

## **Annexation finds opposition at county**

**By J.R. Logan**

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Taos County officials are strongly urging the town of Taos to abandon a proposed annexation and find another way to fund an expansion at the Taos Regional Airport.

At a public work study Tuesday (Feb. 12), county commissioners voiced opposition to an annexation that would enlarge the town boundaries to include six miles of highway right of way through El Prado, on to the Old Blinking Light intersection, then west to the airport.

The town says the annexation would allow it to capture gross receipts tax associated with a \$24 million expansion of the airport, most of which would be paid for with a grant. However, the town has said it cannot come up with a required \$1.2 million match for the project without bringing in the additional tax revenue.

The expansion has been lauded as an opportunity to improve airport safety while creating an avenue for economic development, but the annexation idea has stirred some controversy.

At the work study, residents of El Prado voiced concerns that the annexation would give the town a toehold for future appropriations. Telesfor Gonzales, an El Prado business owner and longtime member of the El Prado Water and Sanitation District, said there were suspicions that the town would try to absorb more of El Prado and other areas surrounding the current town boundaries.

“Where does it stop?” Gonzales asked, suggesting that additional annexations would hurt the county. “Once we start this, then it goes to Ranchos, then out to Ranchitos, then you lose your tax base.”

Taos Mayor Darren Córdova said the town was “not interested in swallowing up businesses” along the El Prado corridor, though he acknowledged it was a possibility.

County commissioner Tom Blankenhorn said the town and county needed to find a way for the airport expansion to go forward, but he said the annexation would set a “terrible precedent” and would be “widely opposed.”

“Let’s work together and do this, and not create this ‘ribbon’ annexation that people, frankly, are going to hate,” said Blankenhorn.

One alternative put forward by the county would be for it to pass all of the tax revenue from the airport expansion project on to the town. County commissioner Joe Mike Durán said he supported the idea of giving the town that revenue if it meant no annexation. “It’s very simple,”

Durán said.

The county's share of the gross receipts tax revenue from the entire project (without annexation) is expected to be around \$585,000. If annexed, the project would generate \$669,000 in revenue for the town while the county would still receive \$360,000.

Rodriguez said the town plans to take out a loan to front the \$1.2 million match, and payments on that loan are expected to be about \$70,000 a year.

The county did not seem daunted by the amount. "The numbers are totally do-able," said Blankenhorn.

To help with those payments, the county has informally suggested that it and the town form an independent board to oversee the airport. The board would presumably split operations costs — currently about \$140,000 a year shouldered entirely by the town — between the town, county and any other partners willing to join.

Such an arrangement would possibly allow the town to put the \$70,000 saved on operations costs toward its loan payments — payments that would drop once the bulk of the tax revenue from the project goes to paying off a big chunk of the original loan.

Town manager Rodriguez said Tuesday that the airport is "a big drain" on the town's resources, and he has previously said he supports the idea of regional airport management to alleviate some of that burden.

But Rodriguez said in an interview Wednesday (Feb. 13) that he didn't think the proposal to split operations costs to make room for debt payments would work. He said he would not recommend that the town take on the full debt amount for expansion without being absolutely sure it would have sufficient revenue to cover its costs. He said if the county was willing to take on the debt and enter into the same shared-cost arrangement, the town might consider it.

At this point, Rodriguez said no annexation seems to be the county's top priority, while the town's number one goal is expanding the airport without getting in over its head financially.

Aside from the annexation question, a request is before the Legislature for \$670,000 for the airport expansion match, though it's impossible to know now if such a request will be granted.

Officials said Tuesday there is a looming deadline for finding a funding solution. The town said it would like to have a solid plan by the end of the summer so the project can go out for bid without the town losing its available grant funding. If the town and county can't find an agreeable solution, the town seems to have reserved the right to move forward with its annexation plan.

At one point Tuesday, Rodriguez suggested the town could annex to the airport, then un-annex the property when and if a deal is worked out with the county. The idea drew a few smirks and jeers from officials around the table as well as members of the audience, but Rodriguez did not appear to be kidding.

