

CITY of ALBUQUERQUE

TWENTY SIXTH COUNCIL

COUNCIL BILL NO. O-24-68 ENACTMENT NO. _____

SPONSORED BY: Renée Grout

ORDINANCE

1
2 **AMENDING THE METROPOLITAN REDEVELOPMENT AGENCY ORDINANCE**
3 **RELATED TO CITY REQUIREMENTS FOR TAX INCREMENT FINANCING.**

4 **WHEREAS, local governments are permitted to capture tax increment in**
5 **established Metropolitan Redevelopment Areas (“MRA”) pursuant to the**
6 **Metropolitan Redevelopment Code, NMSA 1978, Sections 3-60A-1 et seq.; and**

7 **WHEREAS, local governments are permitted to use the Tax Increment**
8 **Financing generated within an MRA consistent with the adopted Metropolitan**
9 **Redevelopment Plan for the MRA; and**

10 **WHEREAS, the successful implementation of Tax Increment Financing**
11 **requires clear governance structures to ensure accountability, equitable**
12 **decision-making, and alignment with the goals of the Metropolitan**
13 **Redevelopment Plan; and**

14 **WHEREAS, transparency in the use of TIF funds fosters public trust and**
15 **ensures that stakeholders are informed about the allocation and outcomes of**
16 **tax increment revenues; and**

17 **WHEREAS, establishing measurable performance standards within TIF**
18 **districts enables the City to evaluate progress effectively and adjust strategies**
19 **to achieve redevelopment goals; and**

20 **WHEREAS, the proposed amendments align with the City of Albuquerque’s**
21 **commitment to revitalizing underutilized areas and supporting economic**
22 **growth; and**

23 **WHEREAS, enhancing the strategic planning of TIF districts contributes to**
24 **the stability and growth of the City’s tax base, ensuring redevelopment efforts**
25 **that align with long-term community goals and economic priorities.**

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1 BE IT ORDAINED BY THE COUNCIL, THE GOVERNING BODY OF THE CITY OF
2 ALBUQUERQUE:

3 SECTION 1. ROA 1994, Section 14-8-4-7(D), Activities to be Undertaken
4 Pursuant to Statutory Authority, of the Metropolitan Redevelopment Agency
5 Ordinance is hereby amended as follows:

6 (D) With respect to tax increment financing carried out by the Metropolitan
7 Redevelopment Agency, the provisions of the State Tax Increment Law, NMSA
8 1978, Sections 3-60A-19 through 3-60A-24 and ROA 1994, Sections 14-8-4-10
9 through 14-8-4-11 shall apply.

10 SECTION 2. A new Section 10 is hereby created in Chapter 14, Article 8,
11 Part 4 of the Metropolitan Redevelopment Agency Ordinance as follows:

12 §14-8-4-10 TAX INCREMENT FINANCING GUIDELINES

13 The provisions of this section apply for the purpose of establishing
14 and administering Tax Increment Financing (“TIF”) within the geographic
15 boundaries of a metropolitan redevelopment area as follows:

16 (A) Tax Increment Financing may be initiated if a Metropolitan
17 Redevelopment Plan is no more than five years old from the date of the
18 metropolitan redevelopment plan adoption or a substantive amendment.

19 (B) Tax Increment Financing Action and Funding Plan

20 (1) The Metropolitan Redevelopment Agency shall prepare a Tax
21 Increment Financing Action and Funding Plan (“TIF Plan”). The
22 TIF Plan shall include the following elements:

- 23 a. A map clearly depicting the geographical boundaries of
24 the TIF district.
- 25 b. A map identifying areas of focus within the TIF district.
- 26 c. Clearly defined performance metrics to measure the
27 effectiveness and progress of the TIF district based on the
28 goals of the Metropolitan Redevelopment Plan.
- 29 d. A description of all proposed action items, including
30 public and private improvements, grant programs, or
31 other incentive programs, along with their estimated TIF
32 revenue contribution.

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- e. A clear explanation of which performance metric each action item supports or aims to achieve.
- f. The base values for property tax and gross receipts tax.
- g. Identification of participating governmental units, including the percentage of increment requested and the duration of participation.
- h. A five-year projected budget outlining anticipated revenues and expenditures.
- i. An accounting of deposits into the TIF fund over the previous five years, detailing increments received, and adjustments made.
- j. The date marking the inception of the TIF district implementation clock and the expected date of dissolution.

(2) The TIF Plan shall be updated every five years until the tax increment financing district is dissolved. Updates shall be reviewed and recommended by the TIF District Board and approved via resolution of the City Council.

(3) No TIF reinvestment activities shall commence prior the City Council’s approval of the TIF Plan.

(C) Governance and Oversight

- (1) The City Council shall retain redevelopment project powers for:
 - a. Projects and programs receiving \$3,000,000 or more in TIF revenue contributions for the duration of the 20 years.
 - b. Establishing and amending the geographic boundaries for Tax Increment Financing.
 - c. Approving the TIF Action and Funding Plan.
 - d. Appointing and approving members to the TIF District Board, unless otherwise specified.

(2) Following the adoption of a tax increment financing district, via resolution by the City Council, a TIF district board (“TIF Board”)

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shall oversee the implementation of the Metropolitan
Redevelopment Plan and the TIF Action and Funding Plan. The
TIF Board shall serve in both a recommendation and approval
capacity, providing recommendations on key matters and
approving specific actions within its authority. The TIF Board
shall:

- a. Provide recommendations to the City Council on projects and programs receiving \$3,000,000 or more in TIF revenue for the duration of the 20 years. Approve projects and programs receiving \$2,999,999 or less in TIF revenue for the duration of the 20 years.
 - b. Provide recommendations to the City Council concerning the TIF Plan and subsequent updates.
 - c. Establish policy findings and/or as applicable, conditions of approval for projects and programs within its authority.
 - d. Adopt a meeting schedule, quorum requirements, and board operational procedures.
- (3) The TIF District Board shall be composed of a minimum of five members and no more than seven members.
- a. Required members of the board shall include one member of the City Council representing the district that the TIF district is located in or their designee, one member of the County Commission representing the district that the TIF district is located in or their designee, one member of the State Legislature representing the district that the TIF district is located in or their designee, one owner of a business within the TIF district, and one member-at-large appointed by the Mayor.
 - b. Suggested members of the board shall include a resident within the TIF district and a member with experience in

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1 urban planning, real estate development, community
2 development, economic development, architecture,
3 construction management or any other related field.

4 **(D) Reporting and Transparency**

5 **(1) The Metropolitan Redevelopment Agency shall submit to the City**
6 **Council annual reports by August of each year, detailing:**

- 7 a. **Initiated and completed projects, including descriptions**
8 **and TIF revenue contributions.**
- 9 b. **Revenue and expenditure summaries.**
- 10 c. **Progress toward performance metrics and metropolitan**
11 **redevelopment plan goals.**
- 12 d. **Annual and compounded growth rates of property values**
13 **and gross receipt tax.**
- 14 e. **Principal and interest on bonded indebtedness, if**
15 **applicable.**

16 **(2) The following TIF district-related documents shall be made**
17 **publicly available on the Metropolitan Redevelopment Agency**
18 **website within seven days of becoming effective or final:**

- 19 a. **Resolutions approving the Metropolitan Redevelopment**
20 **Plan and formation of the TIF district, the TIF Plan, project**
21 **and grant authorizations, including all attachments and**
22 **amendments thereto.**
- 23 b. **Annual reports.**
- 24 c. **Studies and reports conducted within the TIF district.**
- 25 d. **District Map.**
- 26 e. **TIF Board agendas, action summaries, staff reports, etc.**
- 27 f. **TIF Action and Funding Plan including all attachments**
28 **and amendments thereto.**
- 29 g. **Base values used to calculate revenues for the TIF district.**

30 **SECTION 3. A new Section 11 is hereby created in Chapter 14, Article 8,**
31 **Part 4 of the Metropolitan Redevelopment Agency Ordinance as follows:**

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1 **§14-8-4-11 TAX INCREMENT FINANCING DISTRICT DISSOLUTION**

2 (1) At the 20-year mark from the date of a TIF district’s inception, the
3 collection of incremental taxes shall cease.

4 (2) A TIF district will automatically dissolve upon the full repayment
5 of all financial obligations.

6 (3) As part of the dissolution process, the Metropolitan
7 Redevelopment Agency shall compile a final closure report
8 summarizing the TIF district’s achievements. The report shall be
9 published on the Metropolitan Redevelopment Agency website
10 and delivered via Executive Communication to the City Council.

11 This report shall include:

- 12 a. A description of the activities completed, including their
13 alignment with the performance metrics and the goals
14 outlined in the Metropolitan Redevelopment Plan;
- 15 b. The total amount of increment revenue reinvested; and
- 16 c. The total amount of private funds leveraged as a result of
17 the reinvestment of TIF revenue.

18 **SECTION 4. ROA 1994, Section 14-8-4-3, Redevelopment Project Powers, of**
19 **the Metropolitan Redevelopment Agency Ordinance is hereby amended as**
20 **follows:**

21 As used in §§ 14-8-4-1 et seq., the term REDEVELOPMENT PROJECT
22 **POWERS** includes any rights, powers, functions and duties of a municipality
23 authorized by sections 3-60A-5 through 3-60A-18 NMSA 1978, except the
24 following powers which are reserved to the City Council:

25 **[(J) With respect to tax increment financing carried out by the**
26 **Metropolitan Redevelopment Agency pursuant to NMSA 1978, Sections 3-**
27 **60A-19 through 3-60A-24 and ROA 1994, Sections 14-8-4-10 through 14-8-4-**
28 **11, TIF District Boards shall approve projects and programs**
29 **receiving \$2,999,999 or less in TIF revenue. TIF District Boards shall**
30 **provide recommendations to the City Council on projects and programs**
31 **receiving \$3,000,000 or more in TIF revenue. The City Council shall retain**
32 **redevelopment project powers for:**

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- a. Projects and programs receiving \$3,000,000 or more in TIF revenue.
- b. Establishing and amending the geographic boundaries for Tax Increment Financing.
- c. Approving the TIF Action and Funding Plan.
- d. Appointing members to the TIF District Board, unless otherwise specified.]

SECTION 5. SEVERABILITY. If any section, paragraph, sentence, clause, word or phrase of this Ordinance is for any reason held to be invalid or unenforceable by any court of competent jurisdiction, such decision shall not affect the validity of the remaining provisions of this Ordinance. The Council hereby declares that it would have passed this Ordinance and each section, paragraph, sentence, clause, word or phrase thereof irrespective of any provision being declared unconstitutional or otherwise invalid.

SECTION 6. COMPILATION. SECTION 1 and 4 of this Ordinance amends, is incorporated in, and is to be compiled as part of the Revised Ordinances of Albuquerque, New Mexico, 1994. SECTION 2 of this Ordinance is to be compiled as a new Section 14-8-4-10 of the Revised Ordinances of Albuquerque, New Mexico, 1994, titled "Tax Increment Financing Guidelines." SECTION 3 of this Ordinance is to be compiled as a new Section 14-8-4-11 of the Revised Ordinances of Albuquerque, New Mexico, 1994, titled "Tax Increment Financing District Dissolution."

SECTION 7. EFFECTIVE DATE. This Ordinance takes effect five days after publication by title and general summary.