

## Tax Increment for Development (TID) Plan

The Tax Increment for Development (TID) Plan underscores previously adopted plans for the revitalization of downtown Las Cruces. These plans are:

- Regional Urban Design Assistance Team (RUDAT) Report, 1994
- Las Cruces Downtown Revitalization Plan, 2004
- Las Cruces Downtown Revitalization Final Schematic Design & Concept Report, 2005
- Downtown Las Cruces Metropolitan Redevelopment Area (MRA) Plan, 2007

The most recent plan developed by the community and the City Council is the MRA Plan, adopted pursuant to the Metropolitan Redevelopment Code 3-60A-1 to 3-60A-48 NMSA 1978. The MRA Plan process included several years of economic analysis including the required research for determination of blight, revitalization opportunity studies, and professional planning and design. Public meetings were posted and advertised as required, and property owners were notified by mail of such meetings pursuant to the statute. Records of these meetings are kept by the Las Cruces Community Development Department.

The TID Plan reaffirms the guiding principals and goals of previous plans, underscores the implementation of infrastructure improvements as the strategic element to the success of downtown revitalization, and provides for tax increment revenue bond financing for public infrastructure needed to serve that revitalization as contemplated in the Tax Increment for Development Act, Sections 5-15-1 through 5-15-28 NMSA 1978.

Goals and objectives of these previously adopted plans are consistent with this TID Plan, and as such are to be considered part of this plan. Pursuant to Section 5-15-5(A) a map depicting the geographical boundaries of the area proposed for inclusion within the tax increment development area is attached to this TID Plan as Exhibit 1.

### **Major Accomplishments**

Las Cruces has made significant progress in the implementation of the revitalization plan. In May 2007, the first phase of downtown renovation, the Main Street Plaza, was finished and the street re-opened to traffic. The success of this \$2.0 million project is evident in the number of pedestrians on the street, formerly vacant properties now occupied, and the number of special events that have been held in this important civic space.

Phase 2, the Civic Plaza, is about to enter the design phase. The city has dedicated the funds for design of this \$2.0 million project, and the legislature has awarded several grants for its construction. Work is expected to begin in the summer of 2008.

Currently under construction is the new Federal Court building. This \$83 million project will eventually bring 150 new jobs into the downtown area.

The new Las Cruces City Hall will be constructed at the north end of Main Street. This \$23 million project will consolidate several City facilities and bring an additional 100 employees into the downtown. Move-in is expected to be early 2009.

The State of New Mexico is evaluating several sites for a consolidated office building. All of the sites under consideration are in the TID District.

Infrastructure is the Strategic Value-Added Amenity to Downtown Revitalization. Improved infrastructure is the number one amenity when evaluating the effectiveness and quality of downtown revitalization. These improvements are the underpinning for private investment and public acceptance.

## TID Plan Goals

Infrastructure improvements carried out within the TID District will do the following:

- Bring more people and businesses to the Downtown.
- Mitigate economic blight.
- Support the intention of building a safe and efficient pedestrian environment.
- Support the construction of new housing, public parking facilities, mixed-use office and retail development, and civic spaces.

## TID Plan Projects

- Open Main Street. Continue the renovation of Main Street which has been closed to traffic for more than thirty years.
- Eliminate the "Racetrack." Change the one-way, high-speed racetrack on Water and Church streets back to two-way traffic.
- Build pedestrian-safe roundabouts. Roundabouts will improve traffic flow into and through the downtown and create a pedestrian safe environment. These will be especially important as the density increases in the downtown and in adjacent areas.
- Upgrade utility infrastructure to support on-going and future development. Although not as interesting or visually appealing as streetscaping, updated and improved utilities are necessary to support increased density and development.
- Construct public/private parking structures. Public parking structures are important elements of public/private mixed-use development.

## Projects Prioritized For TID Financing:

Pursuant to Section 5-15-5(C) NMSA 1978, the following public infrastructure projects and estimated costs are anticipated:

Downtown Infrastructure Reconstruction

All of these projects lie within the boundaries of the TID District. All improvements will be public improvements that will be owned, operated and maintained by the City of Las Cruces.

#### First Priority

- Main Street from Griggs to Lohman including Roundabout at Bowman Ave. \$1.5M
- Main Street from Las Cruces Ave to Picacho including Roundabout at Lucero \$2.3M

#### Second Priority

- Water Street Conversion to Two-Way \$1.5M
- Church Street Conversion to Two-Way \$1.6

#### Third Priority

- Las Cruces Ave between Church and Alameda \$1.3M
- Griggs Ave between Church and Alameda \$1.3M

#### Fourth Priority

- Organ Ave between Campo and Main \$0.35M
- Court Ave between Church and Water \$0.40M
- Hadley Ave between Church and Water \$0.25M
- May Ave between Church and Water \$0.30M

*11 mill*

#### Scope of Work and Schedule

The estimates above include engineering and design, general conditions, demolition and grading, roadway, utility infrastructure, streetscaping and furnishings, lighting, landscaping and irrigation, and contingency. Pursuant to Section 5-15-5(B) NMSA 1978, these projects will be phased over a four year period

#### Financing Methods and Projected Resources

##### Gross Receipts Tax Increment Revenue Bond Financing

Pursuant to Section 5-15-5(D), the City proposes to use gross receipts tax increment bonds and property tax increment bonds to finance all or part of the public improvements.

##### Estimated Annual Gross Receipts Tax Increment to be Generated

Pursuant to Section 5-15-5(E), the estimated annual gross receipts tax increment to be generated by the tax increment development project and the portion of that gross receipts tax increment to be allocated during the time necessary to complete the payment of the tax increment development project is as follows:

	Retail GRT	Utility Bill GRT	Construction GRT	Total GRT
State of New Mexico	159,674	897,013	4,631,925	5,688,612
City of Las Cruces	106,300	597,167	2,931,855	3,635,322
Dona Ana County	29,080	163,363	843,563	1,036,006
	<u>295,054</u>	<u>1,657,543</u>	<u>8,407,343</u>	<u>10,359,940</u>

(Many assumptions are used in the feasibility analysis generating the estimates and actual amounts will depend on decisions and actions taken by various parties.)

#### Estimated Annual Property Tax Increment to be Generated.

Pursuant to Section 5-15-5(F), the estimated annual property tax increment to be generated by the tax increment development project and the portion of that property tax increment to be allocated during the time necessary to complete the payment of the tax increment development project is as follows:

	Property Tax
State of New Mexico	-
City of Las Cruces	2,562,075
Dona Ana County	4,872,235
	<u>7,434,310</u>

#### Amount and Type of Private Investment in each Project

Pursuant to Section 5-15-5(L), the amount and type of private investment in the TIDD projects (streets, utility infrastructure, parking facilities) is anticipated to be zero.

#### Community Initiated Public/Private Projects

Pursuant to Section 5-15-5(K), the following is a description of innovative planning techniques, including mixed-use transit-oriented development, traditional neighborhood design or sustainable development techniques, that will be beneficial and that will be incorporated into the tax increment development project:

Public Parking with Mixed-Use Office and Retail

- The concept for this project includes 9,000 square feet of retail and office space and parking for 277 cars. This \$5.1 million project will be a partnership of the City and private developers .

#### Workforce Housing

- An ambitious workforce housing project is planned within the TID District, although it is not anticipated to be funded through TID Bonds. Phase One includes 84 housing units with a development cost of \$13.0 million. Subsequent phases within the District will include 80 units. The planned infrastructure projects are necessary to effectively support the introduction of housing in the downtown, which will respond to demand resulting from the new jobs created within the downtown area.

#### Improved School Environment

- Two schools are located within the TID District, and two more are within walking distance. TID Bonds are not anticipated to be used for schools, however the pedestrian improvements are significant contributors to enhancing the safety of pedestrian routes to the schools.

#### Innovative Planning

- The Downtown Revitalization Plan as adopted includes significant contributors to building a sustainable community.
  - Pedestrian Safety
  - Traffic Calming
  - Transit Oriented
  - Existing Infrastructure
  - Diverse Economy
  - Arts and Culture District
  - Appropriate Zoning

#### LEED for Neighborhood Development (LEED/ND)

The goals of the Downtown Revitalization Plan are a perfect dovetail fit with the goals of LEED/ND. This program of the US Green Building Council intends to apply the same rating system for sustainable building design to neighborhood development. The intention is to set standards for creating communities that move forward the goals of sustainability and environmental sensitivity in site planning and development. It is also intended that LEED/ND will be applied to revitalizing existing urban areas by helping to reduce land consumption, reduce automobile dependence, promote pedestrian activity, improve air quality, decrease polluted water runoff, and build more sustainable communities.