

COUNTY OF LOS ALAMOS



WORK STUDY SESSION
OCTOBER 16, 2018

MIRADOR
PUBLIC IMPROVEMENT DISTRICT

Public Improvement Districts (PID)

- ❖ PIDs may be established by a County or Municipality and are separate political subdivision of the State
- ❖ PIDs are often utilized in master planned communities and substantial commercial developments to finance eligible public infrastructure such as:
 - Roadways and traffic signalization
 - Water lines, sewer lines, treatment facilities and storage
 - Flood control structures and drainage control
 - Parks, trails and recreational facilities
- ❖ PIDs in New Mexico have typically imposed a special levy, which is:
 - A payment obligation in addition to property taxes and has a priority co-equal to the lien of property taxes
 - Only assessed on real property located within the District and subject to strict limitations in the amount actually imposed
 - Based on the benefit received by a particular lot or parcel from the public improvements financed by the PID
- ❖ PIDs may also utilize taxes, fees and charges, but none are proposed for Mirador
- ❖ PIDs and TIDDs are NOT a subsidy, but rather a financing tool used to reimburse for the cost of public infrastructure that benefits the residents and businesses of the County

Public Improvement Districts (PID)

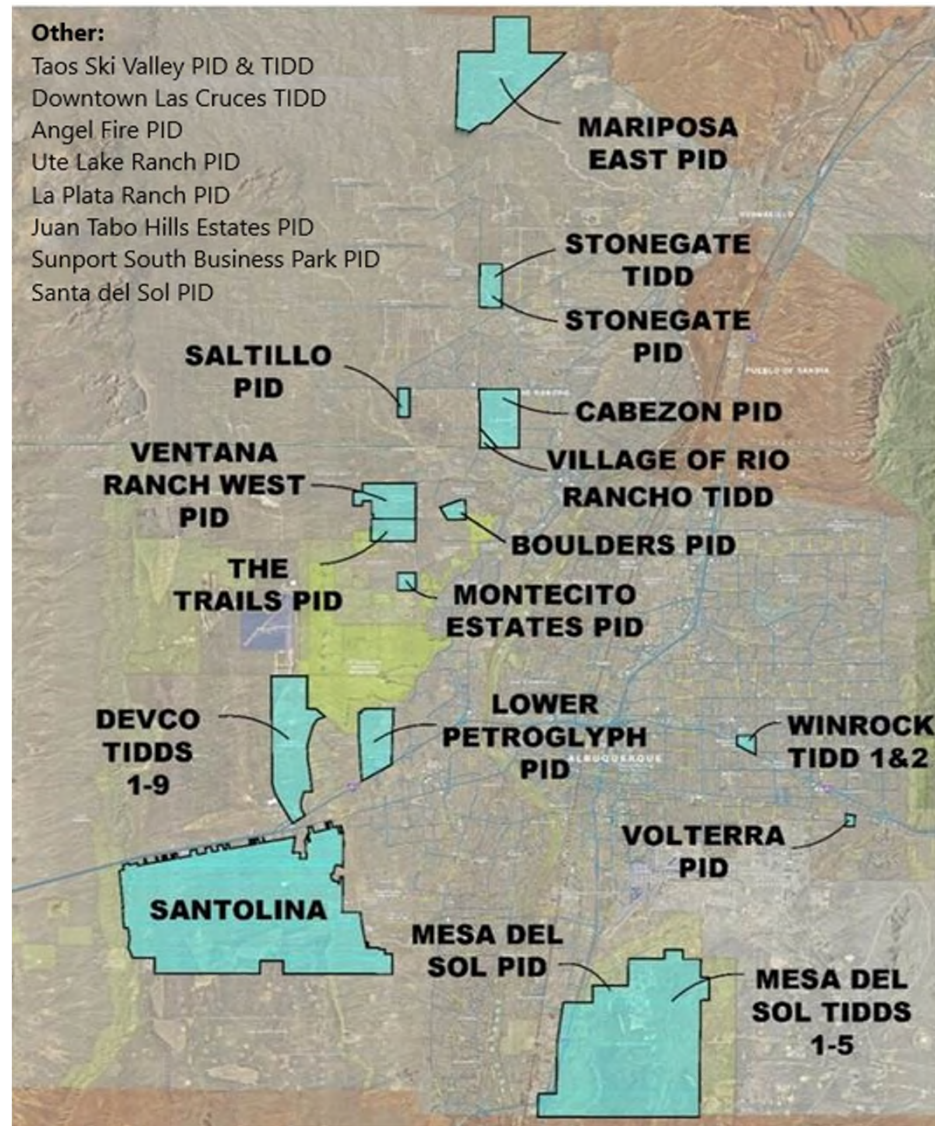
- ❖ PIDs ARE:
 - Authorized to impose a special levy on property located within PID only
 - Levied based on the benefit received by the property within the PID
 - Disclosed to all potential purchasers of property owners within PID
 - PID funding is performance based: If no development occurs then the developer will not be reimbursed for costs advanced

- ❖ PIDs will:
 - NOT result in an obligation to property owners outside the PID
 - NOT use County property taxes
 - NOT be a liability to the general fund
 - NOT have a direct or indirect impact to the County bond rating

Only Mirador residents and businesses will pay the PID levy

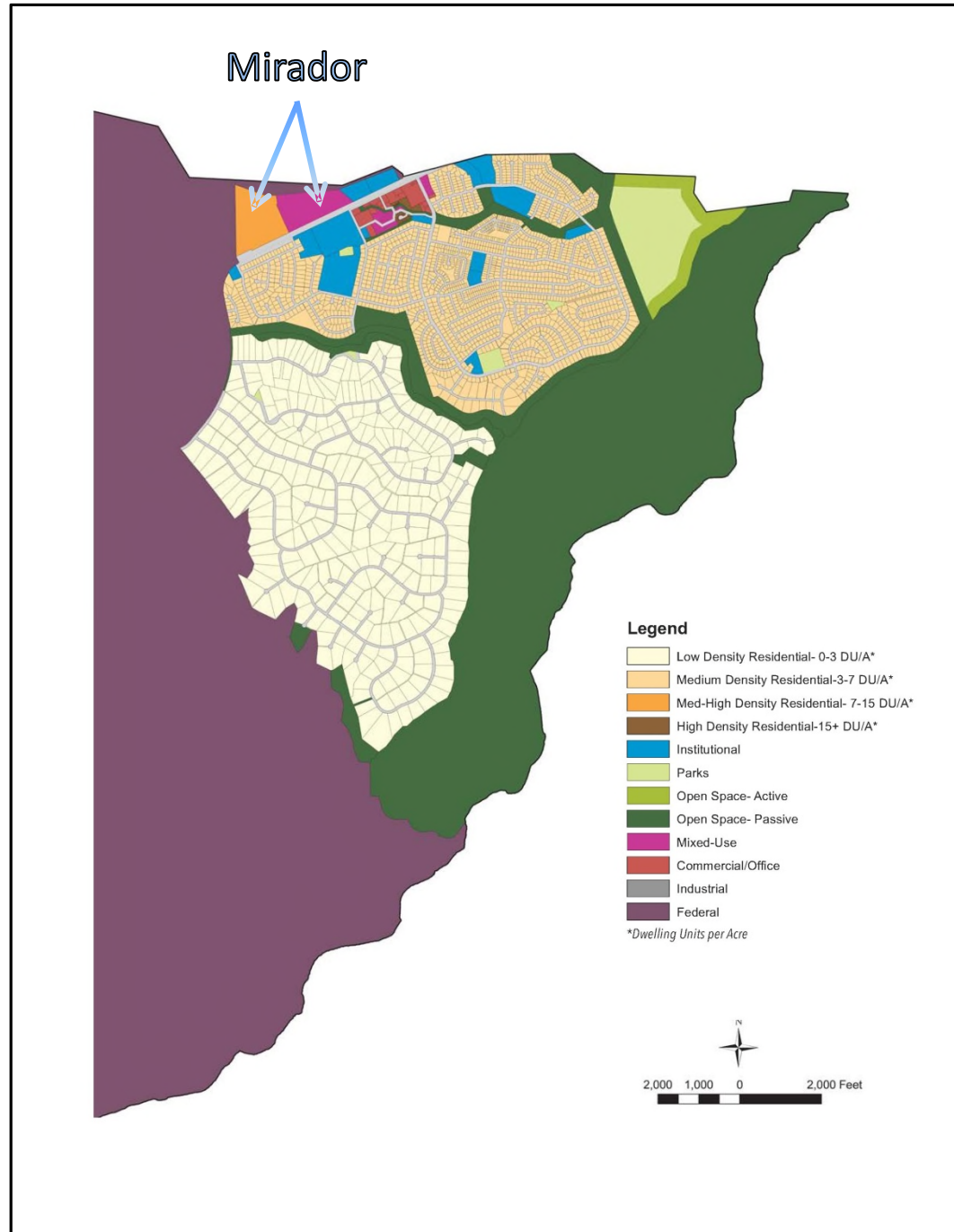
No one else

PIDs and TIDDs Throughout New Mexico



October 16, 2018

Location of Mirador Public Improvement District



Project Challenges

- The project requires over \$9M in earthwork
- The appraised value of all of the lots, assuming all of the infrastructure is installed, is \$16.63M
- Even with the County's infrastructure contribution, the project doesn't "pencil"

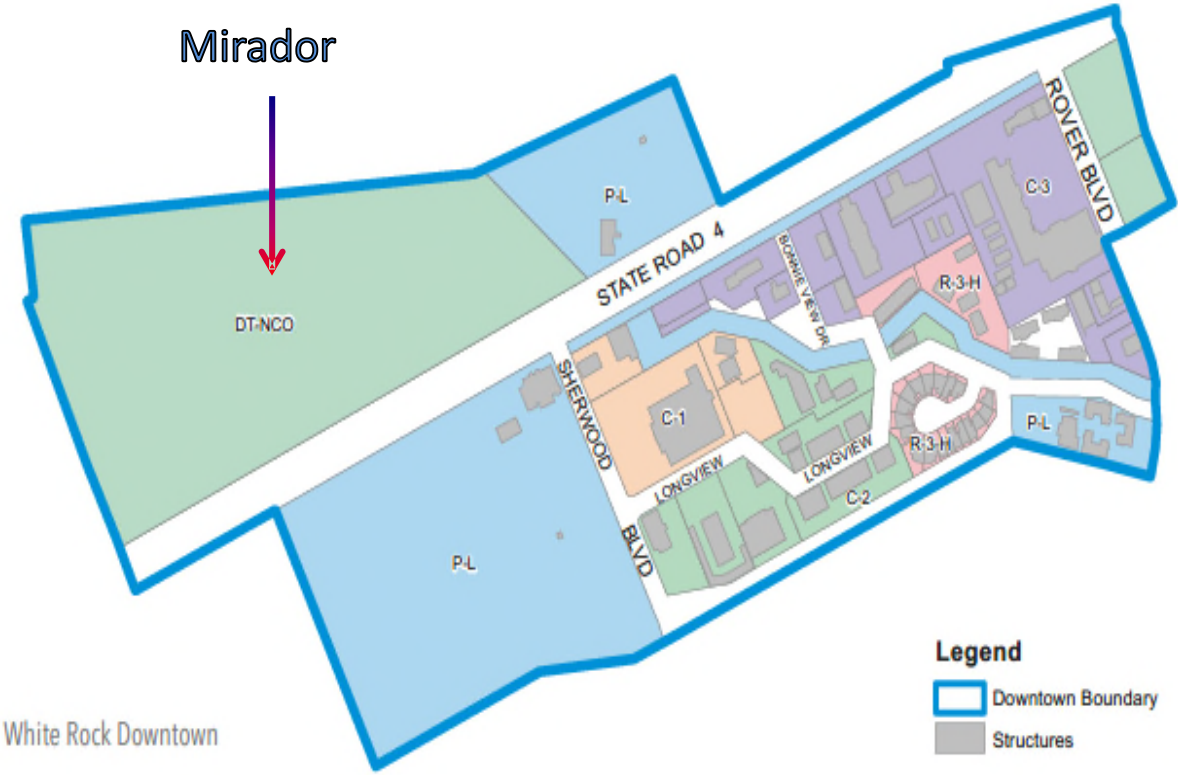
Without a PID

- The cost of developing the lots, especially the demolition work, will drive home prices above market rates
- Slower sales → Higher holding costs
- Piecemeal development to avoid holding costs
- Longer absorption period
- Challenged cash flows will not facilitate the planned multifamily/commercial development

With a PID

- More flexibility for homebuyers in financing infrastructure through special levy instead of house price and mortgage
- Accelerated construction of infrastructure instead of piecemeal
- Incentives to accelerate market absorption and keep home prices highly marketable
- Facilitates desired project at this site, including providing capital for multifamily and commercial construction

Regional Context



MIRADOR PID

SUMMARY OF REVENUE IMPACTS

TAXING ENTITY	PROPERTY TAXES	ONE-TIME GROSS RECEIPTS TAXES
STATE	\$1,019,657	\$3,668,485
COUNTY/TOWN	\$7,237,309	\$1,565,816
SCHOOL DISTRICT	\$9,198,824	NA
UNM LOS ALAMOS BRANCH	\$1,476,376	NA
TOTAL	\$18,932,166	\$5,234,302

Mirador PID

Infrastructure Costs

Description	Total Budget	PID Eligible	Non-Eligible
Water	\$584,736	\$584,736	\$0
Sanitary Sewer	\$850,779	\$850,779	\$0
Drainage	\$476,448	\$476,448	\$0
Roads	\$3,165,502	\$3,165,502	\$0
General Conditions	\$332,802	\$0	\$332,802
Block and Gabion Walls	\$2,422,513	\$0	\$2,422,513
Earthwork	\$9,082,334	\$1,363,111	\$7,719,224
Demolition	\$415,675	\$415,675	\$0
Gas and Electric	\$1,269,308	\$1,269,308	\$0
Grand Total Costs	\$16,688,134.00	\$6,213,596.00	\$10,474,539.00

MIRADOR PID

INFRASTRUCTURE COSTS

IMPROVEMENT DESCRIPTION	TOTAL BUDGET	PID ELIGIBLE	NON-ELIGIBLE
WATER	\$584,736	\$584,736	\$0
SANITARY SEWER	\$850,779	\$850,779	\$0
DRAINAGE	\$476,448	\$476,448	\$0
ROADS	\$3,165,502	\$3,165,502	\$0
GENERAL CONDITIONS	\$332,802	\$0	\$332,802
BLOCK AND GABION WALLS	\$2,422,513	\$0	\$2,422,513
EARTHWORK	\$9,082,334	\$1,363,111	\$7,719,224
DEMOLITION	\$415,675	\$415,675	\$0
GAS AND ELECTRIC	\$1,269,308	\$1,269,308	\$0
GRAND TOTAL COSTS	\$18,600,096	\$8,125,558	\$10,474,538



RayLee Homes
A NEW GENERATION
DEKKER/PERICH/SABATINI

site plan
MIRADOR
DEKKER
PERICH
SABATINI
ARCHITECTS

October 16, 2018

ATTACHMENT A

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Total Tax and Levy Obligation

Mirador PID
Projected Total Property Tax Burden

Levy Classification	Average Sales Price	Average Assess Value ¹	Regular Property Taxes ²	PID Maximum Annual Special Levy	Total Property Taxes	Total Effective Tax Rate
(1) 70' Typical Lot Width	\$442,750	398,475	\$3,674	\$2,550	\$6,224	1.41%
(2) 60' Typical Lot Width	\$414,000	372,600	\$3,432	\$2,130	\$5,562	1.34%
(3) 50' Typical Lot Width	\$348,750	313,875	\$2,883	\$1,830	\$4,713	1.35%
(4) Multi-Family	\$200,000	180,000	\$1,682	\$1,143	\$2,825	1.41%
(5) Commercial	N/A	N/A	N/A	\$500	N/A	N/A
¹ Assumes assessed value is equal of 90% of the sales price. ² Based on FY 2017-2018 residential tax rates. Assumes homebuyers take advantage of \$2,000 head of family AV exemption.						

Disclosure of Special Levy

- Notice of Formation
 - Formation Resolution
 - General Plan
- Notice of Imposition of Special Levy
 - Rate and Method of Apportionment of Special Levy
- Notice of Information
 - Drafts included in Application
 - District to update semi-annually
 - All Sellers obligated to deliver notice
- PID Act provides action for injured home buyers
 - Actual Damages
 - Attorneys' Fees and Costs
 - Injunctive Relief



REALTORS® ASSOCIATION OF NEW MEXICO
PUBLIC IMPROVEMENT DISTRICT DISCLOSURE - 2015



MIRADOR PID FINANCE PLAN

ESTIMATED SOURCES AND FUNDS OF FUNDS	
DESCRIPTION	AMOUNT
SOURCES OF FUNDS	
PRINCIPAL AMOUNT OF BONDS	\$4,740,000
TOTAL SOURCES OF FUNDS	\$4,740,000
USES OF FUNDS	
INFRASTRUCTURE IMPROVEMENTS	\$4,012,101
DEBT SERVICE RESERVE	\$309,899
CAPITALIZED INTEREST	\$0
COSTS OF ISSUANCE	\$418,000
TOTAL	\$4,740,000

Finance Plan (Continued)

- Bonds
 - Debts service to be funded from a pledge of special levy revenues.
 - Final bond amounts will be determined by revenues and interest rate at time of issuance.
 - A current MAI Appraisal to be prepared with a bond issuance
 - Confirm necessary value to lien ratio; and
 - Confirm satisfactory total tax and levy obligation.
 - Bonds are non-recourse to the County.
 - Final maturity of each series of bonds not more than 30 years after the issuance of a particular series.
- Other Obligations.
 - Notes and other district debt are non-recourse to the County.
 - Payment from Special Levy Revenues.

Operations of the District

- Minimal County involvement required
- County Council appoints PID Board- County Board (ex-officio) or 5 appointed members
- District employees independent contractors
- District complies with applicable state laws

Timetable

- Application Submitted.
 - September 5th
- Formation Hearing.
 - October 30th
- Available for questions or supplemental briefings in the interim.