



VILLAGE OF CORRALES RESOLUTION NO. 11-005

A RESOLUTION AUTHORIZING SUBMITTAL OF AN APPLICATION TO THE NEW MEXICO FINANCE AUTHORITY BY THE VILLAGE OF CORRALES FOR A LOAN FROM THE PUBLIC PROJECT REVOLVING FUND, IN AN ADDITIONAL AMOUNT NO GREATER THAN NINE HUNDRED NINETY-NINE THOUSAND, NINE HUNDRED NINETY NINE DOLLARS (\$999,999), SECURED BY THE GROSS RECEIPTS TAX REVENUES OF THE VILLAGE, TO PROVIDE NECESSARY FUNDS FOR THE COMPLETION OF CAPITAL IMPROVEMENT PROJECTS IN THE FAR NORTHWEST SECTOR OF THE VILLAGE.

WHEREAS, pursuant to the Far Northwest Sector Capital Improvements Plan of the Village of Corrales (the "Plan") dated July 2004, as amended and supplemented, the Village of Corrales has committed to the completion of various capital improvements in the Far Northwest Sector of the Village, including but not limited to the construction of Don Julio Road (otherwise known as "Road A"), the extension of Don Julio Road to intersect N.M. Highway 528 at Northern Boulevard in the City of Rio Rancho (Access "A"), and the completion of a connection to Rio Vista Drive in the City of Rio Rancho (Access "B") (collectively, the "Capital Improvements"); and

WHEREAS, the Village reasonably anticipates that the cost of the Capital Improvements will be recovered through the payment of development fees ("impact fees") from the owners and developers of real property in the Far Northwest Sector that is benefitted by the Capital Improvements; and

WHEREAS, due to economic conditions that are beyond the control of the Village and of the property owners in the Far Northwest Sector, much of the anticipated development in the Far Northwest Sector has been delayed and the collection of impact fees for such development has also been delayed; and

WHEREAS, as a consequence of the delay in collection of impact fees it has been necessary for the Village to borrow funds to timely complete the Capital Improvements in accordance with the Plan, as amended and supplemented; and

WHEREAS, the Village on June 1, 2007, entered into a Loan Agreement (Loan No. 2029-PP) with the New Mexico Finance Authority ("NMFA") to borrow up to a total of \$960,505 for the purpose of partially funding the completion of the Capital Improvements; and

WHEREAS, on the date of this Resolution approximately \$745,156 has been drawn down under the Loan Agreement to pay the costs of completing the Capital Improvements, so that approximately \$215,349 remains available for the use of the Village; and

WHEREAS, under the terms of the Loan Agreement, as amended and supplemented, the remaining \$215,349 available from Loan No. 2029-PP must be expended no later than June 1, 2011; and

WHEREAS, the total cost of the Capital Improvements, including particularly the cost of Access "A", has increased beyond original cost estimates as a consequence of the need to accommodate future highway improvements for the benefit of the City of Rio Rancho, as requested by the City of Rio Rancho and the New Mexico Department of Transportation; and

WHEREAS, it is presently anticipated that the Capital Improvements will not be completed in their entirety until about November 2011, which is beyond the time limit to draw down all funds available under Loan No. 2029-PP; and

WHEREAS, based on information provided to the Village Council, the governing body of the Village of Corrales, it appears that completion of the Capital Improvements in their entirety will cost no more than nine hundred ninety-nine thousand, nine hundred ninety nine dollars (\$999,999), in excess of the funds presently available to the Village for completion of the Capital Improvements; and

WHEREAS, the Village has sufficient revenues available from the State-Shared Gross Receipts Tax to support an additional borrowing in an amount of up to \$999,999 to pay the costs of completing the Capital Improvements.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE VILLAGE OF CORRALES:

1. The Mayor, on behalf of the Village, is hereby authorized and requested to submit to the New Mexico Finance Authority an application for a loan from the Public Project Revolving Fund, in an additional amount not to exceed nine hundred ninety-nine thousand, nine hundred ninety nine dollars (\$999,999) to provide funds for the completion of the Capital Improvements described in the Plan, as supplemented and amended.

2. The Mayor is authorized and requested to represent to the New Mexico Finance Authority that the Village through action of its Governing Body will pledge the State-Shared Gross Receipts Tax revenues of the Village to the payment of principal, interest and administrative fees due on such loan, as and to the extent moneys from that source are needed due to shortage or delay in the receipt of impact fees available to pay the cost of the Capital Improvements and the principal, interest and administrative fees due on the loan.

PASSED, APPROVED AND ADOPTED BY THE GOVERNING BODY OF THE VILLAGE OF CORRALES THIS 25th DAY OF JANUARY, 2011.

APPROVED:



The Honorable Philip Gasteyer
Mayor

ATTEST:



Juan J. Reyes
Village Clerk