CATRON COUNTY
BOARD OF COUNTY COMMISSIONERS
RESOLUTION No. 014-2020

RESOLUTION REGARDING DISTRIBUTION OF PILOT PAYMENTS FROM BORDERLANDS WIND, LLC, WIND ELECTRICITY GENERATION PROJECT

WHEREAS, the Board of County Commissioners of Catron County, met in a regular meeting on September 12, 2019, at 9:00 A.M. in the Catron County Fire Administration Building, 3 Mountaineer Road, Reserve, NM 87830, to consider a proposal by the Borderlands Wind, LLC (the “Company”) to build a wind electricity generation project (the “Project”) in Catron County, New Mexico (the “County”); and,

WHEREAS, the Project will constitute an industrial development project as defined in the County Industrial Revenue Bond Act, NMSA 1978 §§ 4-59-1 through 4-59-16; and

WHEREAS, the Company has requested that the County issue one series of industrial revenue bonds with a thirty year maturity to finance the Project, to be entitled “Catron County, New Mexico Taxable Industrial Revenue Bonds (Borderlands Wind, LLC Project), Series 2019” (the “Bonds”) in an aggregate principal amount not to exceed $200,000,000; and

WHEREAS, the Bonds will be used to finance all or a portion of the costs of the Project; and

WHEREAS, the Project is located within the Quemado Independent School District No. 2 (“District”); and

WHEREAS, NMSA 1978 § 4-59-4(A) requires that before the County issues the Bonds and acquires the Project, the District, the County and the Company must determine the amount of an annual payment in lieu of taxes (“PILOT”) to be made to the District by the Company for the period that the County owns and leases the Project; and

WHEREAS, the Company has proposed to make annual PILOT payments to the County and to the District in an aggregate amount equal to $3,200 per megawatt of generating capacity of the Project during each year in which the Bonds are outstanding, which PILOT payments will be made by the Company separately to the County and the District; and

WHEREAS, the PILOT payments would be in lieu of the amount of real property and improvements taxes the Company would be required to pay to the District if the County had not acquired the Project and, consequently, the Project property had continued to be subject to the payment of property taxes: and

WHEREAS, the PILOT payments owed by the Company to the County and the District shall be distributed as follows: for all payments on each megawatt, sixty (60%) of the total amount owed by the Company will be paid to the County and forty (40%) of the total amount owed by the Company will be paid directly to the District for the first five (5) years, and seventy (70%) of the
total owed by the Company will be paid to the County and thirty (30%) of the total amount owed by the Company will be paid directly to the District for the remainder of the term; and

WHEREAS, the PILOT payments by the Company to the County and the District, respectively, will begin on the first anniversary of the issue date of the Bonds and will continue on the same day of every year thereafter for so long as the Bonds are outstanding; and

WHEREAS, the Board desires to approve the PILOT payments to the District, the acquisition of the Project, and the issuance of the Bonds by the County as described above.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS:

1. The Board, as governing body of the County, finds that the amount to be paid to the District by the Company, as described above, represents a fair payment in lieu of taxes.
2. The Board hereby consents to the County’s acquisition of the Project and construction of the Project by the Company pursuant to NMSA 1978, § 4-59-4(A)(2), subject to the approval of this distribution by the Quemado Independent School District No. 2.
3. All actions heretofore taken by the County and the officers of the County with respect to the Project be and the same are hereby ratified, approved and confirmed.
4. All actions taken by the County, insofar as they relate to the issuance of the Bonds for the Project by the County, are hereby approved.
5. Members of the Board and other appropriate officers, officials and employees of the County are hereby authorized and directed to take all action necessary or appropriate, and to do such things as may be necessary, to notify the County of the consent of the Board and to effectuate and achieve the provisions of this Resolution.
6. This Resolution takes effect immediately upon its adoption by the Board.

APPROVED, ADOPTED, AND PASSED on this 12th day of September, 2019.

BOARD OF COUNTY COMMISSIONERS OF CATRON COUNTY

[Signatures]

Cliff Snyder, Chairman
Van "Bucky" Allred, Vice-Chair
Anita Hand, Commissioner
Attest:

Keith Riddle
Catron County Clerk