

City Council Approves Mesa Del Sol Tax Financing Proposal

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ALBUQUERQUE, NM -- The Albuquerque City Council in a special meeting Wednesday night, officially approved a proposal by Forest City Covington N.M., LLC, the master developer of Mesa del Sol, to allow future gross receipts and property tax revenues to pay for infrastructure at the development. The Council set the percentage of taxes to be collected by Mesa del Sol's five Tax Increment Finance (TIF) districts at 67 percent of gross receipts and property taxes.

Michael Daly, chief operating officer for Forest City Covington, said he estimates that \$350 million in tax revenues will be raised for infrastructure over 25 years. The city, county or the state would own the infrastructure built at Mesa del Sol.

"This is a means for taxes generated by new development to pay for the public infrastructure for that development," said Daly. "This is a funding mechanism that we have seen be effectively used by 47 other states for economic development. Tax Increment Development Districts help bridge the financing gap and build infrastructure that has prevented job creation and sustainable development in the past. It allows quality growth to help pay for itself."

He said, "We applaud the City Council for its vision and its support. At Mesa del Sol we have a 'jobs first' strategy as we continue to work to promote development that helps Albuquerque realize its full potential."

In December, the City Council approved the creation of five TIF districts at Mesa del Sol and appointed a five-member board to oversee them.