

**CITY OF SANTA TERESA, DOÑA ANA COUNTY, NEW MEXICO**  
“An Innovative Community Since 1768”

**MUNICIPAL SERVICES AND REVENUE PLAN**

**VISION**

Our vision is to establish a limited but responsive, responsible, and transparent city government that provides traditional governmental services to a fully wired, mixed-use community which integrates globally competitive industrial, commercial, transportation, medical, communication, and educational facilities with traditional neighborhoods and offers employment, shopping, housing, recreational opportunities, and other amenities for its residents.



**HISTORY**

The unincorporated area generally known as Santa Teresa is located in a region rich with a history of agriculture and trade where the borders of New Mexico, Texas, and Chihuahua meet. The warm climate, low humidity, and mild winters make it well-suited for human settlement.

According to records maintained by the Office of the State Historian of New Mexico,<sup>1</sup> on January 20, 1768, the Lieutenant Governor of New Biscay,<sup>2</sup> New Spain, granted Francisco Garcia, the military commandant of El Paso del Norte,<sup>3</sup> a four-league tract of land situated on the west bank of the Rio Grande River about seven miles northwest of El Paso del Norte. Garcia used the tract, known as “Rancho de Santa Teresa,” as a pasturage for his cattle and sheep herds. Captain Zebulon Pike, sent out by President Thomas Jefferson to explore and document the southern portion of the Louisiana territory, reported in 1807 that Francisco Garcia managed twenty thousand sheep and a thousand cows on the land. Upon Francisco Garcia’s death in 1840, his son, Jose Maria Garcia, took

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<sup>1</sup> Bowden, J., *Santa Teresa Grant*, New Mexico Office of the State Historian, [http://dev.newmexicohistory.org/filedetails.php?fileID=24672#\\_edn1](http://dev.newmexicohistory.org/filedetails.php?fileID=24672#_edn1).

<sup>2</sup> New Biscay (Nueva Viscaya in Spanish) was the first province in the north of New Spain explored and settled by the Spanish. It consisted mostly of the area which is today included within the states of Chihuahua and Durango.

<sup>3</sup> El Paso del Norte (the Pass of the North) became the location of two future border cities, Ciudad Juárez on the south bank of the Rio Grande, and El Paso, Texas, on the opposite side of the river.

possession of the land.

After the Battle of Bracito on December 25, 1846, victorious American forces under Colonel Alexander N. Doniphan briefly occupied Jose Maria Garcia's home. Upon their departure, Jose Maria Garcia discovered his copy of the title papers to his land was missing. In addition, he determined the *expediente*, or documentation, for the Rancho de Santa Teresa Land Grant, which had been filed in the archives of El Paso del Norte, was also missing.

Jose Maria Garcia instituted a judicial inquiry to prove the validity of the Santa Teresa Land Grant and define its boundaries. After investigating the validity of Jose Maria Garcia's claim, Bentura Lopez, Second Judge of the First Instance of the Canton of El Paso del Norte, issued a decree on January 16, 1853, which reaffirmed the title to the land in the heirs of Francisco Garcia.

Article VIII of the Treaty of Guadalupe Hidalgo (1848) permitted Mexican nationals living in recently acquired territories to retain their property rights. While this treaty ended the Mexican–American War, issues affecting both sides, including the possession of the Mesilla Valley, remained unresolved. The Gadsden Purchase Treaty (1854), known as the *Venta de La Mesilla* in Mexico, transferred an additional 29,640 square miles, including the Mesilla Valley, to the United States, and reaffirmed the rights of Mexican nationals in all annexed territories. The Gadsden Purchase Treaty also provided for a joint commission, made up of a surveyor and commissioner from each country, to determine the final boundary between the United States and Mexico.

On December 11, 1878, Surveyor General Henry M. Atkinson determined that the Santa Teresa Land Grant was valid, and recommended that the Congress confirm the claim unto the heirs and assigns of Francisco Garcia, according to the boundaries set forth in the Mexican Decree of January 16, 1853. The claim remained in dispute until April 21, 1902, when the United States Supreme Court held the evidence of long uninterrupted possession of the lands by the Garcia family, coupled with testimony showing that the United States occupational forces had partially destroyed the public archives of El Paso del Norte, was sufficient not only to presume the existence of the grant, but also to presume that the grant papers had been duly recorded in the official archives of Mexico, as required by the Gadsden Purchase Treaty.<sup>4</sup> According to the Supreme Court, the tract of land known as the Santa Teresa Land Grant was:

Bounded on the north by that bend known as the 'Cobrena;' on the south by

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<sup>4</sup> See *United States v. Pendell*, 185 U.S. 189, 202 (1902) (“Within the cases heretofore cited, we are of opinion that the evidence of possession was sufficient, in connection with the other evidence referred to, upon which to base a presumption that the petitioner had a title to the land which should be confirmed, within the treaty of 1853 and the provisions of the act of 1891 establishing the court of private land claims; and *the judgment should therefore be affirmed.*”) (emphasis in original).

the bend of the Piedras Paradise, the same being somewhat to the north of the present location of the Southern Pacific Railroad bridge, where the same crosses the Rio Grande del Norte; on the east the old bed of the said Rio Grande del Norte, as the same ran and existed in the year 1853; and on the west the brow of the ridge running parallel with the said river.<sup>5</sup>

In the early 1970s, professional golfer Lee Trevino, Charles L. Crowder, and others partnered to design and build a golf course and country club at Santa Teresa. The thirty-two hole golf complex, if fully re-developed as a destination resort, has the potential for attracting more than fifty thousand visitors a year. The original concept for the country club at Santa Teresa envisioned a community of luxury homes with an airport for fly-in golfers. Real estate developers eventually added more modest homes, condominiums, and apartments to the area.



Then in 1985, Crowder acquired the land on which the Santa Teresa International Project could unfold. The project would eventually straddle the border with bustling factories and establish Santa Teresa as a major center of international manufacturing and trade. The Santa Teresa Industrial Park on the U.S. side—a 1,442-acre master-planned, rail-served industrial park—transformed southern New Mexico by creating jobs and generating revenue for state coffers. The Santa Teresa Port of Entry—one of the newest and least congested ports of entry between the United States and Mexico—significantly expanded trade between the States of Chihuahua and New Mexico.

During this century, continued development just across the border in San Jeronimo, Mexico, coupled with the new Union Pacific intermodal facility in Santa Teresa brought more industries to the region. Moreover, the State of New Mexico and Doña Ana County committed millions of dollars to the region for building roads with dedicated lanes for northward movement of goods from the Santa Teresa Port of Entry. They also supported upgrades to the international airport and the water and wastewater systems. According to Governor Susana Martinez, “Our focus in Santa Teresa is a model for how government can help to create a competitive environment where job creators thrive.”<sup>6</sup>

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<sup>5</sup> *Id.* at 192.

<sup>6</sup> Stockberger, Brook, *NM, Mexico Agree on Border ‘Game Changer,’* Las Cruces Sun News, Aug. 9, 2013, [http://www.lcsun-news.com/ci\\_23832052/nm-mexico-agree-border-game-changer](http://www.lcsun-news.com/ci_23832052/nm-mexico-agree-border-game-changer).

In 2013, New Mexico Governor Martinez and Chihuahua Governor Cesar Duarte signed a formal agreement that the two states would cooperate on a master plan to build adjacent towns: Santa Teresa and San Jeronimo across the border. The plan will include about 47,000 acres in Mexico and 22,000 acres in New Mexico of master-planned land for industrial, commercial and residential development. Planners anticipate Santa Teresa will have a fifty percent increase in new housing construction in the next five years. “Make no mistake, this will be a game changer,” said Governor Martinez.<sup>7</sup> New Mexico is working to “transform this part of the state.”<sup>8</sup>

With a total population of 4,678,<sup>9</sup> a median household income of \$53,963,<sup>10</sup> a housing inventory of approximately 1,728 housing units with a median home value of \$216,571, an established school system, an existing utility infrastructure, a substantial commercial/industrial base, and an exceptionally bright future, the residents of Santa Teresa—and other area stakeholders—are ready to take the next step in their journey together: incorporate!

### **INCORPORATION**

Incorporating Santa Teresa as a separate city will ensure:

- Santa Teresa remains an attractive community for both residents and businesses;
- Santa Teresa continues to contribute to the overall economic development of the region;
- Santa Teresa has a responsive, responsible, and transparent city government which meets the needs of its residents and businesses;
- Santa Teresa retains tax dollars collected from its residents and businesses for use within Santa Teresa; and
- Santa Teresa remains Santa Teresa.<sup>11</sup>

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<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

<sup>9</sup> U.S. Census 2010, <http://www.census.gov/2010census/popmap>.

<sup>10</sup> NM HomeTownLocator, Santa Teresa, New Mexico - Basic Facts, <http://newmexico.hometownlocator.com/nm/dona-ana/santa-teresa.cfm>.

<sup>11</sup> See Appendix A.

## CITY OF SANTA TERESA FIVE-YEAR SERVICE PLAN

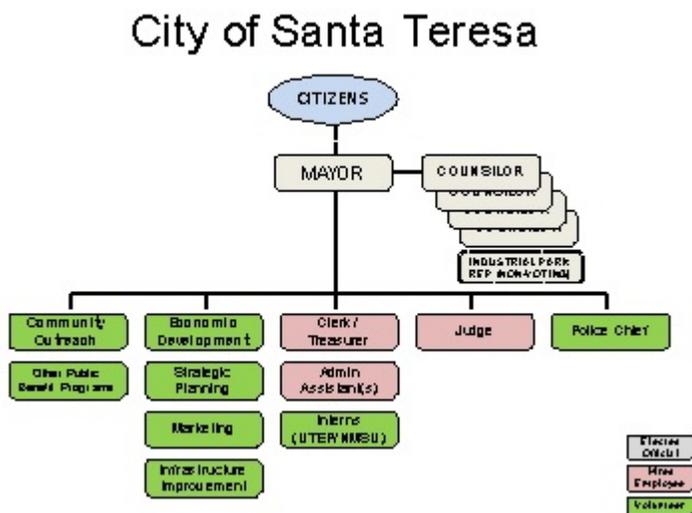
### A. Municipal Services Already Available

The unincorporated area generally known as Santa Teresa already has established municipal services, including fire protection and fire safety services (Santa Teresa Volunteer Fire Department); water supply, distribution, and wastewater treatment (Camino Real Regional Utility Authority); electric services (El Paso Electric); gas services (New Mexico Gas); and regional planning and zoning services (Camino Real Regional Utility Authority). It also has a private security force backed by the Doña Ana County Sheriff’s Department and recreational facilities. In accordance with the “Joint Powers Agreement for a Joint Water and Wastewater Operating Authority and Joint Subdivision, Zoning, Planning and Platting Authority between the City of Sunland Park and The County of Doña Ana, New Mexico,” which entered into force on February 24, 2009, the City of Sunland Park relinquished all authority to adopt resolutions and ordinances necessary for the regulation of subdivisions, zoning, planning, and platting outside the city limits of Sunland Park to the Camino Real Regional Utility Authority. *See* Appendix B. The City of Santa Teresa will continue to rely on these and other services upon incorporation. It will also continue to rely on talented volunteers to perform critical tasks such as applying for grants and lobbying for commercial development.

### B. Mayor-Council Form of Government

When the voters approve the incorporation of the City of Santa Teresa (“the City”) with a mayor-council form of government, Doña Ana County will call for an election for the purpose of electing municipal officers within 15 days. Elective officers shall include one mayor, four members of the governing body (“City Council”), and one municipal judge. NMSA § 3-10-1.

Until the residents of Santa Teresa elect municipal officers, the Doña Ana County Manager will act as the interim mayor, the Doña Ana County Clerk will act as the interim city clerk, and the Doña Ana County Commissioners will act as the interim governing body.



Since New Mexico has staggered terms for Council Members, the four newly-elected Council Members will determine their terms by drawing lots. The Mayor and Municipal Judge will have a regular term as provided by law.

In an effort to keep down the initial cost of government, the Mayor and Council Members shall serve with a salary of \$1.00 per year for at least two years.

Once the Mayor and Council Members are inaugurated, they will assume portfolios for public safety, public works, economic development, and city administration. They will employ a City Clerk/Treasurer, Chief of Police, and Municipal Judge, as required by statute. The Council members may employ additional personnel as necessary, while operating within the City's limited budget. They may also contract out for law enforcement services with adjacent jurisdictions with a view toward eliminating the Chief of Police and ensuring full-time police protection.

### **C. LAW ENFORCEMENT.**

#### **(1) Police Protection.**

The City will initially employ a Chief of Police and draw upon the numerous retired peace officers and federal law enforcement agents living in Santa Teresa to create a volunteer police auxiliary. The Chief of Police or the Council member with the public safety portfolio will coordinate all law enforcement activities. The City will also enter into a partnership agreement with the Doña Ana County Sheriff's Department or the City of Sunland Park for law enforcement services based upon the City's needs and available revenues.

The City will contract with the current dispatch and 911 provider for continued emergency services.

The City will develop a five-year transition plan for law enforcement services. Upon the completion of the plan, the City will either operate an independent, self-sustaining police department with sufficient resources to meet the needs of the community or will contract for law enforcement services from a neighboring jurisdiction.

The City will adopt by ordinance the uniform traffic code and criminal code published by the New Mexico Municipal League.

#### **(2) Municipal Court.**

The City shall establish a Municipal Court presided over by an elected, part-time Municipal Judge. The Municipal Court shall have jurisdiction over all offenses and complaints under ordinances of the City and may issue subpoenas and warrants and punish for contempt. The qualifications of the Municipal Judge, bond required, and salary received shall be provided by ordinance of the City. The City shall enact an ordinance requiring assessment of corrections fees, judicial education fees and court automation fees to be collected as court costs. The Municipal Judge shall be assisted by a full-time clerk.

**D. FIRE PROTECTION AND FIRE SAFETY.**

The City will also enter into an agreement with the Doña Ana County Fire and Emergency Services Department for the continued operation of the Santa Teresa Volunteer Fire Department.<sup>12</sup> The City will supplement funding for the Volunteer Fire Department with municipal funds, state fire funds, and grants that become available to municipal governments. The City will continue to rely on the domestic water supply system for fire flow.

The City will develop a five-year transition plan for fire protection, hazardous material disposal, and emergency medical services. Upon the completion of the plan, the City will operate its own fire department with sufficient resources to meet the needs of the community. In the alternative, the City may contract out for fire protection, hazardous material disposal, and emergency medical services.

**E. ROAD AND STREET CONSTRUCTION AND MAINTENANCE.**

The City will initially contract with the Doña Ana County Engineering Department for road construction and maintenance. It will match municipal gross receipts and gasoline taxes with grant funds available to municipal governments to fund the county services. It will supplement the continuation of services with fee-for-service contracts with local contractors as funds are available.

The City will develop a five-year transition plan for public works. When funding becomes available, the Council member with the public works portfolio shall inventory city assets and develop a maintenance plan. The City will eventually hire a Director of Public Works and establish its own public works department.

**F. SOLID WASTE MANAGEMENT.**

The City will negotiate contracts for solid waste removal with private contractors. The City may also enter into agreements with neighboring jurisdictions to address solid waste disposal issues.

**G. WATER SUPPLY OR DISTRIBUTION OR BOTH.**

The Camino Real Regional Utility Authority (“CRRUA”) will continue to provide a predictable source of water for residents and businesses in the area and utility billing to customers within the City, as well as to others in the rapidly developing areas adjacent to the Santa Teresa Port of Entry.

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<sup>12</sup> The Santa Teresa Volunteer Fire Department is certified for Aircraft Rescue Fire Fighting; the Sunland Park Fire Department is not.

**H. WASTEWATER TREATMENT.**

CRRUA will continue to provide wastewater treatment for residents and businesses in the area.

**I. STORM WATER COLLECTION AND DISPOSAL.**

The City will work with the Doña Ana County Engineering Department and the Doña Ana Flood Commission to identify areas where there is a one percent or greater chance of damaging floods each year; assist property owners in determining where their property is located in relationship to flood-hazard areas; investigate flooding areas and storm water runoff damage during and after heavy rainfall events; monitor the Flood Damage Prevention Ordinance in order to maintain and minimum standard for coverage under the National Flood Insurance Program; and study methods for reducing flood losses, including dikes, diversions, waterways and dams.

**J. ELECTRIC OR GAS UTILITY SERVICES.**

El Paso Electric, a regional electric utility providing generation, transmission and distribution service, will continue to provide reliable and affordable electricity to business and residential customers in the City. New Mexico Gas Company, a member of the TECO Energy family of energy companies, will continue to provide reliable and affordable natural gas to business and residential customers in the City.

**K. ENFORCEMENT OF BUILDING, HOUSING, PLUMBING AND ELECTRICAL CODES OR OTHER SIMILAR CODES.**

The City will adopt by ordinance national codes for building, housing, plumbing, and electrical work. The City will negotiate and put in place a fee-for-services contract with the Doña Ana County or the City of Sunland Park for licenses and code enforcement.

The City will develop a five-year transition plan for licenses and code enforcement. Upon the completion of the transition period, the City will manage licenses and code enforcement.

**L. PLANNING AND ZONING.**

The City will initially rely on the Camino Real Regional Utility Authority for zoning. Upon completion of a five-year transition plan, the City will establish its own Planning and Zoning Commission. In cooperation with Doña Ana County and other stake holders, the Commission will prepare zoning maps and master plans for Santa Teresa for consideration by the Mayor and City Council.

The City will adopt by ordinance a fee-for-services system for planning, zoning, subdivision, and land use applications.

**M. RECREATIONAL FACILITIES.**

The City will incorporate a recreational facilities plan into the master plan. The plan will identify existing and potential parks, trails, and other recreational facilities.

The City will renovate, to the extent permitted by law, existing public recreational facilities.

The City will adopt by ordinance developer fees for financing recreational facilities. The City will finance additional public recreational facilities through developer fees and state-appropriated facility grants.

The City will support, to the extent permissible by law, the revitalization of the Santa Teresa Country Club with a view toward its evolution into a destination golf facility.

**REVENUE SOURCES AVAILABLE TO MUNICIPALITIES**

**A. PROPERTY TAXES.**

Property tax is imposed on real property by the state, counties, municipalities, and school districts. The taxable value of property is one-third of the assessed value. If a tax rate of about 30 mills is applied to the taxable value, the result is an effective tax rate of about 1%. In the 2005 tax year the average millage was about 26.47 for residential property and 29.80 for non-residential property. Assessed values of residences cannot be increased by more than 3% per year unless the residence is remodeled or sold. Property tax deductions are available for military veterans and heads of household. Recipients include counties, municipalities, school districts and other entities—hospitals, institutions of higher education, and various special districts. Revenues have historically been distributed roughly as follows: 31.1% to counties, 14.2% to municipalities, 31.7% to school districts, 9.3% to higher education, and 9.0% to hospitals and other entities. The remaining funds have financed voter-approved capital construction projects.



**B. GROSS RECEIPTS TAX.**

The gross receipts tax rate varies throughout the state from 5.125% to 8.6875% depending on the location of the business. It varies because the total rate combines rates imposed by the state, counties, and, if applicable, municipalities where the businesses are located. The business pays the total gross receipts tax to

the state, which then distributes the counties' and municipalities' portions to them. The state's portion of the gross receipts tax, which is also the largest portion of the tax, is determined by state law. Changes to the state rate occur no more than once a year, usually in July. The counties' portion of gross receipts tax is determined by the county commissions. These increments can go into effect in January and July of every year. Municipal councils determine the municipalities' portion of gross receipts tax. Municipalities may levy up to 1.5% in gross receipts tax. The tax may be used for general purposes or dedicated for special purposes. Like the counties, changes can go into effect in January and July of every year.

**C. INDUSTRIAL REVENUE BONDS.**

Pursuant to the Industrial Revenue Bond Act,<sup>13</sup> the City will issue Industrial Revenue Bonds ("IRB") to stimulate the expansion and relocation of commercial and industrial projects to Santa Teresa and generate revenue for the City. Technically, an IRB is a loan from the bond purchaser to a company, where the loan proceeds and repayment flow through the municipal issuer. Bond funds may be used by a business to buy land and equipment as agents for the government entity, thus exempting the business from property taxes. The business then enters into a lease with the municipal issuer to use the property in its operations and, at the end of the lease, purchase the facility from the issuer for a nominal amount. The municipal issuer does not exercise any control over the business operations, and has no interest in doing so. The municipal issuer also has no financial risk in the arrangement, which essentially lets a private business take advantage of the tax exempt status of counties and municipalities.

**D. DEVELOPMENT IMPACT FEES.**

Development impact fees mitigate the impact of new the development and to fund infrastructure to serve new development, including parks, trails, fire stations, police substations, street improvements, and traffic signals.

**E. FIRE FUND.**

The State distributes a portion of the State Fire Protection Fund to municipalities for fire department operation, construction, maintenance, and equipment. Allocations are based on a formula using fire insurance ratings and the number of fire stations in the locality.

**F. LAW ENFORCEMENT PROTECTION FUND.**

The State distributes a portion of certain insurance taxes, fees, and penalties back to municipalities for police equipment, training, planning, and replacement salaries for training.

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<sup>13</sup> NMSA §§ 3-32-1 through 3-32-16.

Distribution is rated by class according to population. The rate of distribution for a city of 0-20,000 is \$20,000, plus additional amounts for each certified peace officer. The City anticipates it will receive \$20,600 per year from Law Enforcement Protection Fund. The City will supplement funding with federal and state grants which become available to municipal governments.

**G. SMALL CITIES ASSISTANCE FUND.**

The State earmarks 10% of the State Compensating Tax for distribution to aid municipalities under 10,000 in population. Qualifying municipalities receive a minimum distribution of \$35,000, but may receive additional funding by operation of a formula-based average per capita gross receipts tax. The City anticipates receiving \$150,000-175,000 each year from the Small Cities Assistance Fund. Money may be used for general purposes or as allocated by the governing body.

**H. GASOLINE TAX.**

The State collects 17 cents tax on each gallon of gasoline and special fuel sold. Of the 17 cents collected, the state returns the equivalent of 2 cents to the municipality in which the gas or special fuel was purchased. The distribution is dedicated to building streets, roads, bridges, and mass transit.

**I. SCHOOL BUS ROUTE / MUNICIPAL ARTERIAL PROGRAM.** The City will seek funding from the New Mexico Department of Transportation school bus route and municipal arterial projects administered by the New Mexico Department of Transportation. This should amount to approximately \$400,000 per year to repair and maintain roads which connect to a state highway, and approximately \$40,000 per year to repair and maintain other roads.

**MUNICIPAL REVENUES - MANDATORY LOCAL IMPOSITION**

**A. BUSINESS REGISTRATION FEE.**

Municipalities are required to pass an ordinance levying an annual fee of up to \$35 on each place of business within the municipal boundaries.

**B. LOCAL GOVERNMENT CORRECTIONS FEE.**

A fee of \$20 is imposed on all individuals convicted of traffic offenses and violations of ordinances carrying a potential jail term. The funds must be used for housing prisoners, training jailors, transporting prisoners, treating substance abuse, monitoring individuals electronically, and matching federal funds.

**MUNICIPAL REVENUES - OPTIONAL LOCAL IMPOSITION**

**A. FRANCHISE FEES.**

Municipalities may collect a fee on the gross receipts of private utilities doing business within the municipality. The fee is a negotiated percentage of the gross receipts of the utility and is imposed for the utilities' use of the public rights-of-way to provide gas, electric, telephone, water, or cable television.

**B. LIQUOR LICENSES.**

Municipalities may require establishments which sell liquor to purchase an annual municipal liquor license. The annual license fee may be up to \$250.00.

**C. BUSINESS LICENSE FEES.**

A municipality may pass an ordinance requiring certain businesses which need regulating to be licensed and to pay a fee for the privilege of doing business in the municipality. The amount of the fee must be reasonably related to the amount of regulation provided.

**D. OTHER MISCELLANEOUS FEES.**

The City will collect other fees, including building permits, parking fees, or other permit fees.

**MANDATORY MUNICIPAL COURT FEES DISTRIBUTED BY THE STATE**

**A. DWI TRAFFIC SAFETY FEE.**

A fee of \$75 is imposed on all persons convicted for DWI. The money is distributed by to municipalities upon their application and must be used for DWI prevention, education, and other traffic safety programs.

**B. JUDICIAL EDUCATION FEE.**

A fee of \$2 is collected on convictions of all violations involving operating a motor vehicle or an ordinances imposing a possible prison sentence. The money goes to the Judicial Education Fund and is used to help provide education for municipal judges.

**C. MUNICIPAL COURT AUTOMATION FEE.**

A fee of \$6 is collected on all convictions. The money goes to the State for use in automating

municipal court operations.

**FEDERAL AND STATE GRANTS**

The City will aggressively pursue federal and state grants are available to municipalities for various purposes.

<b>Small City Assistance</b>	<b>\$100,000.00</b>
<b>LEPF</b>	<b>\$20,600.00</b>
<b>Various Street Grants</b>	<b>\$300,000.00</b>
<b>Total</b>	<b>\$420,600.00</b>

**REVENUE PLAN**

**A. PROPERTY TAXES.**

According to Doña Ana County Assessor Andy Segovia, the proposed municipal boundary map includes 1,932 parcels. The number of residential parcels within the boundary is approximately 1,492, with a property valuation around \$251,318,717 in full value. The number of nonresidential properties, a mix of vacant land and commercial, is approximately 441, with a property valuation around \$133,621,300. The total is 1,932 parcels and a property value of \$384,940,017 in full value. Segovia believes the taxes necessary to support the proposed City would not necessarily have to be increased. Property values will not automatically be raised if the residents of Santa Teresa decide to incorporate on their own. The tax rates may go up if the residents of Santa Teresa decide to pay municipality property taxes.

**The City does not plan to increase property taxes upon incorporation.**

The City estimates it will receive the following as its share of the property taxes collected in Santa Teresa:

<b>Res Prop Tax</b>	<b>\$315,149.75</b>
<b>Non-res</b>	<b>\$115,110.58</b>
<b>Total</b>	<b>\$430,260.33</b>

**B. GROSS RECEIPTS TAX.**

The City may, as needed, put into effect all local option increments of the gross receipts tax authorized by state law. In any event, it will enact a .25% local option gross receipts tax in January of 2016, which will become effective on July 1, 2016. This minimal tax must be imposed in order for the City to be eligible to receive small city assistance.

The City anticipates it will collect approximately \$64,000 in gross receipts taxes during its first year.

<b>Power (\$60/mo/house)</b>	<b>\$16,200.00</b>
<b>Water (\$30/mo/house)</b>	<b>\$8,100.00</b>
<b>TV/internet (\$70/mo/house)</b>	<b>\$18,900.00</b>
<b>Phone (\$60/mo/house)</b>	<b>\$16,200.00</b>
<b>Trash</b>	<b>\$4,500.00</b>
<b>Total</b>	<b>\$63,900.00</b>

**C. INDUSTRIAL REVENUE BONDS.**



The City will issue Industrial Revenue Bonds (“IRB”) to stimulate the expansion and relocation of commercial and industrial projects to Santa Teresa and generate revenue for the City.

**D. DEVELOPMENT IMPACT FEES.**

The City will adopt by ordinance various development impact fees to mitigate the impact of new development and to fund infrastructure to serve new development, including parks, trails, fire stations, police substations, street improvements, and traffic signals.

**E. BUSINESS REGISTRATION FEE.**

The City may, by ordinance, levy an annual fee of \$35.00 per place of business within the City.

**F. MUNICIPAL COURT FINES.**

The City will, by ordinance, establish a municipal court the maximum fee of \$500.00 for a conviction of a violation of a municipal ordinance.

**G. FRANCHISE FEES.**

The City will enact a franchise ordinance. The City will thereafter negotiate and put into place franchise fees with utilities doing business within the City. The baseline will be the fee normally charged by other municipalities in Doña Ana County.

**H. LIQUOR AND BUSINESS LICENSES FEES.**

The City may, by ordinance, place into effect an annual liquor license fee of \$250.00 and an annual business fee in an amount reasonably related to the cost of regulation.

**I. OTHER MISCELLANEOUS FEES.**

The City will, by ordinance, establish fees for services such as licensing, planning, zoning, plating, subdivision review, and animal control.

**EXPENSE PLAN**

When the voters approve the incorporation of the City of Santa Teresa, the City will officially open for business on January 1, 2016. During the interim period between the election of the first Mayor and Council Members (“the city officials”) and January 1, 2016, the city officials will prepare a budget for submission to the Local Government Division of the Department of Finance and Administration and for consideration at the first city council meeting.

City officials will ask Doña Ana County to continue, without charge, all county services that it currently provides until July 1, 2016. Between January 1, 2016, and July 1, 2016, city officials will prepare and submit a Budget Adjustment Request (“BAR”) to the Local Government Division of the Department of Finance and Administration to with a view toward adjusting its budgeted revenues and expenses upward for the second half of the calendar year. City officials will also begin the process of negotiating with Doña Ana County to provide the services indicated in the City of Santa Teresa Five-Year Service Plan.

As Santa Teresa continues to grow and generate more revenue from various sources, the City will directly provide more services to its residents and decrease its reliance on services provided by Doña Ana County. The City will give priority to law enforcement, fire protection, road maintenance, solid waste collection, and street lighting, while minimizing taxes.

**Sample Budget**

		Salary	FICA	MED	401K	INS	Work Comp	Total
Payroll	Clerk/Treas	\$56,000.00	\$3,500.00	\$850.00	\$2,800.00	\$6,000.00	\$213.00	\$69,363.00
	Admin Assist	\$30,000.00	\$1,861.00	\$436.00	\$1,500.00	\$6,000.00	\$120.00	\$39,917.00
	Admin Assist	\$30,000.00	\$1,861.00	\$436.00	\$1,500.00	\$6,000.00	\$120.00	\$39,917.00
	<b>Total Payroll</b>							<b>\$149,197.00</b>
Judicial	Judge	\$26,400.00	\$1,638.00	\$384.00	\$1,320.00	\$6,000.00	\$100.00	\$35,842.00
	Clerk	\$29,000.00	\$1,897.00	\$444.00	\$1,450.00	\$6,000.00	\$116.00	\$38,907.00
	<b>Total Court</b>							<b>\$74,749.00</b>
Admin	Office Lease	\$12,000						
	Office Supplies	\$12,000						
	Mileage (5000@.30/mile)	\$1,500						
	Utilities	\$1,800						
	Telephone	\$600						
	Audit Expenses	\$2,000						
	<b>Total</b>	<b>\$29,900.00</b>						

Police	SPPD Contracted	\$100,000
	E	
	Total	\$100,000