



THE TAOS NEWS

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Airport project still in holding pattern

By J.R. Logan

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Town officials says they are still unsure when a proposed expansion at the Taos Regional Airport will begin or whether they are collecting tax revenue from the recently annexed airport.

“There are a lot of unanswered questions,” town manager Oscar Rodr'guez said in an interview Aug. 13.

The town was recently awarded a \$24 million grant from the Federal Aviation Administration for work at the airport, including the construction of a cross-wind runway. The town will need to come up with \$1.2 million match for the grant.

In March, the town moved to annex the airport and six miles of highway right-of-way to capture gross receipts tax revenue generated by the project. Town officials have said the annexation was necessary to come up with the grant match.

Taos County has filed two lawsuits to stop the annexation, both of which have yet to be decided.

Despite the lawsuit, town officials say they were entitled to start receiving gross receipts tax revenue from the airport starting July 1. But it's still not clear if that is the case.

A week after the town council voted to annex the airport, Mayor Darren Còrdova sent a letter of the state Department of Taxation and Revenue asking for clarification on how gross receipts tax from the airport would be handled.

Town attorney Brian James said the town has not yet received a response to that letter. The town will not receive gross receipts payments for July until September, and even then it may not be clear if airport activity was part of the payment.

A spokesman for Taxation and Revenue did not respond to messages seeking comment on how gross receipts revenue is currently being distributed.

The question about airport tax revenue is only one issue still up in the air.

Rodriguez said the town does not yet know if the FAA will break the project into several phases. If it does, Rodr'guez said the town would not need the \$1.2 million match up front, and it would be able to use tax revenue from initial construction into the matches for later phases.

The town set aside \$350,000 in its budget to cover part of the match costs. If the project is not phased, or if the town loses the annexation lawsuit, Rodr'guez said the town may need to borrow money, or cancel purchases or projects to come up with the full match.

Rodriguez said the unresolved issues mean there isn't a firm start date for construction. "We don't move forward until the FAA says something," Rodr'guez said.

Before construction can begin, the engineering and design of the project must be completed. The FAA awarded the town a \$1 million grant last October to pay for the runway design and to develop a monitoring system to protect airspace of Taos Pueblo.

A spokesman for the FAA said the design grant is "working its way through the approval process and should be approved in the near future."