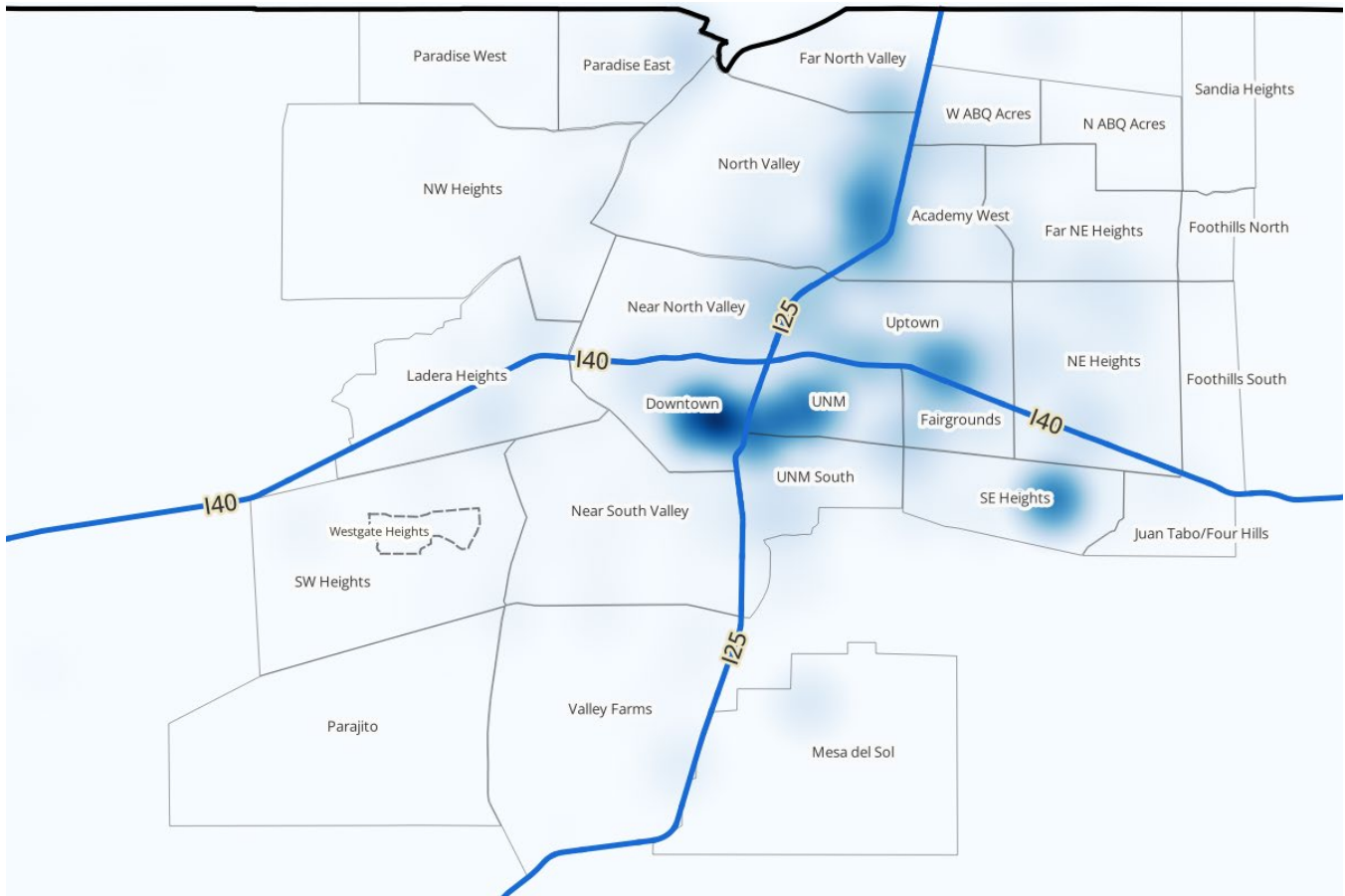
Appendix 5: Building Permit & Employment

Albuquerque Bernalillo County Building Permits, 2012-2023



(Source: City of Albuquerque & Bernalillo County Building Permits)

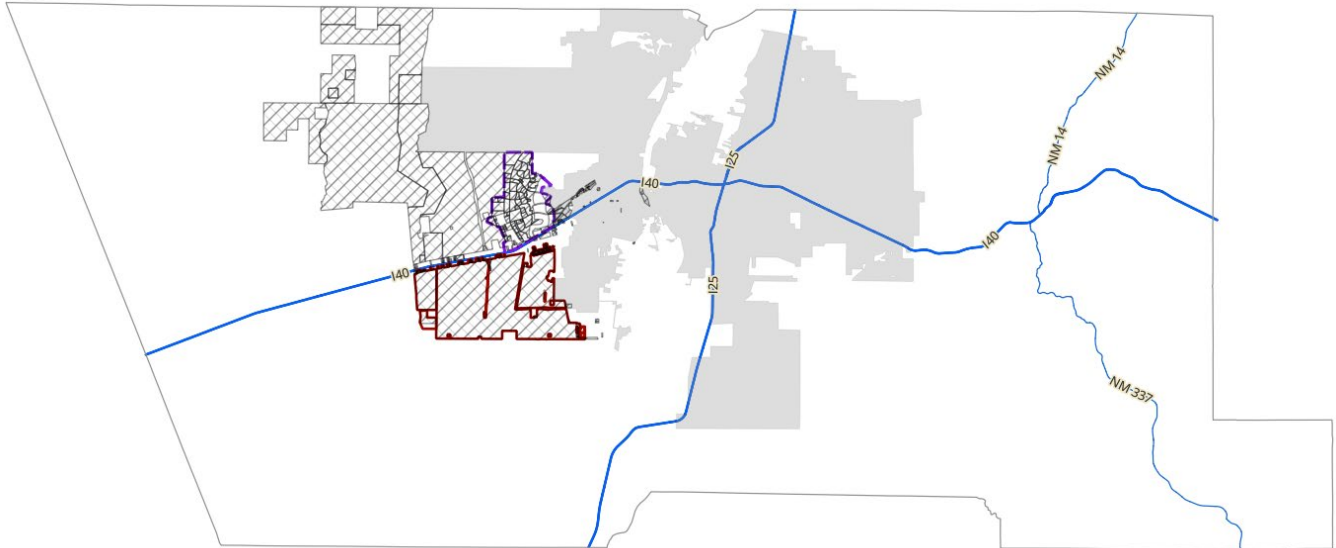
Albuquerque Employment Heat Map, 2019



(Source: OnTheMap; UNM BBER)

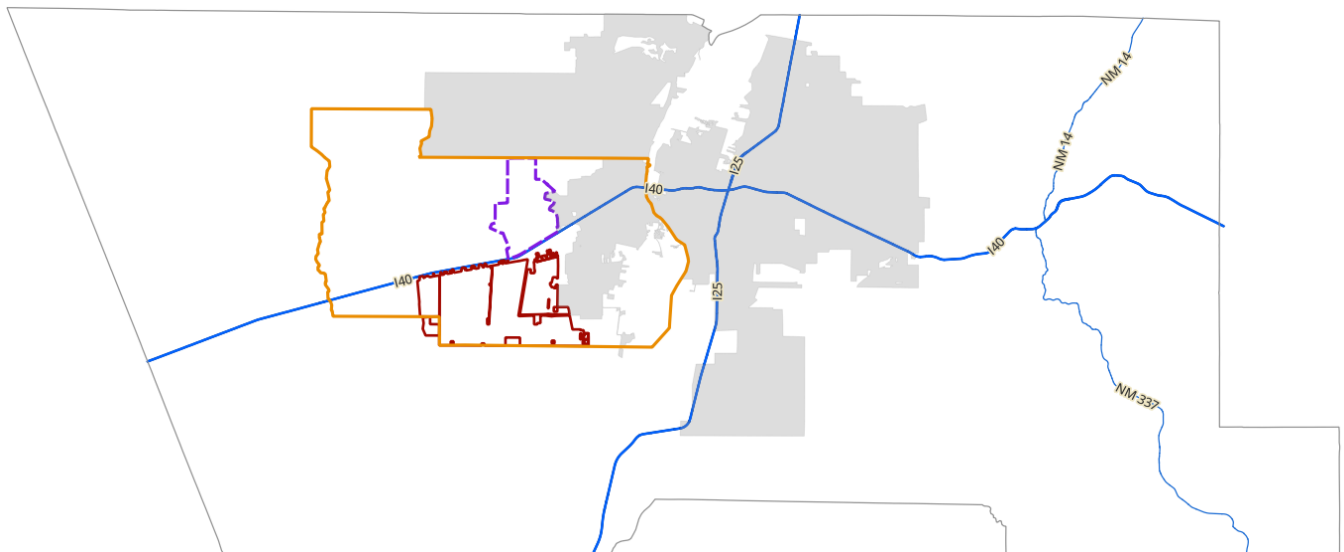
Appendix 6: Bernalillo County Property Data

WALH Affiliated Parcels



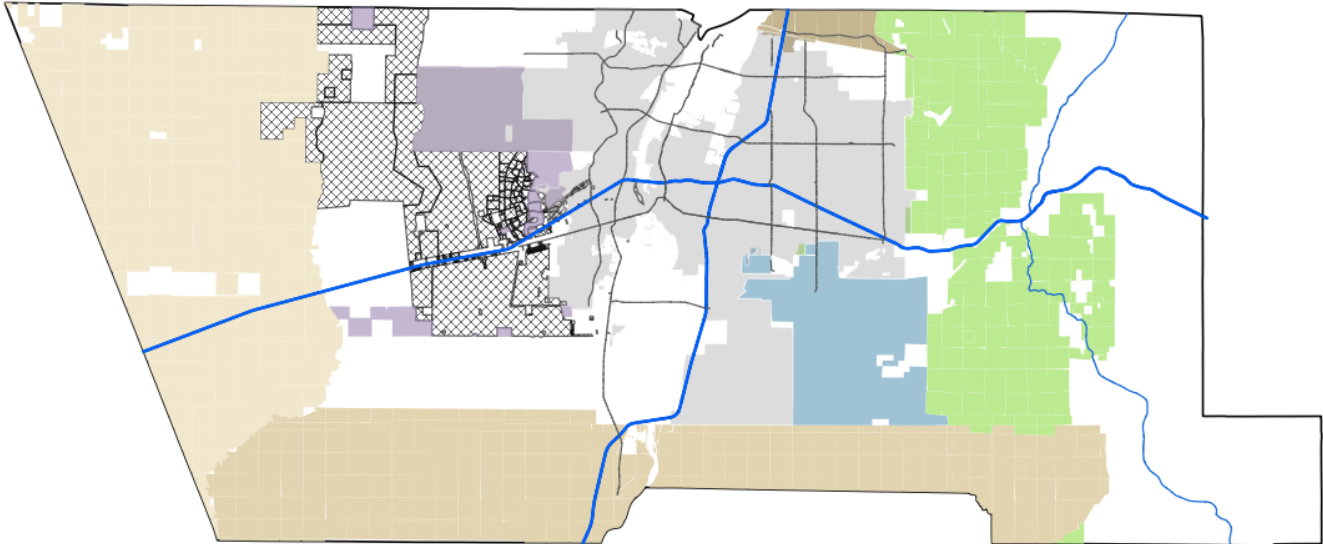
(Source: Bernalillo County Assessor's Office; UNM BBER)

Atrisco Land Grant Boundary



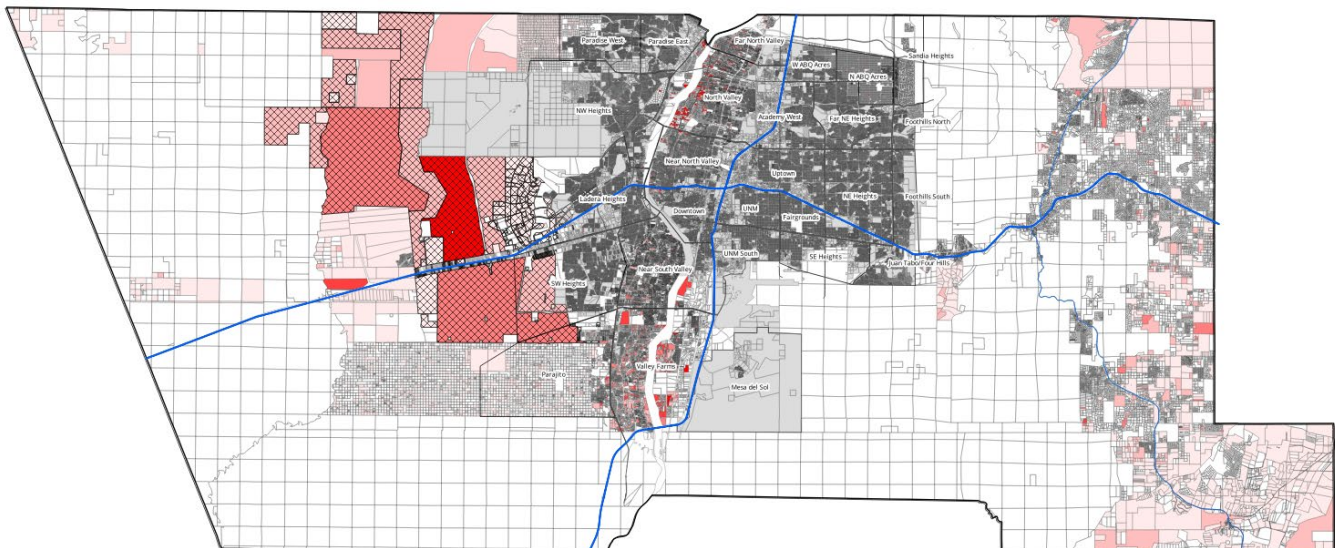
(Source: Bernalillo County Assessor's Office; UNM BBER)

Bernalillo County Parcels by Ownership: Federal, State, Native Land



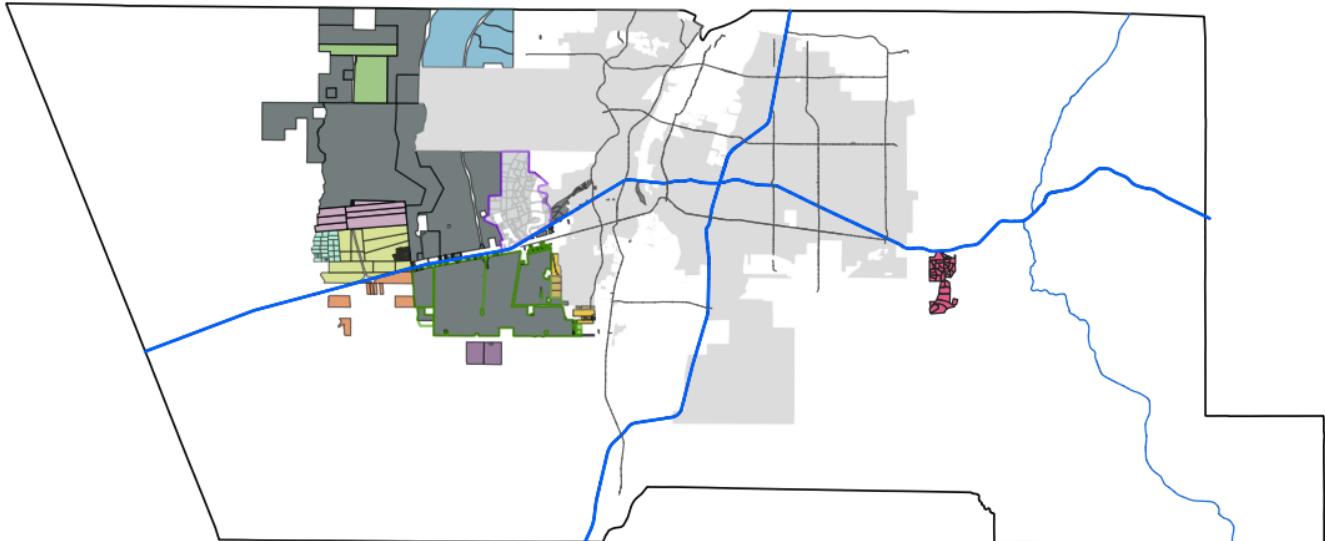
- ✓ ■ **US Forest Service Parcels**
- ✓ ■ **Kirtland AFB**
- ✓ ■ **Isleta Pueblo**
- ✓ ■ **Other Tribal Lands (Navajo, Isleta primarily)**
- ✓ ■ **Sandia Pueblo**
- ✓ ■ **City, County, or State Owned Parcels**
- ✓ **WALH Affiliated Parcels (6900 E Camelback)**

Bernalillo County Parcels with Agricultural Status



(Source: Bernalillo County Assessor's Office; UNM BBER)

Bernalillo County Parcels by Ownership: Private Landowners

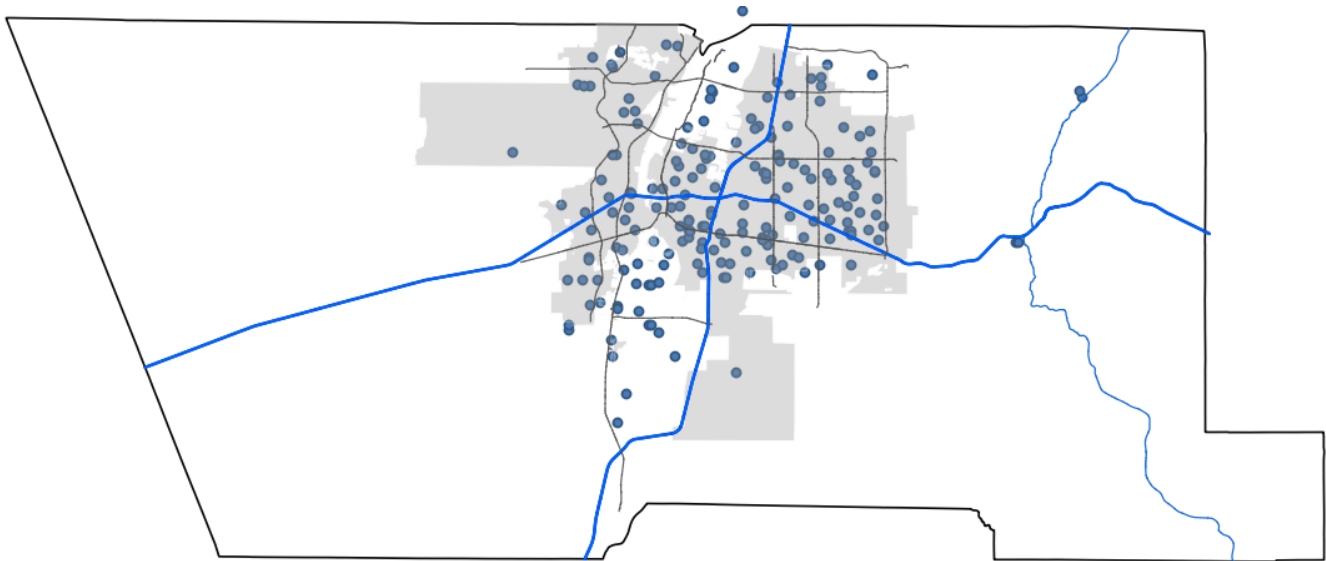


- ✓ 6900 E. Camelback (WALH)
- ✓ Ranch Joint Venture
- ✓ Matacan Properties & NW Outerloop
- ✓ Rio Bravo Partners
- ✓ Armijo Ranch
- ✓ Rio Puerco Estates
- ✓ Sunset Ranch Partners
- ✓ Royal Union Nevada LLC
- ✓ Norins Realty
- ✓ UNSER LLC Parcels

(Source: Bernalillo County Assessor's Office; UNM BBER)

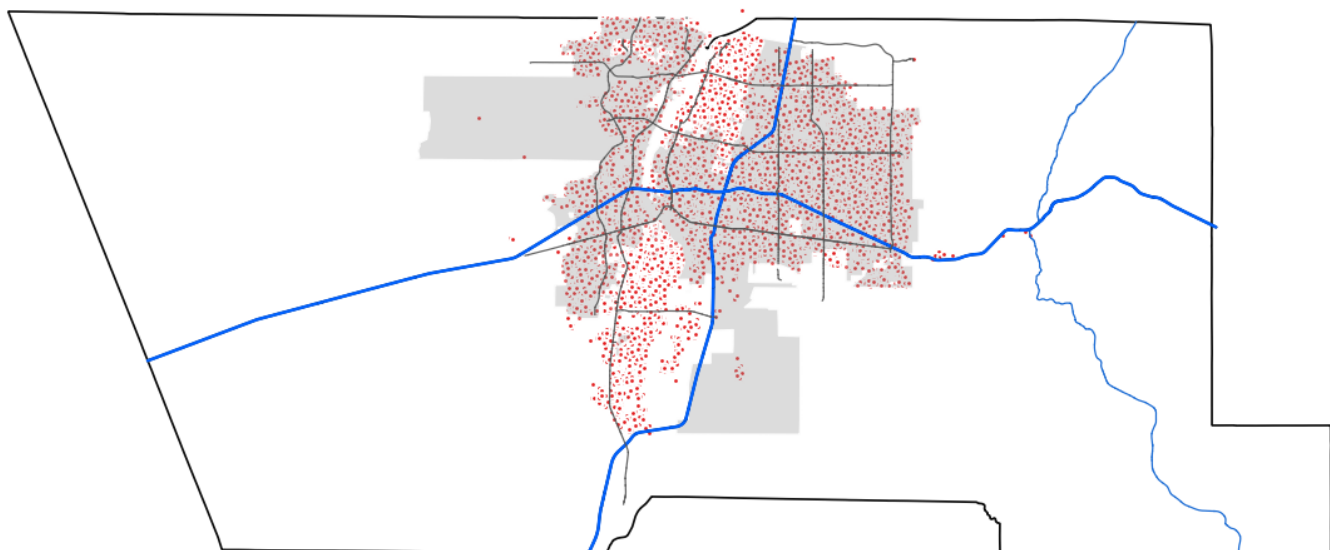
Appendix 7: Water Service and Public School Maps

Albuquerque Public Schools: Elementary, Middle, High



(Source: City of Albuquerque; UNM BBER)

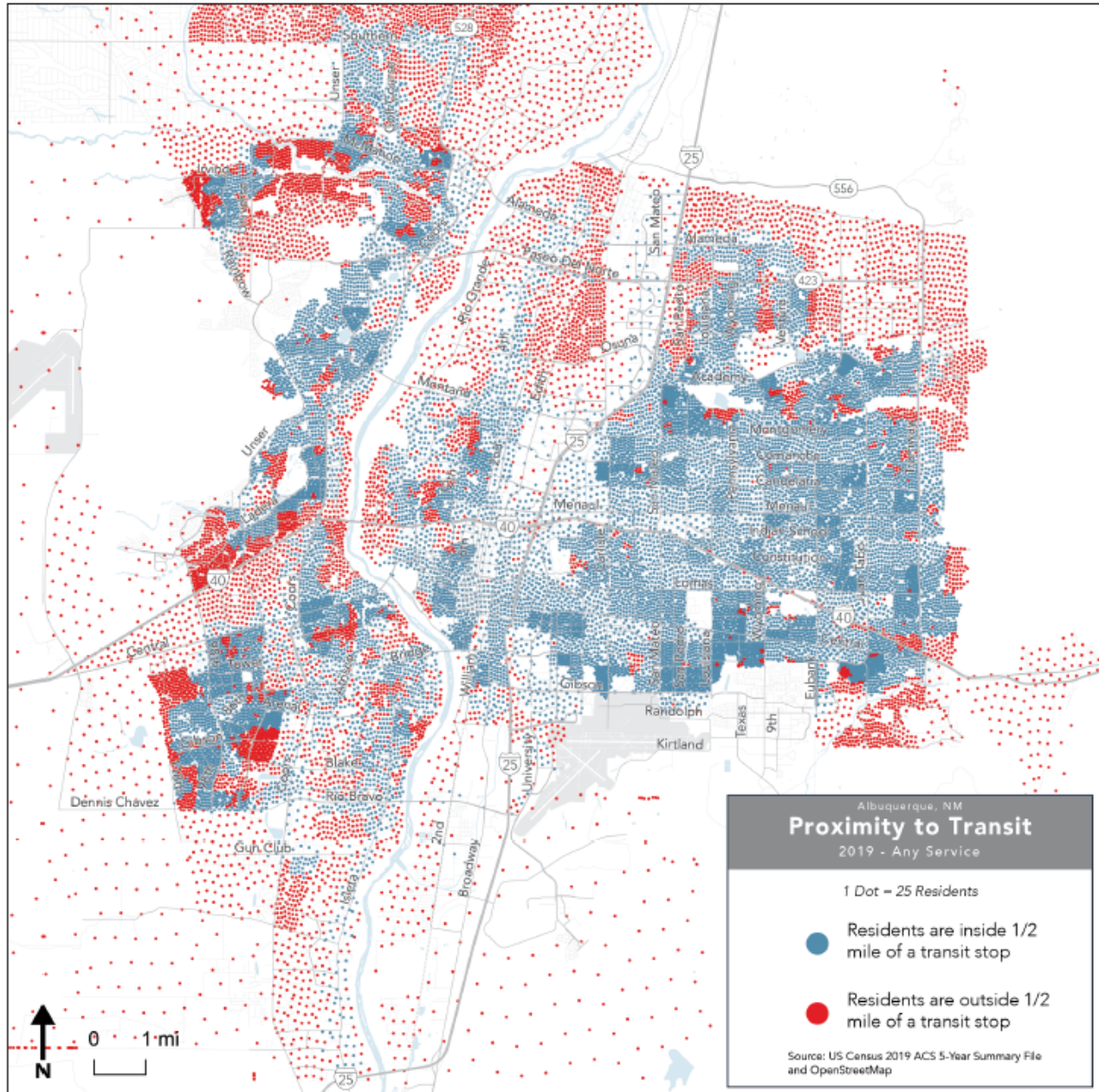
ABCWUA Meter Service



(Source: ABCWUA; UNM BBER)

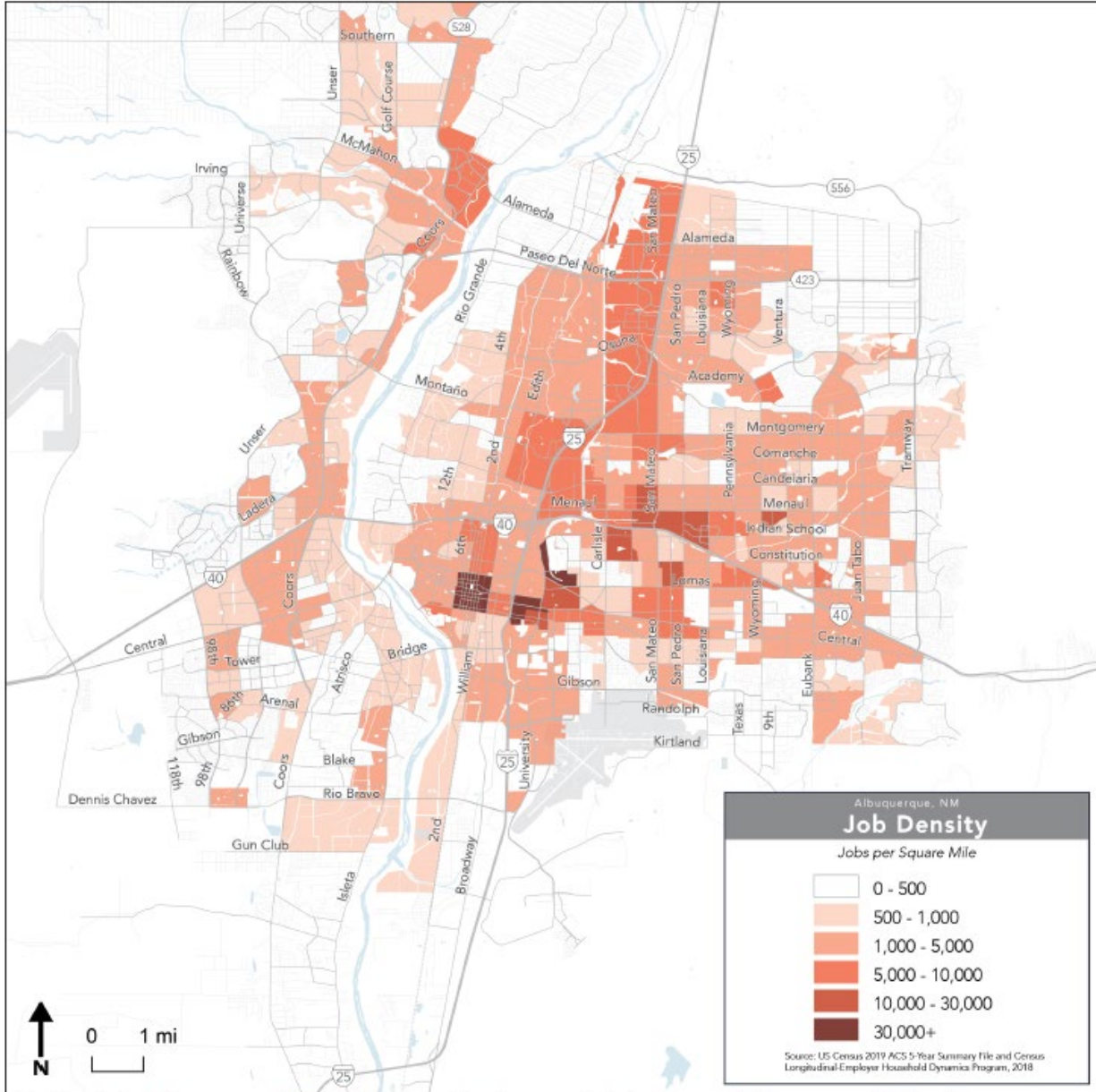
Appendix 8: Public Transit Job Density & Serviceability

Proximity to Transit



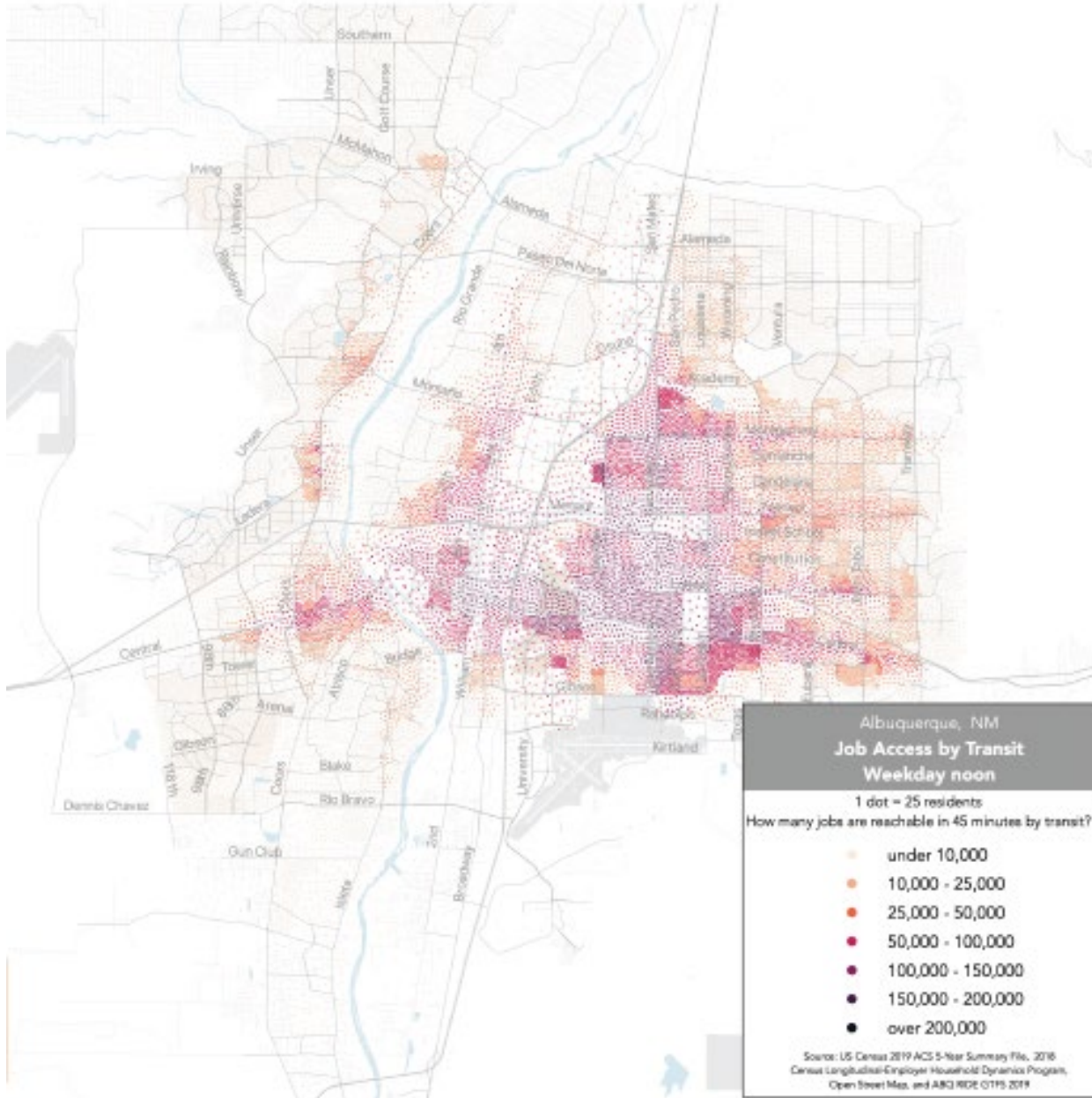
Red dots show where residents are a long walk from transit service of any kind. This analysis is based on 2019 transit service. In 2022, with some routes not running due to the driver shortage, conditions are worse.

Job Density

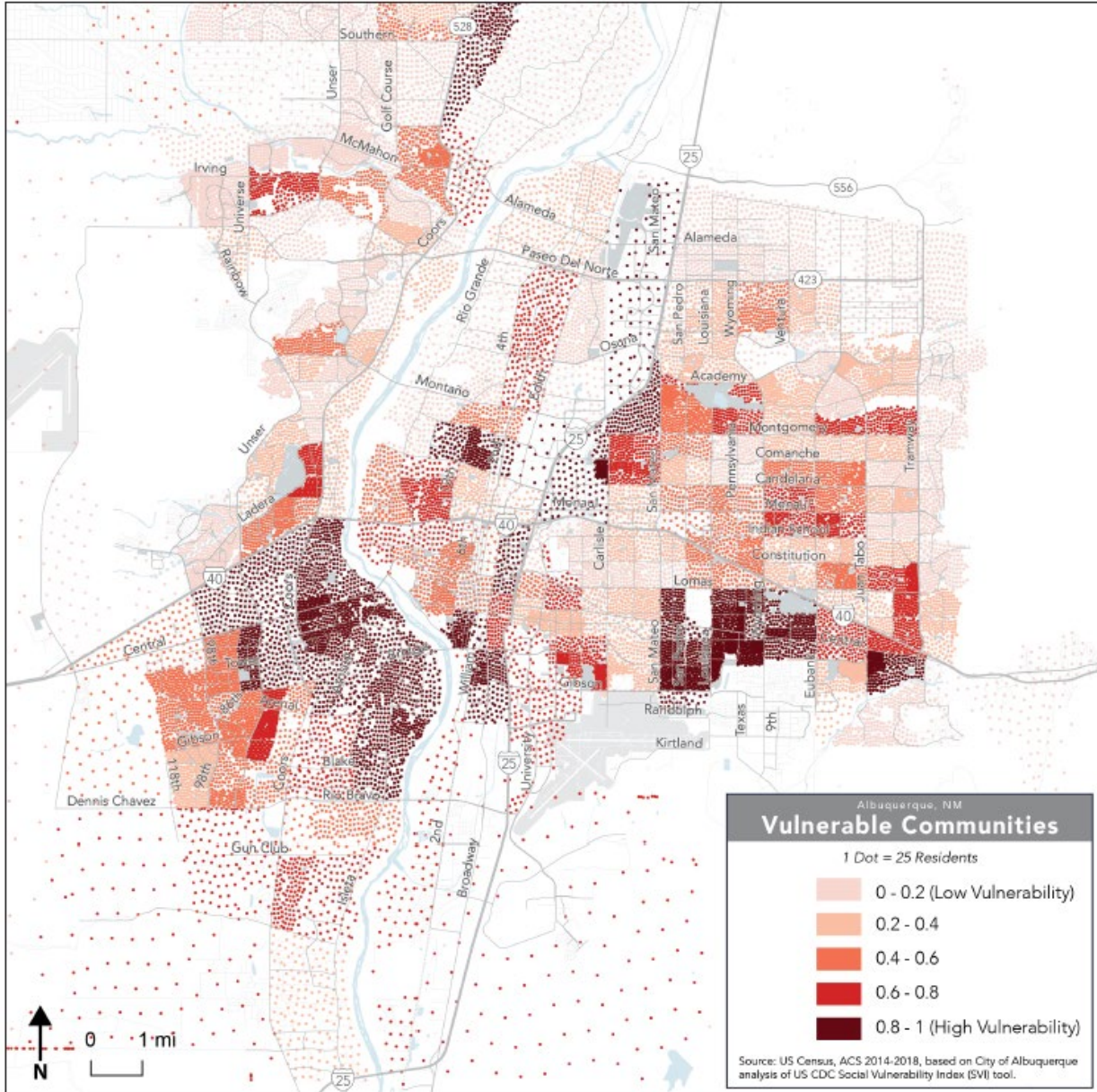


Job density in Albuquerque. The darker the color, the more jobs in the area. Many types of jobs also represent destinations for customers and visitors, such as jobs in retail, services, health care and education.

Job Access by Transit



Vulnerable Communities



Socially vulnerable residents of Albuquerque. Darker hues indicate more severe rates of vulnerability according to the City’s index. Where many dots are concentrated close together, many people live there at high densities.

Appendix 9: Alternate GRT TIDD Analysis with 45% County Enactment and 75% State Enactment

Gross Receipts Tax Pledged to Santolina TIDD

State Share Pledged to TIDD	75%			
County Share Pledged to TIDD	45%			
				<u>County/State</u>
				<u>Share</u>
<u>County</u>	<u>Full Rate</u>	<u>TIDD</u>		<u>(Net of TIDD)</u>
<i>Subtotal</i>	1.3125%	0.5906%		0.7219%
County Regional Transit GRT/Comp (415)	0.1250%	0.0563%		0.0688%
County Health Care (380)	0.0625%	0.0281%		0.0344%
County Health Care (490)	0.0625%	0.0281%		0.0344%
County Area GRT/Comp (403)	0.1250%	0.0563%		0.0688%
County Wide GRT/Comp (401)	0.9375%	0.4219%		0.5156%
				<u>County/State</u>
				<u>Share</u>
<u>State</u>	<u>Full Rate</u>	<u>TIDD</u>		<u>(Net of TIDD)</u>
<i>Subtotal</i>	4.875%	3.66%		1.2188%
	TOTAL	6.187500%	4.6406%	3.4805%

(Source: NM Tax & Revenues Department, GRT CMP enactment rate table, July 1, 2023; Bernalillo County Santolina TIDD Formation Resolution 2016-83)

Public Infrastructure & Facilities Capital/Development Investment Costs

PUBLIC INFRASTRUCTURE & FACILITIES CONSTRUCTION COSTS

	UPFRONT COSTS Paid by:		Covered by:		TIDD Revenues:			Remaining Revenues Net of TIDD Allocation			Full Rate (6.1875%)
	DEVELOPER	LOCAL/STATE GOV	TIDD	PID	State Enactment	County Enactment	State + County	State Remainder	County Remainder	State + County Remainder	
COMMUNITY SERVICES											
Community Center		\$ 81,750,000	X	X	2,988,984	482,836	3,471,820	\$ 996,328	\$ 590,133	\$ 1,586,461	\$ 5,058,281
Library		\$ 12,825,000	X	X	468,914	75,748	544,662	\$ 156,305	\$ 92,580	\$ 248,885	\$ 793,547
Swimming Pools		\$ 137,474,761	X	X	5,026,421	811,960	5,838,381	\$ 1,675,474	\$ 992,396	\$ 2,667,870	\$ 8,506,251
SCHOOLS											
Elementary		\$ 221,220,000	X	X	8,088,356	1,306,581	9,394,937	\$ 2,696,119	\$ 1,596,932	\$ 4,293,051	\$ 13,687,988
Middle		\$ 68,051,250	X	X	2,488,124	401,928	2,890,052	\$ 829,375	\$ 491,245	\$ 1,320,620	\$ 4,210,671
High		\$ 153,000,000	X	X	5,594,063	903,656	6,497,719	\$ 1,864,688	\$ 1,104,469	\$ 2,969,156	\$ 9,466,875
Colleges		\$ 106,500,000	X	X	3,893,906	629,016	4,522,922	\$ 1,297,969	\$ 768,797	\$ 2,066,766	\$ 6,589,688
PUBLIC SAFETY											
Sheriff		\$ 8,007,750	X	X	292,783	47,296	340,079	\$ 97,594	\$ 57,806	\$ 155,400	\$ 495,480
Fire		\$ 5,664,000	X	X	207,090	33,453	240,543	\$ 69,030	\$ 40,887	\$ 109,917	\$ 350,460
PUBLIC WORKS											
Roads	\$ 669,322,550		X	X	24,472,106	3,953,186	28,425,292	\$ 8,157,369	\$ 4,831,672	\$ 12,989,041	\$ 41,414,333
FLOOD & DRAINAGE											
Flood & drainage control			X	X							
Misc.			X	X							
TRANSPORTATION											
Public Transportation		2,225,750			\$ 108,505	\$ 29,213		\$103,288.71	\$ 34,430	\$ 137,718	\$ 137,718
PARKS & RECREATION											
Parks			X	X							
Open Space & Trails			X	X							
WATER											
Water	\$ 209,000,000		X	X	7,641,563	1,234,406	8,875,969	\$ 2,547,188	\$ 1,508,719	\$ 4,055,906	\$ 12,931,875
Reuse	\$ 269,000,000		X	X	9,835,313	1,588,781	11,424,094	\$ 3,278,438	\$ 1,941,844	\$ 5,220,281	\$ 16,644,375
Wastewater	\$ 42,000,000		X	X	1,535,625	248,063	1,783,688	\$ 511,875	\$ 303,188	\$ 815,063	\$ 2,598,750
Raw Water	\$ 139,000,000		X	X	5,082,188	820,969	5,903,156	\$ 1,694,063	\$ 1,003,406	\$ 2,697,469	\$ 8,600,625
GRAND TOTAL	\$ 1,328,322,550	\$ 796,718,511			\$ 77,723,940	\$ 12,567,091	\$ 90,153,313	\$ 25,975,100	\$ 15,358,503	\$ 41,333,603	\$ 131,486,916

State Imposed	4.8750%
County Imposed	1.3125%
Full GRT Rate	6.18750%

Local/State Gov Expenditures:	\$(796,718,510.67)
Total GRT Revenues:	\$131,486,915.63
TIDD Revenues (Reimbursible):	\$(90,153,312.72)
NET	\$(755,384,907.76)

	State Enactment	County Enactment
Pledged Revenues to TIDD:	75%	45%
TIDD Effective Rate:	3.6563%	0.5906%
Remainder to State/County:	1.2188%	0.7219%
TOTAL:	4.8750%	1.3125%

Construction Costs (One-time) and Associated GRT Revenues: Level A (Full Buildout)

LEVEL A FULL BUILDOUT

	Construction Costs	Covered by:		TIDD Revenues:			Remaining REVS Net of TIDD Allocation			Full Rate (6.1875%)
		TIDD	PID	State Enactment	County Enactment	State + County	State Remainder	County Remainder	State + County Remainder	
Infrastructure	2,912,784,914	X	X	106,498,698	17,203,636	123,702,334	35,499,566	21,026,666	56,526,232	180,228,567
Residential	4,751,085,213	X		173,711,553	28,061,097	201,772,650	57,903,851	34,296,896	92,200,747	293,973,398
Retail/Commercial/Industrial	3,228,924,884	X		118,057,566	19,070,838	137,128,404	39,352,522	23,308,802	62,661,324	199,789,727
TOTAL	10,892,795,011			398,267,818	64,335,571	462,603,388	132,755,939	78,632,364	211,388,303	673,991,691

State Imposed	4.8750%	Pledged Revenues to TIDD:	State Enactment	75%	County Enactment	45%
County Imposed	1.3125%	TIDD Effective Rate		3.6563%		0.5906%
Full GRT Rate	6.1875%	Remainder to State/County		1.2188%		0.7219%
		TOTAL		4.8750%		1.3125%

Construction Costs (One-time) and Associated GRT Revenues: Level A (20% of Target)

LEVEL A FULL BUILDOUT

	Construction Costs	Covered by:		TIDD Revenues:			Remaining REVS Net of TIDD Allocation			Full Rate (6.1875%)
		TIDD	PID	State Enactment	County Enactment	State + County	State Remainder	County Remainder	State + County Remainder	
Infrastructure	582,556,983	X	X	21,299,740	3,440,727	24,740,467	7,099,913	4,205,333	11,305,246	36,045,713
Residential	950,217,043	X		34,742,311	5,612,219	40,354,530	11,580,770	6,859,379	18,440,149	58,794,680
Retail/Commercial/Industrial	645,784,977	X		23,611,513	3,814,168	27,425,681	7,870,504	4,661,760	12,532,265	39,957,945
TOTAL	2,178,559,002			79,653,564	12,867,114	92,520,678	26,551,188	15,726,473	42,277,661	134,798,338

State Imposed	4.8750%	Pledged Revenues to TIDD:	State Enactment	45%	County Enactment	75%
County Imposed	1.3125%	TIDD Effective Rate		3.6563%		0.5906%
Full GRT Rate	6.1875%	Remainder to State/County		1.2188%		0.7219%
		TOTAL		4.8750%		1.3125%

Appendix 10: Santolina Timeline & Important Milestones

1692 – New Mexico, taken by the Spanish and the Atrisco land grant (current day Santolina area), is awarded to Fernando Durán y Chavesⁱ

1769 – A second land grant is awarded to the Atrisco people making the area a total of 67,000 acres between the Rio Grande and Rio Puercoⁱⁱ

1892 – Now a part of the U.S., 225 Atrisqueños file a petition with the Court of Private Land Claims to establish the Town of Atriscoⁱ

1905 – Patent for the Town of Atrisco is signed compromising around 83,000 acresⁱ

1950 – Suit filed by Atrisco heirs to dissolve the Board of Trustees in charge of their communal landⁱ

1952 - Suit filed after the Board of Trustees attempts to sell 4,500 acres in the Ladera area without court approval; land sale proceedsⁱ

1959 – 4,000 acres of the land is sold to Hoffman Homes for 1.25 million creating the Westgate Communityⁱ

1967 – Approximately 55,000 acres of land were given to Westland Development Corporation converting the grant into a private company to manage the grant's assets which was supported by New Mexico State legislation and Atrisco heir vote^{i, iii}

1990 – Approximately 2,000 acres of Atrisco land is sold to the U.S. federal government and becomes a part of the Petroglyph National Monumentⁱ

2005 – The Town of Atrisco Grant-Merced is formed by Atrisco heirs to combat the selling of common lands^{iv}

November 2006 – Westland Development Co. announces the approval of the merger with SunCal after a vote including non-heir shareholders of Westland Co.ⁱ

2009 – SunCal faces bankruptcy and the British Bank Barclays (Barclays) forecloses on their 21 properties, including the Santolina area

December 2009 – SunCal fails their annual 1M dollar payment to the Atrisco Heritage Foundation in accordance with their agreement with Westland Co. and the Foundation files a lawsuit for breach of contract against the company, Atrisco heir shareholders lose access to any profits from the lands foreclosed by Barclays^v

November 2013 – Santolina developers, including Western Albuquerque Land Holdings (WALH), make an initial presentation to the Bernalillo County Planning Commission

August 2013 - Level A Fiscal & Economic Impact Analysis completed by David Taussig & Associates (DAT)

December 2014 - The County Planning Commission recommends that the Bernalillo County Commission (BCC) approve Santolina's request to amend the zone map from "A-1 Rural/Agricultural" to "Planned Communities" and adopt the Santolina Master Plan^{vi}

March to June 2015 -- BCC holds several public hearings on Santolina's Level A submittals and approves the project 3 to 2^{vi}

June 2015 - Master Plan (Level A) Adopted by Bernalillo County

August 2015 - Santolina Level A Development Agreement between Bernalillo County & WALH recorded

January 2016 - Level B Economic & Fiscal Impact Analysis (DAT) submitted to Bernalillo County

2016 - Santolina receives from Bernalillo County \$500 million in 40 Public Improvement Districts (PIDs) and 20 Tax Increment Development Districts (TIDDs) lasting 50 years^{vi}

August 2017 - Level B.I Plan adopted

March 2017 - BCC holds public hearings on Santolina Level B.1 Master Plan^{vi}

June 2017 – In response to NMELC's 2015 lawsuit, NM District Court Judge Franchini reverses the BCC's decision to change Santolina zoning from "A-1 Rural/Agricultural" to "Planned Community" based on procedural due process violations by the BCC^{vi}

August 2017 – BBC votes 3-1 in favor of letting Santolina proceed without a water agreement in place^{vi}

August 2017 – Despite the previous ruling, Santolina Level B.1 plan is approved by the BCC with a 3-2 vote, and the appeal by NMELC is denied by the same 3-2 vote^{vi}

November 2018 - Santolina Level B.I Development Agreement between Bernalillo County & WALH recorded

August 16, 2022 – The BCC votes 4-0 to approve two requests by Santolina to speed up the development's timeline from 50 to 30 years and add a recycling plant to the area.^{vii} The BCC votes the same day 3-0 to approve Santolina Level B.2 Plan^{viii}

Appendix 11: Mesa Del Sol Timeline & Important Milestones

- May 2002** – NM State Land Office selects ForestCity Covington LLC (a partnership between Covington Group and Forest City Enterprises) as the developer of MDS in an open bid^{ix}
- December 2005** – Albuquerque (ABQ) City Council adopts MDS Level A Community Master Plan^x
- November 2006** – ABQ City Council approves petition of MDS LLC (the new name of ForestCity Covington LLC) for Formation of the MDS Tax Increment Development Districts (TIDDs) 1-5ⁱⁱ
- May 2007** – ABQ City Council approves contract with Economics Research Associates regarding affordable housing in MDS Developmentⁱⁱ
- February 2008** – MDS Master Plan Level B is approved by the ABQ City Development Review Board (DRB)ⁱⁱ
- February 2008** – ABQ City Council approves MDS LLC petition for Public Improvement Districts (PID) 1-5 Development Agreementⁱⁱ
- March 2011** – MDS residential development breaks ground with three local builders (RayLee, Rachel Matthew, and Paul Allen Homes) and Pulte Homes^{xi}
- May 2013** – Forest City Enterprises Inc. plans to transfer its 3,000 acres in MDS to partner company Covington Group Inc.^{xii}
- September 2015** – A default judgment is entered against MDS LLC on 2,800 acres of land and is placed in receivership^{xiii}
- May 2018** – MDS Funding LLC acquires the 2,800 acres in receivership from Land Advisors^{xiv}
- October 2018** – Netflix announces purchase of ABQ Studios in MDS development^{xv}
- November 2020** – Netflix announces \$1 billion investment and the creation of 1,000 jobs in an expansion of ABQ Studios by 300 acres in MDS^{vii}
- April 2021** – City of Albuquerque invests 8 million into MDS with Albuquerque Underground Inc. to improve infrastructure^{xvi}
- March 2022** -- Phase A of the I-25 Mesa Del Sol/Bobby Foster Interchange Study^{xvii}
- August 2022** – Phase B of the I-25 Mesa Del Sol/Bobby Foster Interchange Study^{ix}

Endnotes:

ⁱ [Timeline for Atrisco/Westland by Richard J. Griego January, 2013](#)

ⁱⁱ [Our History - Atrisco Heritage Foundation](#)

ⁱⁱⁱ [SKM_C75920122812400 \(atriscocompanies.com\)](#)

^{iv} [Mission Statement \(atriscolandgrant.com\)](#)

^v [V3Issue2.pdf \(atriscoheritagefoundation.org\)](#)

^{vi} [Santolina development takes another step forward - Albuquerque Journal \(abqjournal.com\)](#)

^{vii} [Bernalillo County approves new Santolina plans despite public objections, water access issues - Source New Mexico \(sourcenm.com\)](#)

^{viii} [Bernalillo County Commission approves Santolina requests - Albuquerque Journal \(abqjournal.com\)](#)

^{ix} [Mesa del Sol developer chosen - Albuquerque Business First \(bizjournals.com\)](#)

^x [City of Albuquerque - Legislation \(legistar.com\)](#)

^{xi} [Mesa del Sol gets ready to build houses - Albuquerque Business First \(bizjournals.com\)](#)

^{xii} [Forest City Enterprises plans to transfer its stake in Mesa del Sol development to The Covington Group Inc. - Albuquerque Business First \(bizjournals.com\)](#)

^{xiii} [State Auditor: Mesa del Sol community is 'adrift' - Albuquerque Journal \(abqjournal.com\)](#)

^{xiv} [Group buys large chunk of Mesa del Sol - Albuquerque Journal \(abqjournal.com\)](#)

^{xv} [Netflix plans significant expansion in ABQ - Albuquerque Journal \(abqjournal.com\)](#)

^{xvi} [City of Albuquerque to invest millions to improve access to Mesa del Sol development - Albuquerque Business First \(bizjournals.com\)](#)

^{xvii} [CN A302360, I-25 Bobby Foster-Mesa del Sol Interchange Study | NMDOT](#)