

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CITY OF SANTA FE, NEW MEXICO

RESOLUTION NO. 2008-55

INTRODUCED BY:

A RESOLUTION

**TERMINATING PARTICIPATION IN THE INTERGOVERNMENTAL CONTRACT
FOR THE NORTH CENTRAL REGIONAL TRANSIT DISTRICT AND
WITHDRAWING FROM THE DISTRICT.**

WHEREAS, the North Central Regional Transit District (hereinafter referred to as "NCRTD") was created by agreement of the City of Espanola, Los Alamos County, Pojoaque Pueblo, Rio Arriba County, San Ildefonso Pueblo, San Juan Pueblo, Santa Clara Pueblo, the City of Santa Fe, Santa Fe County and Tesuque Pueblo in 2006 pursuant to NMSA 1978, §§ 73-25-1 et seq. (2003); and

WHEREAS, Section 11.04 of the Intergovernmental Contract that created the NCRTD provides that a member of the District may withdraw from the Regional Transit District by adopting a resolution of withdrawal; and

WHEREAS, the Board of the NCRTD has announced its intention to levy a gross receipts tax pursuant to NMSA 1978, § 7-20E-23 (2004,2007), which has variously been described as a 1/8% or 3/16% tax increment; and

1 **WHEREAS**, the NCRTD has not demonstrated a need for the substantial revenue that a
2 gross receipts tax levy would generate, nor has the NCRTD analyzed the possible impact of the
3 proposed gross receipts taxation on gross receipts tax funding for operating the Rail Runner or for
4 other projects; and

5 **WHEREAS**, if operations of the Rail Runner are ultimately funded from the gross
6 receipts tax, the possibility exists that taxpayers in Santa Fe County will experience double
7 taxation ---a gross receipts tax levy in favor of the NCRTD and a separate gross receipts tax levy
8 to benefit the Rail Runner project, as well as the certainty that transportation in Northern New
9 Mexico will be governed by multiple jurisdictions with no assurance that those jurisdictions will
10 work together to achieve a coherent and efficient transportation system; and

11 **WHEREAS**, an example of the anomalous results that will be created by a
12 multi-jurisdictional approach to transit planning is the fact that if the NCRTD's current proposal
13 for a 1/8% gross receipts tax is approved by the voters, Santa Fe County residents will provide
14 \$4.6 million a year in tax revenue for the District but receive only \$3.3 million in transit services,
15 and the rest will be a subsidy for the other counties in the District; and

16 **WHEREAS**, in addition to the potential for double taxation in Santa Fe County, it is
17 apparent that the NCRTD has failed to provide compelling reasons for additional revenue and has
18 failed to provide a concrete plan for improving its transportation services if the new levy is
19 approved; and

20 **WHEREAS**, new taxes should only be undertaken if strictly necessary to serve a
21 compelling governmental need, and since the potential for double taxation exists and the other
22 ramifications of the proposed tax have not been carefully studied, the City should not participate
23 in the NCRTD until a compelling need for the proposed new taxation is demonstrated and the
24 relationship between the goals of the NCRTD and the Rail Runner project are adequately
25 addressed; and

1 **WHEREAS**, the proposals provided by the NCRTD to justify the gross receipts tax
2 assumes direct dollar-for-dollar funding of transit projects with very little federal contributions,
3 but if this is the case, it would be more cost-effective for the City to provide directly for Santa Fe
4 County's transit service with funding from the County of Santa Fe; and

5 **WHEREAS**, recent discussions have yielded promising alternatives to the proposal of
6 the NCDRT to accomplish Santa Fe's transit needs, including creating a Santa Fe Regional
7 Transit District with the County of Santa Fe through the Regional Planning Authority or other
8 appropriate entity, undertaking intergovernmental agreements or transit service agreements to
9 accomplish needed connections with the Rail Runner project with the County of Santa Fe, the
10 New Mexico Department of Transportation, the Mid-Region Council of Governments (MRCOG),
11 the Mid-Regional Regional Transit District or the North Central Regional Transit District; and

12 **WHEREAS**, City staff and staff of the Santa Fe County should investigate each of these
13 alternatives, and other promising ideas that arise, so that the local governments and the public can
14 make informed and intelligent decisions concerning transit in Santa Fe County, not hasty
15 decisions forced by ill-advised and artificial deadlines.

16 **NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE**
17 **CITY OF SANTA FE** that:

18 1. The Governing Body of the City of Santa Fe, pursuant to Section 11.04 of the
19 Intergovernmental Contract, contingent upon the same action by the Board of County
20 Commissioners, hereby terminates its participation in the Intergovernmental Contract and hereby
21 withdraws from the NCRTD, effective immediately.

22 a. Staff shall provide notice of termination of the City's participation in the
23 Intergovernmental Contract and of its withdrawal from the NCRTD, contingent upon the
24 same action by the Board of County Commissioners, with a copy of this Resolution, to
25 the NCRTD immediately.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

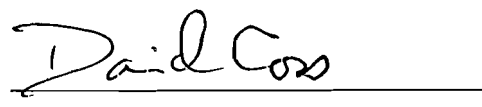
b. Staff shall negotiate with staff of the NCRTD on appropriate terms for the withdrawal, pursuant to Section 11.04 of the Intergovernmental Contract.

c. Staff shall continue to investigate options to satisfy the City of Santa Fe's transit needs, including, but not limited to, creating a Santa Fe Regional Transit District with the County of Santa Fe through the Regional Planning Authority or other appropriate entity, undertaking intergovernmental agreements or transit service agreements to accomplish needed connections with the Rail Runner project with the Santa Fe County, the New Mexico Department of Transportation, the Mid-Region Council of Governments, the Mid-Regional Regional Transit District or the North Central Regional Transit District, or any other appropriate options.

2. In the event that the Board of County Commissioners does not withdraw from the NCRTD on July 7, 2008, then this Governing Body hereby approves conceptually a memorandum of understanding that is consistent with the June 30, 2008 memo (presented at the June 30, 2008 special City Council meeting) with 86% of the funds transferred to the Santa Fe Regional Planning Authority to plan, provide and operate Rail Runner related transit service expansion in Santa Fe County and 14% of the funds retained by the NCRTD region to provide regional transit connections from other member communities into Santa Fe County.

3. If the City continues with the NCRTD, the NCRTD shall provide the district's audits to the City for its review and shall provide the City with an annual report on the district's operations.

PASSED, APPROVED and ADOPTED this 30th day of June, 2008.

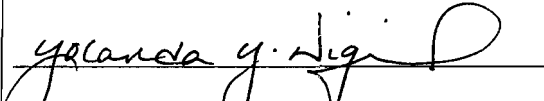


DAVID COSS, MAYOR

1 ATTEST:

2

3



4

YOLANDA Y. VIGIL, CITY CLERK

5

6

APPROVED AS TO FORM:

7



8

9

FRANK D. KATZ, CITY ATTORNEY

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

mdb/M/JEP&MDB/Resolutions 2008/North Central Regional Transit District