

CITY of ALBUQUERQUE

TWENTY-SIXTH COUNCIL

COUNCIL BILL NO. R-24-102 ENACTMENT NO. _____

SPONSORED BY: Joaquin Baca, by request

1 RESOLUTION

2 APPROVING THE DOWNTOWN 2025 METROPOLITAN REDEVELOPMENT AREA
3 FOR GROSS RECEIPTS TAX INCREMENT FINANCING

4 WHEREAS, the State of New Mexico has enacted the Metropolitan
5 Redevelopment Code (herein the “Code”), Chapter 3, Article 60A, Sections 1 - 49
6 NMSA 1978, as amended, which authorizes the City of Albuquerque, New Mexico
7 (herein the “City”) to prepare and amend metropolitan redevelopment plans to
8 undertake and carry out metropolitan redevelopment projects; and

9 WHEREAS, the City has adopted the Metropolitan Redevelopment Agency
10 Ordinance (herein the “Ordinance”) ROA 1994, Chapter 14, Article 8, Part 4, as
11 amended, which creates the Metropolitan Redevelopment Agency (herein the
12 “MRA”) and delegates from the Albuquerque City Council (herein the “Council”) to
13 the MRA the exercise of certain metropolitan redevelopment project powers
14 set forth in the Code; and

15 WHEREAS, the State of New Mexico has amended certain provision of the
16 Code, Chapter 3, Article 60A, Sections 19 – 24, NMSA 1978 (herein the “Tax
17 Increment Law”), effective on January 1, 2025, which authorizes the City to
18 designate Metropolitan Redevelopment Areas (herein the “MR Areas”) for tax
19 increment financing from gross receipts tax increment for a period of up to 20
20 years; and

21 WHEREAS, the Tax Increment Law, authorizes the City to designate a portion
22 of the gross receipts tax increment for the purpose of funding a metropolitan
23 redevelopment project, after a metropolitan redevelopment area geographic
24 boundary is approved; and

1 WHEREAS, the City enacted Resolution R-24-46 (Enactment no. R-2024-016)
2 recognizing the authority of the MRA to carry out tax increment financing as
3 permitted by the Tax Increment Law; and

4 WHEREAS, the City enacted Council Bill O-24-22 (Enactment no. O-2024-045)
5 amending the Ordinance and authorizing MRA to carry out tax increment
6 financing as permitted by the Tax Increment Law; and

7 WHEREAS, the Council, after notice and public hearing as required by the
8 Code, duly passed and adopted Resolution R-03-294 (Enactment no. R-2003-
9 160), which designated the Downtown Metropolitan Redevelopment Area and
10 established its geographic boundaries as the area generally bounded by
11 Marble/Slate/Lomas Boulevard on the north, the BNSF Rail Road/Broadway
12 Boulevard on the east, Coal Avenue on the south, and Tenth/Ninth/Seventh
13 Streets on the west; and

14 WHEREAS, in Resolution R-03-294, Section 4, the Council resolved that the
15 entire Downtown Metropolitan Redevelopment Area is specifically included for
16 purposes of tax increment financing; and

17 WHEREAS, Council, after notice and public hearing as required by the Code,
18 duly passed and adopted Resolution R-04-50 (Enactment no. R-2004-044), which
19 approved the Downtown 2010 Metropolitan Redevelopment Area Plan (the “MR
20 Area Plan”); and

21 WHEREAS, Council, after notice and public hearing as required by the Code,
22 duly passed and adopted Resolution R-17-213 (Enactment no. R-2017-102),
23 which amended the MR Area Plan and adopted it as the Downtown 2025 MR Area
24 Plan; and

25 WHEREAS, the Downtown 2025 MR Area Plan includes Policies and
26 Implementation Actions to make the Downtown MR Area New Mexico’s premier
27 pedestrian-oriented “urban place;” and

28 WHEREAS, the Downtown 2025 MR Area Plan provides that tax increment
29 financing may be used to fund programs, infrastructure, and facilities, and
30 provides that the MRA shall use redevelopment powers as authorized by the
31 Code to support and encourage residential development in the Downtown MR
32 Area; and

1 **WHEREAS, the Downtown 2025 MR Area Plan identifies multiple strategies for**
2 **revitalization of the area including, but not limited to the development of high-**
3 **density urban housing, diversification of commercial and retail activity, and**
4 **public infrastructure and safety improvements; and**

5 **WHEREAS, investment in and redevelopment of the Downtown 2025 MR Area**
6 **is critical to the sound growth and economic health of the City, and this**
7 **investment will not otherwise occur without the designation of the area for gross**
8 **receipts tax increment financing; and**

9 **WHEREAS, the Downtown 2025 MR Area includes a total area of**
10 **approximately 321 acres and is generally bounded by Marble/Slate/Lomas**
11 **streets to the north, the BNSF Rail Road/Broadway Boulevard to the east, Coal**
12 **Avenue to the south, and 10th/9th/7th streets to the west.**

13 **BE IT RESOLVED BY THE COUNCIL, THE GOVERNING BODY OF THE CITY**
14 **OF ALBUQUERQUE:**

15 **SECTION 1. The entire Downtown 2025 MR Area is included for purposes of**
16 **Gross Receipts Tax Increment Financing (TIF).**

17 **SECTION 2. This area encompasses approximately 321 acres and 478 parcels,**
18 **and is generally bounded by Marble/Slate/Lomas streets to the north, the BNSF**
19 **Rail Road/Broadway Boulevard to the east, Coal Avenue to the south, and**
20 **Tenth/Ninth/Seventh streets to the west.**

21 **SECTION 3. Pursuant to the Tax Increment Law and Resolution R-24-46**
22 **(Enactment no. R-2024-016) the City hereby dedicates 75% of the City’s portion**
23 **of the gross receipts tax increment generated from within the Downtown 2025**
24 **MR Area TIF geographic boundary for the purpose of funding the metropolitan**
25 **redevelopment projects therein for a period of 20 years from the date of the**
26 **notification provided pursuant to Sections 4 and 5 hereof.**

27 **Section 4. On or after January 1, 2025 the Metropolitan Redevelopment Agency**
28 **shall notify the State of New Mexico Board of Finance and Bernalillo County,**
29 **New Mexico (herein the “County”) of the approved Downtown 2025 Metropolitan**
30 **Redevelopment TIF geographic area boundary to be included in the TIF for gross**
31 **receipts tax increment financing:**

32 **a) For a period of 20 years from the date of the notification.**

1 **b) Authorizing 75% of City’s portion of the gross receipts tax increment from**
2 **within the designated area to be transferred to the appropriate designated**
3 **metropolitan redevelopment fund for metropolitan redevelopment**
4 **activities in the designated area.**

5 **SECTION 5. On or after January 1, 2025 the Metropolitan Redevelopment**
6 **Agency shall notify the State of New Mexico Taxation and Revenue Department**
7 **of the approved Downtown 2025 Metropolitan Redevelopment TIF geographic**
8 **area boundary to be included in the TIF for gross receipts tax increment**
9 **financing:**

10 **a) Requesting designation of a reporting location code for the Metropolitan**
11 **Redevelopment area pursuant to Section 7-1-14 NMSA 1978**

12 **SECTION 6. The Metropolitan Redevelopment Agency shall recommend to the**
13 **County that up to 75% of the County’s portion of the gross receipts tax increment**
14 **generated from within the Downtown 2025 MR Area TIF be transferred to the**
15 **designated metropolitan redevelopment area fund within the City, through a**
16 **County-adopted resolution, and is encouraged to work with the County to adopt**
17 **such a resolution.**

18 **SECTION 7. The Metropolitan Redevelopment Agency shall submit a request**
19 **to the State of New Mexico Board of Finance that up to 75% of State’s portion of**
20 **the gross receipts tax increment from the designated area be transferred to the**
21 **City’s designated metropolitan redevelopment area fund, through a State-**
22 **adopted resolution, and is encouraged to and work with State Board of Finance**
23 **to adopt such a resolution.**

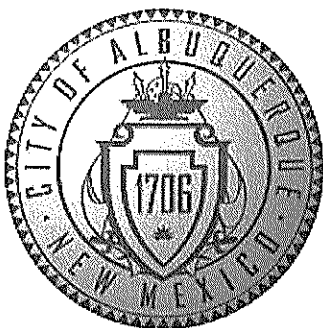
24 **SECTION 8. The Metropolitan Redevelopment Agency is hereby authorized to**
25 **request a Fund be created by the appropriate City financial staff for the purpose**
26 **of receiving exclusively all TIF funds from the Downtown 2025 MR Area TIF.**

27 **SECTION 9. INCORPORATION. The Albuquerque Code of Resolutions §1-12-**
28 **15(D) is hereby amended as follows:**

29 **(D) The entire Downtown 2025 MR Area is specifically included for purposes**
30 **of tax increment financing, as provided by the Tax Increment Law, pursuant to**
31 **adopted resolutions R-24-XX and R-24-XX.**

32 **SECTION 10. SEVERABILITY CLAUSE. If any section, paragraph, sentence,**
33 **clause, word or phrase of this resolution is for any reason held to be invalid or**

**1 unenforceable by any court of competent jurisdiction, such decision shall not
2 affect the validity of the remaining provisions of this resolution. The Council
3 hereby declares that it would have passed this resolution and each section,
4 paragraph, sentence, clause, word or phrase thereof irrespective of any
5 provisions being declared unconstitutional or otherwise invalid.**



Mayor Timothy M. Keller

CITY OF ALBUQUERQUE

Albuquerque, New Mexico

Office of the Mayor

INTER-OFFICE MEMORANDUM

October 25th, 2024

TO: Dan Lewis, President, City Council

FROM: Timothy M. Keller, Mayor

A handwritten signature in black ink, appearing to be 'TK', is written over the name 'Timothy M. Keller'.

SUBJECT: Approving the Downtown 2025 Metropolitan Redevelopment Area for GRT Tax Increment Financing

This legislation proposes the use of Gross Receipts Tax (GRT) Tax Increment Financing (TIF) for the Downtown 2025 Metropolitan Redevelopment Area. The City of Albuquerque is authorized under state law to implement GRT TIFs within designated Metropolitan Redevelopment Areas (MR Areas) to stimulate economic growth and redevelopment. State statute requires that the City Council approve GRT TIF collection via resolution.

The Metropolitan Redevelopment Agency (MRA) is tasked with administering this financing tool, which allows a portion of the year-to-year increment in gross receipts tax revenues from the area to be redirected toward redevelopment projects. For up to 20 years, 75% of the City's portion of gross receipts tax increments generated in this area will be allocated to the metropolitan redevelopment fund, to support infrastructure, housing, commercial diversification, and public safety improvement projects within the boundary area. Tax increment financing generates funding for an area without directly raising taxes.

Additionally, the legislation encourages the County of Bernalillo and the State of New Mexico to also allocate 75% of their portions of gross receipts tax increments to the TIF fund, which those jurisdictions would need to enable through their own legislative bodies. The City's MRA is committed to working with those jurisdictions through that process.

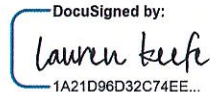
Approving the Downtown 2025 Metropolitan Redevelopment Area for GRT Tax Increment Financing

Approved:

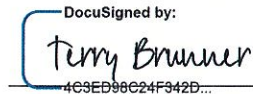
Approved as to Legal Form:


Samantha Sengel, EdD
Chief Administrative Officer

Date
Date

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Date
City Attorney

Recommended:

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Date

Interim Director

Cover Analysis

1. What is it?

This legislation approves Gross Receipts Tax Increment Financing (TIF) for Albuquerque's Downtown 2025 Metropolitan Redevelopment Area. It allows a portion of the incremental (year to year) tax revenue within this designated area to be used for redevelopment projects, administered by the City's Metropolitan Redevelopment Agency (MRA). The TIF district aims to stimulate economic growth by funding improvements in infrastructure, housing, and public amenities. Tax increment financing is a new and innovative way to generate funding for an area that does not require raising taxes.

2. What will this piece of legislation do?

The bill designates the Downtown 2025 Metropolitan Redevelopment Area for gross receipts tax increment financing for a period of 20 years. It redirects 75% of the City's portion of gross receipts tax increments within the area into a redevelopment fund to support various redevelopment activities. The MRA will manage these funds to carry out infrastructure improvements, residential development, and commercial diversification in the downtown area.

3. Why is this project needed?

The project is needed to revitalize Albuquerque's downtown, an area identified for significant economic development. The Downtown 2025 Plan outlines goals to create a pedestrian-friendly urban environment, increase housing density, and diversify commercial activity. Without redevelopment investment, the area's growth and economic health are expected to stagnate, limiting opportunities for sustainable urban development. This project will allow the City to generate additional funds for redevelopment projects without increasing taxes.

4. How much will it cost and what is the funding source?

The approval of the Downtown MR Area TIF will not will not require additional funding sources, nor will it have a net negative impact on the financial resources.

5. Is there a revenue source associated with this contract? If so, what level of income is projected?

Yes, the revenue source is the gross receipts tax increment generated within the Downtown 2025 Metropolitan Redevelopment Area. The bill allocates 75% of the City's portion of this tax increase for 20 years. The projected income will vary based on economic activity in the area, but the TIF structure is designed to capture the incremental growth in tax revenues.

6. What will happen if the project is not approved?

If the project is not approved, Albuquerque's downtown may miss out on critical redevelopment funding, delaying or halting projects aimed at improving infrastructure, housing, and commercial activity. The area's economic growth and revitalization efforts would likely stagnate without the financial incentives provided by TIF. This could result in continued underutilization of key urban spaces and reduced competitiveness for attracting new businesses and residents.

7. Is this service already provided by another entity?

No, the Metropolitan Redevelopment Agency is uniquely authorized to implement tax increment financing for designated redevelopment areas in Albuquerque. While other entities may provide similar redevelopment services, such as private developers or non-profits, the TIF mechanism and related city-level redevelopment activities fall under the MRA's jurisdiction and authority.

FISCAL IMPACT ANALYSIS

TITLE: APPROVAL OF THE DOWNTOWN 2025 METROPOLITAN REDEVELOPMENT AREA FOR GROSS RECEIPTS TAX INCREMENT FINANCING

R: O:
 FUND: 275
 DEPT: DFAS

- No measurable fiscal impact is anticipated, i.e., no impact on fund balance over and above existing appropriations.
- (If Applicable) The estimated fiscal impact (defined as impact over and above existing appropriations) of this legislation is as follows:

	Fiscal Years			Total
	2025	2026	2027	
Base Salary/Wages				-
Fringe Benefits at				-
Subtotal Personnel	-	-	-	-
Operating Expenses				-
Property				-
Indirect Costs	-	-	-	-
Total Expenses	\$ -	\$ -	\$ -	\$ -
[X] Estimated revenues not affected				
[] Estimated revenue impact				
Revenue from program				0
Amount of Grant		-	-	
City Cash Match				
City In-kind Match				
City IDOH	-	-	-	-
Total Revenue	\$ -	\$ -	\$ -	\$ -

These estimates do not include any adjustment for inflation.

* Range if not easily quantifiable.

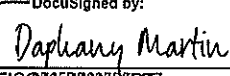
Number of Positions created

COMMENTS: At this time the fiscal impact cannot be accurately anticipated. The approval of the tax increment finance (TIF) instrument for redevelopment projects will not have a net negative impact on revenues. On the contrary, it will increase revenues as the TIF area begins to redevelop. However, until the baseline data for current tax collection can be established by the County and the State, the anticipated revenues cannot be accurately calculated.

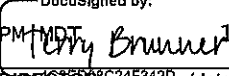
COMMENTS ON NON-MONETARY IMPACTS TO COMMUNITY/CITY GOVERNMENT:

The approval of the tax increment finance (TIF) instrument for funding redevelopment projects in the Downtown MR Area will provide a method for financing projects in the designated area to improve infrastructure, economic development (business and jobs creation), and additional housing for the area. The approval of TIF will bring for additional amenities and other benefits to the community that live, work and recreate in the area.

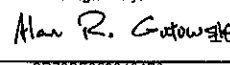
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 EXECUTIVE BUDGET ANALYST

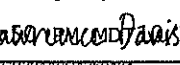
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 DIRECTOR

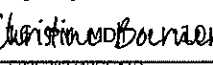
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 EXECUTIVE BUDGET ANALYST

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 BUDGET OFFICER (date)

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 CITY ECONOMIST