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Lawsuit to end, airport project moves forward

By J.R. Logan

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The town of Taos and Taos County governments have agreed to terms that would end litigation over a controversial annexation while providing money to fund a long-awaited airport expansion project.

"Basically the lawsuit is over and the airport will move forward," said Taos Mayor and Taos County Commissioner, Dan Barrone, Wednesday (April 16).

The agreement on the airport and other town/county issues comes after a year of acrimony between the two governments that culminated in a March municipal election that brought three new faces and a new attitude to town hall: Barrone was elected, as were councilors Fritz Hahn and Judi Cantò; incumbent mayor Darren Córdova and councilor Rudy Abeyta were voted out of office.

Last March, the previous town council under the leadership Córdova voted to annex the airport and six miles of highway through El Prado. The town insisted it did not have the cash to pay its share of a runway expansion.

Officials said they needed to annex the property to collect tax revenue from the \$24 million project to cover their \$1.2 million match.

County officials and El Prado residents voiced strong opposition to the annexation. The county offered to give the town tax revenue generated at the airport to avoid the annexation, but town officials insisted they could not trust the county. The county filed two lawsuits opposing the annexation, and a Taos judge voided the annexation last December. The town hired an outside attorney and to take the case to the Court of Appeals, and has spent at least \$10,000 so far in legal fees.

After a joint meeting Thursday (April 10), town and county elected officials and staff agreed to settlement terms meant to put the issue to rest. Under the deal:

- * The town will dismiss the appeal.
- * The county will provide up to \$375,000 for the town to use as its match for the federal grant.
- * The annexation will be voided.

The county approved the terms as written. The town council will consider a final agreement at a future meeting.

The town began collecting a 1.5625 percent gross receipts tax at the airport after the annexation was approved last year. That tax will eventually revert to the county once the annexation issue is resolved. The county has agreed to make quarterly payments to the town equal to the amount the town would have otherwise collected in gross receipts tax generated by the project.

Taos County Finance Director Leandro Córdova said quarterly payments will make it easier for the county to provide the funds without straining its budget.

“We really want to partner with them, and we really want to make sure we can afford to give them what we promised them,” Córdova said.

The method for paying back tax revenue is nearly identical to the offer proposed by the county and rejected by the town a year ago. The town said at the time that it never got any firm offers in writing, and insisted that the county could renege on a payback deal at any time.

Councilor Fred Peralta has been on the council since March 2012 and voted in favor of the annexation and to appeal the ruling that quashed it. Peralta voted in favor of the points laid out Thursday, but he declined to comment until the council formally votes on a final agreement.

Councilor Andrew Gonzáles also voted for the annexation and appeal.

He said Wednesday he was glad to see collaboration but he expressed some concerns that any deal the current council and commission approve could change if new officials are elected.

Because of that uncertainty, Gonzáles stressed the need to create an independent airport board that would have its own taxing authority. The creation of such a board was discussed last week and was included in talking points prepared by the county.

The town has already approved nearly a half-million dollars in funding to get the first phase of the airport project going. Taos Regional Airport Manager John Thompson told The Taos News construction on that phase is scheduled to begin this summer.

The town will be on the hook for an additional match payment before the second phase of the project starts, which is expected to happen sometime in 2015. Thompson said the county’s contribution means the town won’t be scrapping as much to come up with the second match when it comes due.

“If someone’s going to pitch in \$375,000, of course it’s going to make it easier,” Thompson said.