

**OFFICIAL STATEMENT**

**NOTICE**

**\$25,000,000\***

**CITY OF SANTA FE, NEW MEXICO  
General Obligation Improvement Bonds  
Series 2025**

Preliminary Official Statement, subject to completion,  
dated \_\_\_\_\_, 2025

The Preliminary Official Statement, dated \_\_\_\_\_, 2025 (the “Preliminary Official Statement”), relating to the above-described bonds (the “Bonds”) of the City of Santa Fe, New Mexico (the “City”), has been posted as a matter of convenience. The posted version of the Preliminary Official Statement has been formatted in Adobe Portable Document Format. Although this format should replicate the Preliminary Official Statement available from the City, appearance may vary for a number of reasons, including electronic communication difficulties or particular user software or hardware. Using software other than Adobe Acrobat may cause the Preliminary Official Statement that you view or print to differ in appearance from the Preliminary Official Statement.

The Preliminary Official Statement and the information contained therein are subject to completion or amendment or other change without notice. Under no circumstances shall the Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

For purposes of compliance with Rule 15c2-12 (“Rule 15c2-12”) of the United States Securities and Exchange Commission (the “SEC”), this document constitutes an Official Statement of the City with respect to the Bonds that has been “deemed final” by the City as of its date, except for the omission of no more than the information permitted by Rule 15c2-12.

No person has been authorized to give any information or to make any representations other than those contained in the Preliminary Official Statement in connection with the offer and sale of the Bonds and, if given or made, such information or representations must not be relied upon as having been authorized. The information and expressions of opinion in the Preliminary Official Statement are subject to change without notice and neither the delivery of the Official Statement nor any sale made thereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date of the Preliminary Official Statement.

By choosing to proceed and view the electronic version of the Preliminary Official Statement, you acknowledge that you have read and understood this Notice.

**Preliminary Official Statement dated \_\_\_\_\_, 2025**

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\* Preliminary, subject to change.

NEW ISSUE

RATINGS: [S&P Global Ratings: \_\_\_  
Fitch Ratings: \_\_\_]

BOOK-ENTRY ONLY

*In the opinion of Modrall, Sperling, Roehl, Harris & Sisk, P.A., Bond Counsel, under existing laws, regulations, rulings and judicial decisions, and assuming compliance with certain covenants described in "TAX EXEMPTION" herein, interest on the Bonds (including original issue discount treated as interest) (a) is excludable from the gross income of the recipients thereof for federal income tax purposes, under Section 103 of the Internal Revenue Code of 1986, as amended, and (b) is not a specific item of tax preference for purposes of the federal alternative minimum tax under the Code; however, interest on the Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Bond Counsel is also of the opinion, based on existing laws of the State of New Mexico as enacted and construed, that the Bonds and income from the Bonds are exempt from all taxation by the State of New Mexico or any political subdivision thereof. For a more complete description of such opinion of Bond Counsel and a description of certain provisions of the Internal Revenue Code of 1986, as amended, which may affect the federal tax treatment of interest on the Bonds for certain registered owners of such bonds, see "TAX EXEMPTION" herein.*

**\$25,000,000\***  
**City of Santa Fe, New Mexico**  
**General Obligation Improvement Bonds**  
**Series 2025**

**Dated:** Date of Delivery

**Due:** August 1, as shown on the inside front cover

The 25,000,000\* City of Santa Fe, New Mexico General Obligation Improvement Bonds, Series 2025 (the "Bonds") are being issued by the City of Santa Fe, New Mexico (the "City") to provide funds for the Improvement Project. See the "IMPROVEMENT PROJECT" and "SOURCES AND USES OF FUNDS" herein. The Bonds will bear interest from the date of delivery, at the rates set forth on the inside front cover hereof, payable semiannually on February 1 and August 1 of each year until maturity or prior redemption, commencing February 1, 2026, and will mature on August 1 of each of the years as set forth on the inside front cover hereof. Capitalized terms not defined on this front cover are as defined herein.

The Bonds are issuable as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. The Bonds will be issued pursuant to a book-entry only system and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Underwriters of the Bonds ("Beneficial Owners") will not receive physical delivery of bond certificates representing their beneficial ownership interests. So long as DTC or its nominee is the owner of the Bonds, principal of and interest on the Bonds will be paid by the Paying Agent (defined herein) to DTC or its nominee, which will in turn remit such payment to its Direct Participants for subsequent disbursement by the Direct Participants and the Indirect Participants to the Beneficial Owners. See "DESCRIPTION OF THE BONDS—Book-Entry Only System."

The Bonds are general obligations of the City payable from general (ad valorem) taxes which shall be levied against all taxable property in the City without limitation as to rate or amount.

The Bonds are subject to optional redemption prior to maturity as more fully described herein. See "THE BONDS—Optional Redemption of Bonds" herein. The City has undertaken, for the benefit of the owners of the Bonds, to provide certain annual and periodic disclosures described under the caption "CONTINUING DISCLOSURE INFORMATION" herein.

The Bonds are being issued pursuant to the powers of the City Council under Sections 3-30-1 through 3-30-9 and Sections 6-15-1 through 6-15-22 NMSA 1978, as amended and supplemented, the Constitution and other laws of the State. The \$25,000,000\* principal amount of the Bonds represents the entire series of general obligation bonds approved by the qualified electors of the City at an election held on November 5, 2024 to provide funds to acquire, construct, design, equip and improve road and street improvements within the City, and to pay costs of issuance related to the Bonds.

The Bonds are offered when, as and if issued and received by the underwriters set forth below (the "Underwriters") subject to the approval of validity by Modrall, Sperling, Roehl, Harris & Sisk, P.A., Albuquerque, New Mexico, Bond Counsel. Modrall, Sperling, Roehl, Harris & Sisk, P.A., has also acted as special counsel to the City in connection with the preparation of this Official Statement. It is anticipated that the Bonds will be available for delivery through the facilities of DTC on or about August 20, 2025.

**Electronic bids will be opened between 8:30 a.m. and 9:00 a.m., prevailing Mountain Time, \_\_\_\_\_, 2025  
at the Office of the City Finance Director, 200 Lincoln Avenue, Santa Fe, New Mexico.**

Dated: \_\_\_\_\_, 2025

\* Preliminary, subject to change.

of the securities laws of any jurisdiction in which such offer, solicitation of sale would be unlawful prior to registration of qualification under the securities laws of such jurisdiction.

**\$25,000,000\***  
**City of Santa Fe, New Mexico**  
**General Obligation Improvement Bonds**  
**Series 2025**

**MATURITY SCHEDULE**

<b>Year (August 1)</b>	<b>Principal*</b>	<b>Interest</b>	<b>Yield</b>	<b>Price</b>	<b>CUSIP<sup>(1)</sup></b>
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
2038					
2039					
2040					
2041					
2042					
2043					
2044					
2045					
2046					

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\* Preliminary, subject to change.

<sup>(1)</sup> CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. Copyright© 2018 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the City, the Underwriters or their agents or counsel assumes responsibility for the accuracy of such numbers.

**CITY OF SANTA FE, NEW MEXICO**

200 Lincoln Avenue  
Santa Fe, New Mexico 87501  
(505) 955-6500

**MAYOR**

Alan Webber

**CITY COUNCIL**

Jaimie Cassutt, Councilor  
Alma Castro, Councilor  
Amanda Chavez, Councilor  
Pilar Faulkner, Councilor  
Lee Garcia, Councilor  
Michael Garcia, Councilor  
Signe I. Lindell, Councilor  
Carol Romero-Wirth, Councilor

**CITY OFFICIALS**

Mark Scott, City Manager  
Andrea Salazar, City Clerk and Director of Community Engagement  
Emily K. Oster, Director of Finance  
Erin K. McSherry, City Attorney

**BOND AND DISCLOSURE COUNSEL**

Modrall, Sperling, Roehl, Harris & Sisk, P.A.  
Albuquerque and Santa Fe, New Mexico

**PAYING AGENT AND REGISTRAR**

BOKF, NA  
Albuquerque, New Mexico

**FINANCIAL ADVISOR**

Hilltop Securities Inc.  
Dallas, Texas

## REGARDING THIS OFFICIAL STATEMENT

No dealer, salesman or other person has been authorized to give any information or to make any statements or representations, other than those contained in this Official Statement, in connection with the offering of the Bonds, and, if given or made, such other information, statements or representations must not be relied upon as having been authorized by the City or Underwriters. This Official Statement does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorized, or in which any person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation.

The information contained in this Official Statement has been furnished by the City or obtained from other sources which are believed by the City to be reliable. The information in this Official Statement is subject to change without notice and neither the delivery of this Official Statement nor any sale hereunder shall, under any circumstances, create any implication that there has been no change since the date of this Official Statement.

The Underwriters have reviewed the information in this Official Statement pursuant to their responsibilities to investors under the federal securities laws, but the Underwriters do not guarantee the accuracy or completeness of such information.

The Bonds have not been registered under the Securities Act of 1933 in reliance upon exemptions contained in such Act. The registration and qualification of the Bonds in accordance with applicable provisions of the securities laws of the states in which the Bonds have been registered or qualified and the exemption from registration or qualification in other states cannot be regarded as a recommendation thereof. Neither the United States Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity, nor any agency or department thereof, has passed upon the merits of the Bonds or the accuracy or completeness of this Official Statement. Any representation to the contrary may be a criminal offense.

This Official Statement contains statements relating to the City's future financial plans, receipt of future revenues and other matters that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimate," "intend," "anticipate," "expect" and similar expressions are intended to identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof.

THE PRICES AT WHICH THE BONDS ARE OFFERED TO THE PUBLIC BY THE UNDERWRITERS (AND THE YIELDS RESULTING THEREFROM) MAY VARY FROM THE INITIAL PUBLIC OFFERING PRICES APPEARING ON THE INSIDE FRONT COVER PAGE HEREOF. IN ADDITION, THE UNDERWRITERS MAY ALLOW CONCESSIONS OR DISCOUNTS FROM SUCH INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS. IN CONNECTION WITH THE OFFERING OF THE BONDS, THE PURCHASERS MAY EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Copies of the ordinance authorizing the issuance of the Bonds are available upon request at the office of the City Clerk, 200 Lincoln Avenue, Room 210, Santa Fe, New Mexico 87504, (505) 955-6521.

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**CITY OF SANTA FE, NEW MEXICO  
GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2025**

**SUMMARY OF INFORMATION**

There follows a summary of certain provisions discussed in this Official Statement. SUCH SUMMARY DOES NOT PURPORT TO BE COMPREHENSIVE OR DEFINITIVE AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE COMPLETE OFFICIAL STATEMENT. This Summary is only a brief statement and a full review of the entire Official Statement should be made by potential investors. Capitalized terms used but not otherwise defined in this “SUMMARY OF INFORMATION” will have the meanings given such terms in the Bond Ordinance.

Dated:	Date of delivery.
Registration:	The City of Santa Fe, New Mexico General Obligation Improvement Bonds, Series 2025 (the “2025 Bonds” or the “Bonds”) will be issued as fully registered bonds in denominations of \$5,000 and integral multiples thereof. The Registrar is BOKF, NA, Albuquerque.
Principal Payment:	The 2025 Bonds will mature on August 1 of each of the years set forth on the inside front cover page of this Official Statement.
Interest Payment:	Interest will be payable semiannually on August 1 and February 1, commencing on February 1, 2026.
Security:	The 2025 Bonds are secured by the City’s full faith and credit and are general obligations of the City payable from <i>ad valorem</i> taxes to be levied, without limitation as to rate or amount, against all taxable property within the City. See “SECURITY AND REMEDIES” herein.
Prior Redemption:	The 2025 Bonds maturing on or after August 1, 20__ are subject to redemption prior to maturity at the option of the City, in whole or in part, on August 1, 20__ and any date thereafter at par, plus accrued interest to the redemption date, without premium. See “THE BONDS—Optional Redemption of the Bonds” herein.
Purpose:	The 2025 Bonds represent the entire series of general obligation bonds approved by the qualified electors of the City at an election held on November 5, 2024 to provide funds to acquire, construct, design, equip and improve road and street improvements within the City, and to pay costs of issuance related to the Bonds.
Bond and Disclosure Counsel:	Modrall, Sperling, Roehl, Harris & Sisk, P.A., Albuquerque, New Mexico.
Municipal Advisor:	Hilltop Securities Inc., Dallas, Texas
Paying Agent/Registrar:	BOKF, NA, Albuquerque, New Mexico

## OFFICIAL STATEMENT

**\$25,000,000\***

### **CITY OF SANTA FE, NEW MEXICO GENERAL OBLIGATION IMPROVEMENT BONDS SERIES 2025**

#### INTRODUCTION

This Official Statement, which includes the cover page and the appendices hereto, sets forth certain information in connection with the offering of \$25,000,000\* aggregate principal amount of City of Santa Fe, New Mexico, General Obligation Improvement Bonds, Series 2025 (the “2025 Bonds” or the “Bonds”) to be issued by the City of Santa Fe, Santa Fe County, New Mexico (the “City,” the “County” and the “State,” respectively), pursuant to Ordinance No. 2025-\_\_, adopted on June 25, 2025 (the “Bond Ordinance”).

The 2025 Bonds are secured by the City’s full faith and credit and are general obligations of the City payable from *ad valorem* taxes to be levied, without limitation as to rate or amount, against all taxable property within the City. See “SECURITY AND REMEDIES” herein.

The descriptions and summaries of various documents hereinafter set forth do not purport to be comprehensive or definitive, and reference is made to each document for the complete details of all terms and conditions. All statements herein are qualified in their entirety by reference to each document. All capitalized terms used in this Official Statement and not otherwise defined herein have the same meanings as in the Bond Ordinance.

#### **The Issuer**

The City was established in 1610. The City was incorporated in 1891 as a body politic and corporate under the laws of the State and is both the County seat and capital of the State, with approximately 46% of the County population located in the City. The City Council (the “Council”) is the policymaking body of the City and manages and controls the City’s finances and property. The eight members of the Council are elected for staggered four-year terms. The Mayor is the chief executive officer of the City and presiding officer of the Council. On December 9, 1997, the City adopted a home-rule charter (“Charter”) form of government which became effective March 15, 1998.

#### **Authority for Issuance and Purpose**

The Bonds are issued in accordance with the Constitution and laws of the State of New Mexico (the “State”), in particular, Sections 3-30-1 through 3-30-9 and Sections 6-15-1 through 6-15-22 NMSA 1978, as amended and supplemented. The Bonds represent the entire series of general obligation bonds approved by the qualified electors of the City at an election held on November 5, 2024 to provide funds to acquire, construct, design, equip and improve road and street improvements within the City, and to pay costs of issuance related to the Bonds.

\* Preliminary, subject to change.

## **The Bonds**

The Bonds will be registered as to principal and interest, issued in denominations of \$5,000 each, or integral multiples thereof, in conformance with the Constitution and laws of the State and pursuant to the Bond Ordinance. The Bonds shall mature in the principal amounts and on the dates shown on the inside front cover page hereof. Interest shall be payable February 1 and August 1 of each year commencing February 1, 2026 until maturity or prior redemption to registered owners shown on the books of the Registrar on the 15<sup>th</sup> day of the month preceding each regularly scheduled interest payment date thereafter (“Record Date”). The Bonds will be issued only in fully registered form and will be initially registered and delivered to Cede & Co., the nominee of The Depository Trust Company pursuant to the book-entry only system described herein.

## **Security**

The Bonds are secured by the City’s full faith and credit and are general obligations of the City payable from *ad valorem* taxes to be levied, without limitation as to rate or amount, against all taxable property within the City. See “SECURITY AND REMEDIES” herein.

## **Financial Statements**

The City’s audited financial statements as of and for the year ended June 30, 2024 including the opinions rendered thereon of certified public accountants, are attached as Appendix B *See* “FINANCIAL STATEMENTS” herein.

## **Tax Matters**

In the opinion of Modrall, Sperling, Roehl, Harris & Sisk, P.A. (“Bond Counsel”), (a) the interest on the Bonds will be excludable from gross income for federal income tax purposes under existing law, and (b) is not a specific preference item for purposes of the federal alternative minimum tax on individuals, subject to the matters described under the caption “TAX EXEMPTION” herein. Bond Counsel is also of the opinion, based on existing laws of the State of New Mexico as enacted and construed, that the Bonds and income from the Bonds are exempt from all taxation by the State of New Mexico or any political subdivision thereof.

## **Agents and Advisors**

BOKF, NA, Albuquerque, New Mexico will serve as Paying Agent and Registrar. Carr, Riggs & Ingram, L.L.C. audited the City’s general purpose financial statements as of and for the year ended June 30, 2024.

At the time of the issuance and sale of the Bonds, Modrall, Sperling, Roehl, Harris & Sisk, P.A., as Bond Counsel, will deliver the bond opinion included in Appendix A hereto. See “LEGAL MATTERS” herein. Certain legal matters relating to the Bonds will be passed on for the City by Modrall, Sperling, Roehl, Harris & Sisk, P.A., as Disclosure Counsel.

Hilltop Securities Inc., Dallas, Texas (“Hilltop”) is employed as Municipal Advisor to the City in connection with the issuance of the Bonds. The Municipal Advisor’s fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. Hilltop, in its capacity as Municipal Advisor, has not verified and does not assume any responsibility for the possible impact of any present, pending or future actions taken by any legislative or judicial bodies. The Municipal Advisor is not

obligated to undertake, and has not undertaken to make, an independent verification of, or assume responsibility for, the accuracy, completeness, or fairness of the information in this Official Statement.

### **Additional Information**

This Official Statement is accurate only as of its date, and no representation is made that the information contained herein has not changed since that date. This Official Statement is intended to be made available to investors through the Municipal Advisor.

The quotations from, and summaries and explanations of, the statutes, regulations and documents contained herein do not purport to be complete, and reference is made to those statutes, regulations and documents for full and complete statements of their provisions. Copies, in a reasonable quantity, of those statutes, regulations and documents may be obtained upon request directed to the City, and upon payment to the City of a charge for copying, mailing and handling, at the City of Santa Fe, 200 Lincoln Avenue, Santa Fe, NM 87504-0909, telephone number (505) 955-6949, Attention: City Manager.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract between the City and the purchasers or holders of any of the Bonds.

## **THE BONDS**

### **Description**

The Bonds are general obligation bonds to be issued by the City in the total principal amount of \$25,000,000\* and will be dated the Date of Delivery, which is expected to be on or about August 20, 2025. The Bonds will be issued as fully registered bonds in denominations of \$5,000 or integral multiples thereof, bearing interest from their date to maturity at the rates specified on the inside front cover page of this Official Statement payable semiannually on February 1 and August 1 each year, commencing on February 1, 2026, until maturity or prior redemption and maturing serially, as set forth on the inside front cover page of this Official Statement.

The Bonds will be issued only in fully registered form and will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company New York, New York (“DTC”), pursuant to the book-entry only system described herein. No physical delivery of the Bonds will be made to the owners hereof. Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the beneficial owners of the Bonds. See “THE BONDS – Book-Entry Only System” herein.

### **Authorization**

The Bonds were approved by the qualified electors of the City at an election held on November 5, 2024, and are being issued pursuant to the City Council’s powers under Article IX, Section 10 of the Constitution of the State of New Mexico, and Sections 3-30-1 through 3-30-9 and 6-15-1 through 6-1522 NMSA 1978, as amended and supplemented, and the Ordinance of the City Council delegating authority to either of the Mayor and City Finance Director to award the Bonds to the best bidder in a competitive sale to be held on or about \_\_\_\_\_, 2025 as further set forth in the Pricing Certificate (together, the “Ordinance” or “Bond Ordinance”).

### **Bond Registrar and Paying Agent**



Approximately forty-five (45) days immediately preceding each of the mandatory redemption dates specified above that the Term Bonds are to be mandatorily redeemed, the Paying Agent/Registrar shall select by lot the numbers of the Term Bonds within the applicable maturity to be redeemed on the next following August 1 from moneys set aside for that purpose in the Interest and Sinking Fund. Any Term Bonds not selected for prior redemption shall be paid on the date of their stated maturity.

#### *Notice of Redemption*

Notice of redemption of Bonds is to be given by the Registrar by sending a copy of such notice by first-class, postage prepaid mail not less than 30 days prior to the redemption date to the registered owner of each Bonds, or portion thereof, to be redeemed at the address shown as of the fifth day prior to the mailing of notice on the registration books kept by the Registrar. The City is to give the Registrar notice of Bonds to be called for optional redemption at least fifteen (15) days prior to the date that the Registrar is required to give the bond owners notice of redemption specifying the Bonds and the principal amount thereof to be called for redemption and the applicable redemption date. If the City has not designated the Bonds to be called for redemption on the dates specified above, the Registrar is to select the Bonds to be redeemed by lot.

Neither the City's failure to give such notice, the Registrar's failure to give such notice to the registered owner of any Bonds, or any defect therein, nor the failure of DTC to notify any Participant, or any Participant to notify a Beneficial Owner, of any such redemption, will affect the validity of the proceedings for the redemption of any Bonds for which proper notice was given. All notices are to specify the number or numbers and maturity dates of the Bonds to be redeemed (if less than all are to be redeemed), the amount of such Bonds to be redeemed (if less than the full amount of any Bonds is to be redeemed), the date fixed for redemption, the redemption price, the series and the CUSIP number and are further to state that on such redemption date there will become and be due and payable upon each Bonds or part thereof to be redeemed at the office of the Paying Agent the principal amount thereof to be redeemed plus accrued interest and that interest will cease to accrue on the principal amount redeemed. Subject to the provisions of the Bond Ordinance setting forth certain conditions to optional redemption of the Bonds, notice having been given in the manner provided above, the Bonds or part thereof called for redemption will become due and payable on the redemption date designated and the Bonds or part thereof to be redeemed for which the redemption price is on deposit with the Paying Agent will not be deemed to be outstanding and will cease to bear interest from and after such redemption date. Subject to the provisions of the Ordinance setting forth certain conditions to optional redemption of the Bonds, upon presentation of Bonds to be redeemed at the office of the Paying Agent on or after the redemption date, or, so long as the book-entry system is used for determining beneficial ownership of the Bonds, upon satisfaction of the terms of any other arrangement between the Paying Agent and DTC, the Paying Agent will pay such Bonds, or portion thereof called for redemption.

#### **Exchange or Transfer of Bonds**

The Registrar/Paying Agent will maintain the books of the City for the registration of ownership of the Bonds. Upon the surrender for transfer of any Bond at the principal office of the Registrar/Paying Agent, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing, the Registrar/Paying Agent shall authenticate and deliver not more than three business days after receipt of the Bond to be transferred in the name of the transferee or transferees a new Bond or Bonds in fully registered form of the same aggregate principal amount of authorized denominations, and of the same maturity, interest rate and series, bearing a number or numbers not contemporaneously outstanding. Bonds may be exchanged at the principal office of the Registrar/Paying

Agent for an equal aggregate principal amount of Bonds of other authorized denominations, and of the same maturity, series and interest rate. The Registrar/Paying Agent shall authenticate and deliver not more than three business days after receipt of the Bond to be exchanged a Bond or Bonds which the registered owner making the exchange is entitled to receive, bearing a number or numbers not contemporaneously outstanding. Exchanges and transfers of Bonds as herein provided shall be without charge to the owner or any transferee, but the Registrar/Paying Agent may require the payment by the owner of any Bond requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer. See “THE BONDS – Book-Entry Only System” herein for a description of the system to be utilized initially in regard to ownership and transferability of the Bonds.

### **Book-Entry Only System**

*The information in this section concerning DTC and DTC’s book-entry system has been obtained from sources that the City believes to be reliable, but neither the City, Municipal Advisor nor Bond Counsel take responsibility for the accuracy thereof.*

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, each in the aggregate principal amount of Bonds of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s rating of AA+. The DTC Rules applicable to Direct Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org). The City undertakes no responsibility for and makes no representations as to the accuracy or the completeness of the content of such material contained on that website as described in the preceding sentence including, but not limited to, updates of such information or links to other Internet sites accessed through the aforementioned website.

Purchases of the Bonds under the DTC system must be made by or through Direct or Indirect Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase.

Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

While the Bonds are in the book-entry only system, redemption notices will be sent to DTC. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the City or agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the City. Under such circumstances, in the event that a successor depository is not obtained, certificates representing the Bonds are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, certificates representing the Bonds will be printed and delivered to DTC.

## **SECURITY AND REMEDIES**

### **General**

The Bonds are general obligations of the City payable from *ad valorem* taxes, which may be levied against all taxable property within the City without limitation as to rate or amount. The Bonds are secured by the obligation of the City to levy and collect upon all taxable property within the City a tax rate levy sufficient, together with other legally available revenues, to pay the debt service on the Bonds. Such annual levy for debt service creates a statutory tax lien that can be enforced personally against the owner of the property or enforced by sale of the property. Neither the State nor any other political subdivision has any responsibility to pay the debt service on the Bonds.

### **Legal Matters**

Various State laws and constitutional provisions apply to the assessment and collection of *ad valorem* property taxes. There is no assurance that there will not be any amendment, change in the interpretation of, or addition to the applicable laws, provisions and regulations that would have a material effect, directly or indirectly, on the affairs of the City.

### **Limitations on Remedies Available to Owners of Bonds**

There is no provision for acceleration of maturity of the principal of the Bonds in the event of a default in the payment of principal of or interest on the Bonds. Consequently, remedies available to the owners of the Bonds may have to be enforced from year to year.

The enforceability of the rights and remedies of the owners of the Bonds, and the obligations incurred by the City in issuing the Bonds, are subject to the following: the Federal Bankruptcy Code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditor's rights generally, now or hereafter in effect; usual equity principles, which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the federal Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or State government, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

### **Cybersecurity**

The City operates a large and complex information technology infrastructure to support internal and external operations. As is the case with any such environment, the threat of cybersecurity incidents is a constant one. These incidents may arise from multiple sources, including unintentional events or actions, intentional insider threat, and deliberate malicious attacks or actions from outside entities. The effect of these threats may include unauthorized access to City systems, data or resources, inappropriate exposure or use of City information, disruption of City services, and damage to City systems. The City carries insurance against losses relating to cybersecurity incidents with coverage at a level it believes to be comparable to coverage carried by other local governments of similar size.

### **Climate Change and Natural Disasters**

The State could experience and is susceptible to weather events and natural disasters that could be deemed extreme including, without limitation, periods of heat, droughts, floods, mud slides, tornadoes and other wind conditions and wildfires, which could result in negative economic impacts on the City. Such effects may be exacerbated by a longer term shift in the climate over several decades, commonly referred to as climate change. Numerous scientific studies on climate change show that, among other effects on the global ecosystem, extreme temperatures may become more common, and extreme weather events may become more frequent as a result of increasing global temperatures attributable to atmospheric pollution. As a result, the City could lose tax revenues and many residents, businesses, and governmental operations could be displaced. Additionally, climate change concerns have led, and may continue to lead, to new laws and regulations at the federal and state levels (including but not limited to air, water, hazardous substances and waste regulations) that could have a material adverse effect on the operations and/or financial condition of the City. The City cannot predict the occurrence or extent of any future extreme weather events or natural disasters or the economic impacts that the occurrence of any such events may have on the City.

### **Potential Limitation of Tax Exemption of Interest on the Bonds**

From time to time, the President of the United States, the United States Congress and/or state legislatures have proposed and could propose in the future, legislation that, if enacted, could cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. Clarifications of the Internal Revenue Code of 1986, as amended, or court decisions may also cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation. The introduction or enactment of any such legislative proposals or any clarification of the Internal Revenue Code of 1986, as amended, or court decisions may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any such pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

### **PURPOSE AND PLAN OF FINANCING**

The Bonds will be issued in a principal amount of \$25,000,000\* to provide funds to acquire, construct, design, equip and improve road and street improvements within the City, and to pay costs of issuance related to the Bonds.

## SOURCES AND USES OF FUNDS

The sources and uses of funds relating to the Bonds are set forth in the following table.

SOURCES OF FUNDS	
Bond proceeds	\$
[Net] Premium	_____
TOTAL SOURCES OF FUNDS	\$
USES OF FUNDS	
Acquisition Fund	\$
Underwriter's Discount	
Costs of Issuance <sup>(1)</sup>	_____
TOTAL USES OF FUNDS	\$

<sup>(1)</sup> Includes Municipal Advisor fees, rating agency fees, legal fees, fees of the paying agent/registrar, and other miscellaneous costs and expenses related to the issuance of the Bonds.

\*Preliminary; subject to change.

## DEBT AND OTHER FINANCIAL OBLIGATIONS

### Selected Ratios of Per Capita Debt and Assessed Valuation

Article IX, Section 13, of the New Mexico Constitution prohibits municipalities, including the City, from incurring general obligation debt in an aggregate amount, including existing indebtedness, exceeding four percent of the value of the taxable property within such municipality, as shown by the last preceding general assessment. The following table sets forth details relating to the ratio of general debt and overlapping debt to population and assessed valuation:

Estimated City Population <sup>(1)</sup>	89,167
Total General Obligation Direct Debt <sup>(2)</sup>	\$37,425,000
Direct and Overlapping Debt <sup>(2)</sup>	\$230, 554,156
2024 Assessed Valuation	\$5,884,882,813
2024 Statutory Actual Valuation <sup>(3)</sup>	\$17,654,648,439
City Direct Debt as % of:	
-Assessed Valuation	0.64%
-Statutory Actual Valuation	0.21%
Direct and Overlapping Debt as % of	
-Assessed Valuation	3.92%
-Statutory Actual Valuation	1.31%
City Debt Per Capita	\$419.72
Direct and Overlapping Debt Per Capita	\$2,585.64

<sup>(1)</sup> Source: City of Santa Fe.

<sup>(2)</sup> Figure includes the proposed 2025 Bonds. Preliminary, subject to change.

<sup>(3)</sup> Figure is estimated by reference to the statutory formula under which assessed valuation is calculated at 33.3% of statutory actual valuation.

## Outstanding General Obligation Debt

The City has \$12,425,000 in outstanding general obligation debt, in addition to the Bonds:

<u>Series</u>	<u>Original Principal Amount</u>	<u>Amount Outstanding (as of June 30, 2025)</u>	<u>Final Maturity Date (August 1)</u>
2013	\$12,000,000	\$5,935,000	2032
2014	\$5,800,000	3,490,000	2034
2019	\$5,445,000	3,000,000	2029

## DEBT SERVICE REQUIREMENTS TO MATURITY

The following table represents annual debt service expenses on the City's outstanding general obligation debt and the 2025 Bonds.

### Debt Service Requirements to Maturity

Fiscal Year	Present Requirements			Series 2025 Bonds*			Total Requirements		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 1,435,000	521,838	1,956,838				\$ 1,435,000	\$ 521,838	\$ 1,956,838
2026	1,490,000	464,003	1,954,003		\$ 593,750	\$ 593,750	1,490,000	1,057,753	2,547,753
2027	1,550,000	401,994	1,951,994		1,187,500	1,187,500	1,550,000	1,589,494	3,139,494
2028	1,610,000	336,069	1,946,069		1,187,500	1,187,500	1,610,000	1,523,569	3,133,569
2029	1,680,000	267,394	1,947,394		1,187,500	1,187,500	1,680,000	1,454,894	3,134,894
2030	1,755,000	195,644	1,950,644		1,187,500	1,187,500	1,755,000	1,383,144	3,138,144
2031	1,135,000	137,822	1,272,822	\$ 155,000	1,183,819	1,338,819	1,290,000	1,321,641	2,611,641
2032	1,180,000	94,555	1,274,555	160,000	1,176,338	1,336,338	1,340,000	1,270,893	2,610,893
2033	1,220,000	49,555	1,269,555	170,000	1,168,500	1,338,500	1,390,000	1,218,055	2,608,055
2034	395,000	20,256	415,256	1,055,000	1,139,406	2,194,406	1,450,000	1,159,663	2,609,663
2035	410,000	6,919	416,919	1,105,000	1,088,106	2,193,106	1,515,000	1,095,025	2,610,025
2036				1,585,000	1,024,219	2,609,219	1,585,000	1,024,219	2,609,219
2037				1,660,000	947,150	2,607,150	1,660,000	947,150	2,607,150
2038				1,745,000	866,281	2,611,281	1,745,000	866,281	2,611,281
2039				1,825,000	781,494	2,606,494	1,825,000	781,494	2,606,494
2040				1,915,000	692,669	2,607,669	1,915,000	692,669	2,607,669
2041				2,010,000	599,450	2,609,450	2,010,000	599,450	2,609,450
2042				2,105,000	501,719	2,606,719	2,105,000	501,719	2,606,719
2043				2,210,000	399,238	2,609,238	2,210,000	399,238	2,609,238
2044				2,320,000	291,650	2,611,650	2,320,000	291,650	2,611,650
2045				2,430,000	178,838	2,608,838	2,430,000	178,838	2,608,838
2046				2,550,000	60,563	2,610,563	2,550,000	60,563	2,610,563
	<u>\$13,860,000</u>	<u>\$2,496,048</u>	<u>\$16,356,048</u>	<u>\$25,000,000</u>	<u>\$17,443,188</u>	<u>\$42,443,188</u>	<u>\$38,860,000</u>	<u>\$19,939,235</u>	<u>\$58,799,235</u>

\* Preliminary, subject to change based on par amount of 2025 Bonds of \$25,000,000.

## Statement of Estimated Direct and Overlapping Debt

The following calculation analyzes the debt load and per capita debt of the City payable from property taxes. In addition to outstanding debt of the City, the calculation takes into account debt attributable to taxing entities that is the responsibility of taxpayers within the boundaries of the City.<sup>(1)</sup>

Taxing Entity	2024 Assessed Valuation	General Obligation Debt Outstanding	Percentage Applicable	City Share of Outstanding Debt
State of New Mexico	\$108,183,361,964	\$ 347,815,000	5.44%	\$ 18,920,197
City of Santa Fe	5,885,883,824	37,425,000 <sup>(1)</sup>	100.00%	37,425,000
Santa Fe County	10,196,838,890	109,610,000	58.05%	63,628,605
Santa Fe Public Schools	9,433,227,092	179,490,000	62.74%	112,612,026
Santa Fe Community College	9,433,227,092	11,075,000	62.75%	6,948,967
Total Direct and Overlapping Debt				\$239,534,598
Ratio of Estimated Direct & Overlapping Debt to 2024 Assessed Valuation:				4.07%
Ratio of Estimated Direct & Overlapping Debt to 2024 Statutory Actual Valuation:				1.36%
Per Capita Direct & Overlapping Debt:				\$2,585.64

<sup>(1)</sup> Figure includes proposed 2025 Bonds. Preliminary; subject to change.

## Analysis of Assessed Valuation

Assessed Valuation of property within the City is calculated as follows: Of the total assessed valuation of all taxable property in the City, 33 1/3% is legally subject to *ad valorem* taxes. After deduction of certain personal exemptions, the 2024 Assessed Valuation is \$5,884,882,813. The actual value of personal property within the City (see “Assessments” below) is determined by the Santa Fe County Assessor. The actual value of certain corporate property within the City (see “Centrally Assessed” below) is determined by the State of New Mexico, Taxation and Revenue Department, Property Tax Division.

The analysis of Assessed Valuation in the City of Santa Fe is as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>Assessments</b>					
Value of Land	\$1,466,999,199	\$1,410,716,315	\$1,356,684,268	\$1,297,705,871	\$1,321,355,486
Improvements	5,110,474,079	4,842,597,072	4,138,778,251	3,789,374,062	3,791,967,921
Personal Property	52,465,882	52,926,238	55,079,286	53,786,924	55,293,073
<b>CAB</b>	65,798,299	56,161,111	53,961,497	63,803,364	59,819,692
Mobile Homes	15,074,346	14,139,935	12,753,865	12,063,025	11,598,350
Livestock	23,788	23,809	24,047	23,564	26,178
Assessor’s Taxable Value	<u>\$6,710,835,593</u>	<u>\$6,376,574,479</u>	<u>\$5,617,281,214</u>	<u>\$5,216,756,810</u>	<u>\$5,240,060,700</u>
<b>Less Exemptions</b>					
Head of Household	(24,265,415)	(24,238,143)	(24,635,778)	(25,065,710)	(24,552,389)
Veteran	(8,752,818)	(9,014,513)	(9,424,972)	(9,878,740)	(9,966,405)
Disabled Veteran	(38,269,716)	(32,084,965)	(30,231,465)	(28,468,665)	(26,849,584)
Other	(754,664,831)	(736,261,321)	(592,554,083)	(542,449,821)	(620,948,347)
Total Exemptions	<u>(825,952,780)</u>	<u>(801,598,942)</u>	<u>(656,846,298)</u>	<u>(605,862,936)</u>	<u>(682,316,725)</u>
<b>Assessor’s Net Taxable Value</b>	<u>\$5,884,882,813</u>	<u>\$5,574,965,537</u>	<u>\$4,960,434,916</u>	<u>\$4,610,893,874</u>	<u>\$4,557,743,975</u>
<b>Centrally Assessed</b>					
<b>Total Assessed Valuation</b>	<hr/>				
Residential	<hr/>				
Non-Residential	<hr/>				
<b>Total</b>	<hr/> <hr/> <hr/>				

Source: Santa Fe County Assessor’s Office.

## History of Assessed Valuation

The following is a history of assessed valuation for the City and Santa Fe County.

	<b>City of Santa Fe</b>	<b>Santa Fe County</b>
2024	\$5,884,882,813	\$10,196,838,890
2023	5,574,965,537	9,603,851,513
2022	4,960,434,915	8,694,115,447
2021	4,610,893,905	8,039,694,860
2020	4,557,743,975	7,828,549,667

Source: Santa Fe County Assessor's Office.

## Residential and Non-Residential Tax Rates

Article VIII, Section 2 of the New Mexico Constitution limits the total *ad valorem* taxes for operational purposes levied by all overlapping governmental units within the County to \$20.00 per \$1,000 of assessed value. This limitation does not apply to levies for public debt and levies for additional taxes if authorized at an election by a majority of the qualified voters of the County voting on the question. The following table summarizes the tax situation on residential property located within the City for 2020 through 2024. Except as required to meet debt service on general obligation bonds and as a result of application of the yield control statute, Section 7-37-7.1 NMSA 1978, the City expects no change in the level of its taxes in the foreseeable future but is unable to predict what overlapping entities might do. See "DEBT AND OTHER FINANCIAL OBLIGATIONS – Yield Control Limitation" herein. A high level of taxation may adversely impact the City's ability to repay bonds.

### Residential Within 20 Mill Limit for General Purposes

	<u>2024</u>	<u>2023</u>	<u>2022</u>	2021	<u>2020</u>
State of New Mexico	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Santa Fe County	5.311	5.428	5.484	5.560	5.698
Santa Fe Community College	2.770	2.820	2.851	2.892	2.965
City of Santa Fe	1.469	1.503	1.523	1.545	1.582
Santa Fe Public Schools	0.139	0.142	0.143	0.142	0.145
Total	\$9.689	\$9.893	\$10.001	\$10.139	\$10.390

**Over 20 Mill Limit- Interest, Principal, Judgments, etc.**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	2021	<u>2020</u>
State of New Mexico	\$1.360	\$1.360	\$1.360	\$1.360	\$1.360
Santa Fe County	2.129	2.129	2.124	2.124	2.124
Santa Fe Community College	0.650	0.650	0.650	0.650	0.650
City of Santa Fe	0.408	0.408	0.475	0.567	0.350
Santa Fe Public Schools	8.625	9.107	9.107	9.211	9.157
<b>Total</b>	<b>\$13.172</b>	<b>\$13.654</b>	<b>\$13.716</b>	<b>\$13.912</b>	<b>\$13.641</b>

**Total Levy**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	2021	<u>2020</u>
State of New Mexico	\$1.360	\$1.360	\$1.360	\$1.360	\$1.360
Santa Fe County	7.440	7.557	7.608	7.684	7.822
Santa Fe Community College	3.420	3.470	3.501	3.542	3.615
City of Santa Fe	1.877	1.911	1.998	2.112	1.932
Santa Fe Public Schools	8.764	9.249	9.250	9.353	9.302
<b>Total</b>	<b>\$22.861</b>	<b>\$23.547</b>	<b>\$23.717</b>	<b>\$24.051</b>	<b>24.031</b>

Source: New Mexico Department of Finance and Administration.

## Major Taxpayers

The 10 largest taxpayers in the City of Santa Fe have a combined valuation of \$265,526,879, representing 4.45% of the 2024 total assessed valuation within the City.

Name	Type of Business	2024 Assessed Valuation	% of Assessed Valuation
Public Service Company of NM	Electric Utility	\$71,511,924	1.22%
Presbyterian Medical Services	Medical	52,818,076	0.89%
Christus St. Vincent Hospital	Medical	36,541,931	0.62%
New Mexico Gas Company	Gas Utility	17,296,523	0.29%
BNSF Railway	Railroad	17,101,123	0.29%
Comcast	Telecomm. Provider	14,852,685	0.25%
Guadalupe Hotel Investment LLC	Real Estate/Hotel	14,420,062	0.24%
El Castillo Retirement Residences	Retirement Community	14,304,866	0.24%
La Fonda Holdings LLC	Real Estate/Hotel	13,653,365	0.23%
Qwest	Telecomm. Provider	13,026,323	0.22%
Total		\$265,526,879	4.45%

Source: Santa Fe County Assessor's Office.

## Yield Control Limitation

State law limits property tax increases from the prior property tax year. Specifically, no taxing entity may set a rate or impose a tax (excluding oil and gas production *ad valorem* and oil and gas production equipment *ad valorem* taxes) or assessment that will produce revenues that taxes exceed the prior year's tax revenues from residential and non-residential property multiplied by a "growth control factor." The growth control factor is the percentage equal to the sum of (a) "percent change I" plus (b) the prior property tax year's total taxable property value plus "net new value," as defined by statute, divided by such prior property tax year's total taxable property value; but if that percentage is less than 100 percent, then the growth control factor is (a) "percent change I" plus (b) 100%. "Percent change I" is based upon the annual implicit price deflator index for state and local government purchases of goods and services (as published in the United States Department of Commerce monthly publication entitled "Survey of Current Business," or any successor publication) and is a percent (not to exceed 5%) that is derived by dividing the increase in the prior calendar year's index over the index for the calendar year next preceding the prior calendar year (unless there was a decrease, in which case zero if used) by the index for such calendar year next preceding the prior calendar year. *The growth control factor applies to authorized operating levies and to any capital improvements levies, but does not apply to levies for paying principal and interest on public general obligation debt.*

## Limitations on Residential Property Tax Increases

In an effort to limit large annual increases in residential property taxes in some areas of the State (particularly the Santa Fe and Taos areas which have experienced large increases in residential property values in recent years), an amendment to the uniformity clause (Article VIII, Section 1) of the New Mexico Constitution was approved by a wide margin by New Mexico voters on November 3, 1998.

The amendment directs the Legislature to provide for valuation of residential property in a manner that limits annual increases in valuation. The limitation may be applied to classes of residential property

taxpayers based on occupancy, age or income. The limitations may be authorized statewide or at the option of a local jurisdiction and may include conditions for applying the limitations.

Section 7-36-21.2 NMSA 1978 establishes a statewide limitation on residential property valuation increases which began in tax year 2001. Annual valuation increases will be limited to 3% over the prior year's valuation or 6.1% over the valuation from two years prior. These limitations do not apply under the following exceptions:

1. When property is being valued for the first time;
2. When physical improvements are made to the property;
3. When a change of ownership outside the family occurs;
4. When a change in zoning or use of property occurs; and
5. To property that is subject to the valuation limitations under Section 7-36-21.3 NMSA 1978.

Section 7-36-21.3 NMSA 1978 places a limitation on the increase in value for property taxation purpose for single-family dwellings occupied by low-income owners who are sixty-five years of age or older or who are disabled. The statute fixes the valuation of the property to the valuation in the year that the owner turned 65 or became disabled. The Section 7-36-21.3 limitation does not apply:

1. To property that is being valued for the first time;
2. To a change in valuation resulting from physical improvements made to the property in the preceding year; and
3. To a change in valuation resulting from a change in the zoning or permitted use of the property in the preceding year.

Amendments to State laws affecting residential property taxes are proposed from time to time and may be proposed in the future by the Legislature. Such amendments, if enacted, could result in an increase to the tax rate imposed on residential property tax within the City in order to pay the principal of and interest on general obligation bonds issued by the City, including the Bonds.

The constitutionality of the property tax limitation has been challenged in a number of venues. On March 28, 2012, the New Mexico Court of Appeals upheld the statutory valuation cap and its application under Section 7-36-21.2 NMSA 1978, which ruling was affirmed by the New Mexico Supreme Court in June, 2014.

## Tax Collections on Locally Assessed and Centrally Assessed Property

General (*ad valorem*) taxes for all units of government are collected by the Santa Fe County Treasurer and distributed monthly to the various political subdivisions to which they are due. Property taxes are due in two installments. The first half installment is due on November 10 and becomes delinquent on December 10. The second half installment is due on April 10 and becomes delinquent on May 10. Collection statistics for Santa Fe County are presented here:

Tax Year	Fiscal Year	Net Taxes Charged to Treasurer	Current Collections (1)	Current Tax Collections as a % of Net Levied	Current/Delinquent Tax Collections (2)	Current/Delinquent Collections as a % of Net Levied
2023	23/24	\$236,288,784	\$226,200,296	95.73%	\$226,200,296	95.73%
2022	22/23	214,712,970	208,544,585	97.13%	212,362,826	98.91%
2021	21/22	199,804,946	193,596,999	96.89%	198,603,398	99.40%
2020	20/21	196,143,309	191,796,346	97.78%	194,886,318	99.36%
2019	19/20	190,991,253	184,211,903	96.45%	190,021,188	99.49%
2018	18/19	182,850,115	176,420,838	96.48%	182,043,380	99.56%
2017	17/18	179,098,414	173,269,194	96.75%	178,656,205	99.75%
2016	16/17	168,547,930	162,656,064	96.50%	168,224,103	99.81%
2015	15/16	164,736,283	158,750,208	96.37%	164,517,742	99.87%
2014	14/15	159,052,796	152,201,398	95.69%	158,853,100	99.87%

(1) As of June 30 of each year.

(2) Figures are as of June 30, 2024. The second half of 2024 property taxes were due May 10, 2025.

Source: Santa Fe County Treasurer's Office.

### Interest on Delinquent Taxes

Pursuant to Section 7-38-49 NMSA 1978, if property taxes are not paid for any reason within thirty days after the date they are due, interest on the unpaid taxes shall accrue from the thirtieth day after they are due until the date they are paid. Interest accrues at the rate of one percent (1%) per month or any fraction of a month.

### Penalty for Delinquent Taxes

Section 7-38-50 NMSA 1978 provides that, if property taxes become delinquent, a penalty of one percent of the delinquent tax for each month, or any portion of a month, they remain unpaid shall be imposed, but the total penalty shall not exceed five percent (5%) of the delinquent taxes. The minimum penalty imposed is \$5.00. A City can suspend application of the minimum penalty requirement for any tax year.

If property taxes become delinquent because of intent to defraud by the property owner, 50% of the property taxes due or \$50.00, whichever is greater, shall be added as a penalty.

## **Remedies Available for Non-Payment of Taxes**

Pursuant to Section 7-38-47 NMSA 1978, property taxes are the personal obligation of the person owning the property on the date on which the property was subject to valuation for property taxation purposes. A personal judgment may be rendered against the taxpayer for payment of taxes that are delinquent, together with any penalty and interest on the delinquent taxes.

Taxes on real property are a lien against the real property. A lien runs in favor of the State and secures the payment of property taxes and any penalty and interest until such payments are made. Such lien is a first lien and paramount to any other interest in the property, perfected or unperfected. Pursuant to Section 7-38-65 NMSA 1978, delinquent taxes on real property may be collected by selling the real property on which taxes are delinquent.

Pursuant to Section 7-38-53 NMSA 1978, delinquent property taxes on personal property may be collected by asserting a claim against the owner(s) of the personal property for which taxes are delinquent.

## **Protest**

Pursuant to Section 7-38-39 NMSA 1978, after receiving his or her property tax bill and after making payment prior to the delinquency date of all property taxes due in accordance with the bill, a property owner may protest the value or classification determined for his or her property for property taxation purposes, the allocation of value of his or her property to a particular governmental unit, the application to his or her property of an administrative fee adopted pursuant to Section 7-38-36.1 NMSA 1978 or a denial of a claim for an exemption by filing a claim for refund in the district court. Pursuant to Section 7-38-41 NMSA 1978, the portion of any property taxes paid to the County Treasurer that is not admitted to be due and is the subject of a claim for refund will be deposited in a "property tax suspense fund." Moneys in the property tax suspense fund may not be used for the payment of debt service on the Bonds.

## FINANCIAL INFORMATION CONCERNING THE CITY

### **The City's Accounting and Budgetary Practices and Procedures**

Receipts and disbursements of the City are recorded on a modified accrual basis of accounting. Under this method of accounting, as a general rule, revenue which is available for financing of current appropriations is recognized when received or when susceptible to accrual, and expenditures benefiting more than one year are recorded when encumbered. Exceptions to this general rule include: (1) disbursements for some inventory items are recorded at the time of purchase, (2) prepaid expenses benefiting more than one year are recorded in the year of payment and (3) property taxes are recognized as received.

### **Governmental Accounting Standards Board Statement**

The City's financial statements present the government as an entity for which the City is considered to be financially accountable. The City has no component units or blended component units that are legally separate entities.

During the year ended June 30, 2016, the City adopted GASB Statements Nos. 72, *Fair Value Measurement and Application*, a portion of No. 73 *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB Statements 67 and 68*, No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, No. 79, *Certain External Investment Pools and Pool Participants* and No. 82 *Pension Issues – an amendment of GASB Statement No. 67, No. 68, and No. 73*. These five Statements were required to be implemented by June 30, 2016.

GASB Statement No. 72 addresses accounting financial reporting issues related to fair value measurements. The definition of *fair value* is price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It provides guidance for determining a fair value measurement for financial reporting purposes and for applying fair value to certain investments and disclosures related to all fair value measurements. The requirements of GASB 72 enhances comparability of financial statements among governments by requiring measurements of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This Statement also will enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on government's financial position.

GASB Statement No. 82 addresses certain issues that have been raised with respect to Statement No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this GASB 82 addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information; (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and; (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. Its objective is to address certain issues that have been raised with respect to Statements No.67, *Financial Reporting for Pensions Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statement 67 and 68*. Specifically, the statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information; (2) the selection of assumptions and treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and; (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

GASB 75, *Accounting and financial reporting by Employers for Postemployment Benefits Other than Pensions (OPEB Employer)* became effective for fiscal years beginning after June 15, 2017 and replaced the requirements of Statement Nos. 45 and 57. GASB 75 moves accounting of OPEB benefits to the balance sheet and income statement from the notes related to the financial statements. The methodology for valuing OPEB liabilities under GASB 75 has been standardized, and instead of being amortized over a period of up to 30 years, certain changes in OPEB liability are factored into the calculation of OPEB expense for the applicable reporting period. OPEB expense is based on the net OPEB liability change between reporting dates, with some sources of change recognized immediately, and others spread over years. OPEB expense under GASB 75 is no longer equal to the contributions to an OPEB trust or the OPEB benefits or premiums paid.

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

### **Operations of the General Fund**

The following sets forth a comparative summary of the operations of the General Fund of the City for the years ended June 30, 2020 through June 30, 2024. Information regarding the operations of the General Fund is presented only to summarize the City's operating history. For a more detailed discussion of the City's results of operations for the fiscal year ended June 30, 2024, see "Management's Discussion and Analysis" included in the attached financial statements.

**GENERAL FUND- STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE**

<b>Revenues:</b>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Taxes:					
Gross Receipts	\$106,133,722	\$ 98,962,862	\$ 94,117,754	\$ 71,097,448	\$ 72,142,247
Motor taxes	--	--	--	469,728	486,671
Lodgers'	--	--	--	--	--
Property	10,270,979	9,516,085	8,597,439	9,101,143	8,732,172
Other	6,540,694			9,149,457	8,920,423
Intergovernmental revenues					
Federal operating	--	--	--	--	--
State operating	--	--	46,242	8,476,923	56,345
Local	--	--	2,015	22,943	17,710
Lease revenue	--	--	--	--	--
Charges for services	15,224,389	14,117,868	11,397,076	7,832,544	8,350,589
Investment income (loss)	3,367,284	3,991,797	103,126	22,701	121,586
Other Revenues	1,357,383	50,021	9,355,773	116,300	458,598
Total Revenues	<u>142,894,451</u>	<u>\$133,452,785</u>	<u>\$128,478,810</u>	<u>\$106,289,187\$</u>	<u>\$ 99,286,341</u>
<b>Expenditures:</b>					
Current:					
General government	21,436,506	14,279,897	26,085,939	13,964,448	15,157,369
Public safety	64,027,814	39,819,047	48,077,414	39,747,963	44,183,340
Public works	19,717,380	21,167,821	5,637,776	19,512,094	10,786,864
Community development	2,089,436	1,931,019	3,360,609	1,606,273	3,370,485
Education	3,321,337	1,970,727	--	2,475,780	2,595,792
Culture and recreation	4,816,882	5,368,820	11,749,917	4,205,791	9,635,166
Capital outlay	11,245,330	26,957,080	--	791,782	2,875,546
Debt service					
Principal payments	87,723	87,118	--	--	--
Interest	2,116	104	--	--	--
Debt issuance costs	--	--	--	--	45,552
Total expenditures	<u>126,753,524</u>	<u>111,581,633</u>	<u>94,911,655</u>	<u>82,304,131</u>	<u>88,604,562</u>
Excess (deficiency) of revenues over expenditures	<u>16,140,927</u>	<u>21,871,152</u>	<u>33,567,155</u>	<u>23,985,056</u>	<u>10,681,779</u>
<b>Other financing sources (uses):</b>					
Proceeds from sale of assets	--	213,807	--	--	--
Transfers in	3,545,419	3,105,936	4,053,300	7,621,688	2,334,946
Transfers out	(12,741,913)	(11,627,857)	(24,318,313)	(12,272,876)	(7,943,095)
Total other financing sources (uses)	<u>(9,196,494)</u>	<u>(8,209,114)</u>	<u>(20,265,013)</u>	<u>(4,651,186)</u>	<u>(5,608,149)</u>
Net change in fund balances	<u>6,944,433</u>	<u>13,562,038</u>	<u>13,302,142</u>	<u>19,333,868</u>	<u>5,073,630</u>
Fund balances, beginning of year	<u>76,450,942</u>	<u>62,888,904</u>	<u>49,586,762</u>	<u>30,252,894</u>	<u>24,416,020</u>
<b>Fund Balances, end of year</b>	<u><b>\$83,395,375</b></u>	<u><b>\$ 76,450,942</b></u>	<u><b>\$ 62,888,904</b></u>	<u><b>\$ 49,586,762</b></u>	<u><b>\$ 29,489,650</b></u>

Source: State of New Mexico Office of the State Auditor; City of Santa Fe Finance Department.

<sup>(1)</sup> Reporting of expenditures reflects variation in format and presentation of FY 2024 Audited Financial Statements.

## ECONOMIC AND DEMOGRAPHIC INFORMATION

The statistics set forth below have been obtained from the referenced sources. The City has assumed that the information obtained from sources other than the City is accurate without independently verifying it. Historical figures provided under this caption have not been adjusted to reflect economic trends such as inflation. The following information is not to be relied upon as a representation or guarantee of the City.

### Population

<b>Population Growth</b>			
<u>Census Year</u>	<u>City</u>	<u>County</u>	<u>State</u>
1980	49,299	75,519	1,308,302
1990	55,859	99,288	1,520,207
2000	62,203	129,292	1,819,046
2010	67,947	144,170	2,059,179
2020	83,875	148,651	2,084,117
2024	89,167 <sup>(2)</sup>	157,765	2,130,256

Source: U.S. Census Bureau and World Population Review.

<sup>(1)</sup> The City annexed approximately 4,100 acres in phases from 2014-2019 that contributed to the growth in population from 2010 to 2015 by adding approximately 13,000 residents.

<sup>(2)</sup> As of July 1, 2023, which is the most recent date for which data is available.

The following table provides an estimated age profile of the City’s population from the U.S. Census Bureau’s American Community Survey, and comparative data for the County, State and the United States:

<u>Age Group</u>	<u>Santa Fe — MSA</u>	<u>New Mexico</u>
0 --19	18%	23%
20--29	10%	13%
30--39	12%	13%
40--49	12%	12%
50--59	13%	11%
60 and Older	36%	27%

Source: Census Reporter, 2023.

The total population of the City grew by 13.3% over the decade of the 1980s (1980-1990), by 11.3% over the decade of the 1990s (1990-2000), by 9.2% between 2000 and 2010, and by 23.4% between 2010 and 2015 which was largely due to annexation as formerly footnoted in the Population Growth table above.

## Income

The table set forth below shows per household effective buying income categories for residents of the Santa Fe Metropolitan Statistical Area (“MSA”) and comparative data for the State and the United States.

<b>Effective Buying Income Group<sup>(1)</sup></b>	<b>Santa Fe MSA</b>	<b>New Mexico</b>	<b>United States</b>
Under \$25,000	18.90%	26.42%	20.37%
\$25,000 - \$34,999	9.98%	10.23%	9.21%
\$35,000 - \$49,999	13.89%	13.64%	12.87%
\$50,000 - \$74,999	18.44%	17.13%	17.09%
\$75,000 and over	38.77%	32.58%	40.46%
<b>Median Household Income<sup>(2)</sup></b>			
2019 Est. Median Household Income	\$61,791	\$52,021	\$81,210
2020 Est. Median Household Income	\$58,898	\$52,285	\$79,560
2021 Est. Median Household Income	\$67,311	\$54,304	\$79,260
2022 Est. Median Household Income	\$72,836	\$59,842	\$77,540
2023 Est. Median Household Income	\$73,366	\$62,286	\$80,610

<sup>(1)</sup> Spotlight, February 2023.

<sup>(2)</sup> Federal Reserve Bank of St. Louis.

## Per Capita Income

The following table sets forth the per-capita income, based on the total gross personal income divided by the population, for the Santa Fe MSA, the State and the United States. Although the State per capita income remains lower than the per capita income of the United States as a whole, the Santa Fe MSA per capita income is higher than the per capita income of the State and the United States.

<b><u>Per Capita Personal Income</u></b>			
<b>Year</b>	<b>Santa Fe MSA</b>	<b>New Mexico</b>	<b>United States</b>
2024	*	57,652	72,478
2023	77,717	55,166	69,413
2022	72,932	53,069	66,059
2021	70,477	50,682	64,419
2020	63,443	46,483	59,125
2019	60,853	42,223	55,559
2018	57,163	40,976	53,310
2017	54,072	39,196	50,977
2016	53,566	38,474	49,943
2015	50,974	37,752	48,038

Source: Federal Reserve Bank of St. Louis.

## Employment

The following table provides a 10 year history of average employment figures for the Santa Fe MSA, the State and the United States.

### EMPLOYMENT/UNEMPLOYMENT RATES

<b>Year<sup>(1)</sup></b>	<b>Santa Fe MSA Labor Force</b>	<b>Santa Fe MSA % Unemployed</b>	<b>State Labor Force</b>	<b>State % Unemployed</b>	<b>U.S. % Unemployed</b>
2024	88,451	3.6%	942,357	4.2%	4.0%
2023	81,791	3.3%	964,991	3.8%	3.6%
2022	98,435	3.7%	947,991	4.1%	3.6%
2021	89,004	6.6%	942,505	7.1%	5.4%
2020	77,468	7.7%	931,147	7.9%	8.1%
2019	92,310	4.1%	955,890	5.0%	3.7%
2018	87,340	4.2%	944,844	4.9%	3.9%
2017	84,958	5.1%	948,364	6.0%	4.4%
2016	87,539	5.4%	944,335	6.8%	4.9%
2015	82,413	5.4%	938,333	6.6%	5.3%

Source: Federal Reserve Bank of St. Louis.

**Santa Fe MSA--Major Employers**

<b><u>Employer</u></b>	<b><u>Business Type</u></b>	<b><u>Number of Employees</u></b>
State of New Mexico	Government	18,000
Los Alamos National Laboratory	Government	14,150
Christus St. Vincent Hospital	Health Care	2,500
Santa Fe School District	Education	1,800
City of Santa Fe	Government	1,400
Santa Fe County	Government	850
Santa Fe Community College	Education	661
Presbyterian Santa Fe	Medical	545
Eldorado Hotel	Hotel	500
Hotel St. Francis	Hotel	500
Total Top 10		40,906

Source: City of Santa Fe.

**Gross Receipts**

The table below shows the retail and total reported gross receipts generated in the City of Santa Fe, Santa Fe County and the State of New Mexico. For the purposes of this table, gross receipts means the total amount of money received from selling property in the State of New Mexico, from leasing property in the State and from performing services in the State.

**Historical Total Gross Receipts Reported for City**

<b><u>Fiscal Year</u></b>	<b><u>City of Santa Fe</u></b>	
	<b><u>Retail Trade</u></b>	<b><u>Total</u></b>
2024	\$2,640,906,351	\$9,988,401,205
2023	2,554,537,522	8,767,553,351
2022	2,509,638,594	8,078,827,477
2021	2,383,560,603	7,448,379,755
2020	1,657,199,051	6,636,938,435

Source: New Mexico Taxation and Revenue Department RP-80 Reports.



### **Historical Taxable Gross Receipts Reported for City**

<u>Fiscal Year</u>	<u>Taxable Gross Receipts</u>
2024	\$5,497,249,082
2023	5,124,030,595
2022	4,755,784,079
2021	4,352,092,887
2020	3,692,443,207

Source: New Mexico Taxation and Revenue Department RP-80 Reports.

## THE CITY

### General

Located in north-central New Mexico, the City was established in 1610. The City was incorporated in 1891 as a body politic and corporate under the laws of the State and is both the County seat and capital of the State, with approximately 46% of the County population located in the City. The City is situated in the foothills of the Sangre de Cristo Mountains (Rocky Mountain Range) at 7,000 feet elevation and is located approximately 380 miles south of Denver and 320 miles north of El Paso at the junction of Interstate 25 and U.S. Highways 64, 84 and 285.

The Santa Fe economy is diversified, with government, tourism, retail trade and industry being predominant. The State is the largest employer in the City. Most State department headquarters are located in the City. State and federal offices plus County and City offices combine to make the City the governmental center of the State. See “ECONOMIC AND DEMOGRAPHIC INFORMATION—Employment” herein. The central business district and shopping centers contain approximately 450 businesses. The City is also the service center for the northern-central region of the State. There are over 300 art galleries and dealers and over 70 antique dealers in the City, in addition to cultural markets on the Plaza. It is the second largest financial center in the State with ten commercial banks, four savings & loans, approximately 15 financial lending entities and six credit unions.

The City has a unique culture because of its multicultural history and the proximity of numerous Pueblo Indian villages. Indian pottery, weaving, silver and turquoise jewelry, Spanish wood carving and weaving, paintings, glass and a complete range of contemporary arts and crafts are produced and sold. Popular tourist attractions in the City include the oldest church and the oldest house in the United States; numerous buildings listed in the State Register of Historic Sites and Property; the oldest public building in the United States; the Plaza, which was the end of the Camino Real and Santa Fe Trail; and numerous museums and landmarks, including the Museum of Fine Arts, Museum of International Folk Art, Wheelwright Museum, Georgia O’Keeffe Museum and the Palace of the Governors. The Santa Fe National Forest and the Pecos Wilderness are also major tourist attractions. The Santa Fe Ski Basin and Santa Fe Opera are near the City. The City is a popular on-location site for both television and motion picture filming crews, including two western town movie sets nearby. The Laboratory of Anthropology is also located in the City and is a research center that has conducted thousands of archeological investigations.

A large segment of the City is controlled by historical zoning ordinances designed to maintain the Spanish architecture in the City. Numerous national, regional and State conventions are held in the City annually. Fiesta de Santa Fe, commemorating the return of the City to Spanish rule, is the oldest continuous community celebration in the United States.

St. John’s College is a four-year institution of higher learning located in the City. The Santa Fe Community College is a two-year institution of higher learning within the City. See “ECONOMIC AND DEMOGRAPHIC INFORMATION—Education” herein. The New Mexico School for the Deaf and the Institute of American Indian Arts are also located in the City. There are three newspapers, including two daily newspapers, several radio stations, several local television stations and cable television serving the City.

## **Administration and City Government**

The administrative offices of the City are located at 200 Lincoln Avenue, Santa Fe, New Mexico. The Council is the policymaking body of the City and manages and controls the City's finances and property. The eight members of the City Council (the "Council") are elected for staggered four-year terms. The Mayor is the chief executive officer of the City and presiding officer of the Council.

Prior to December 9, 1997, the City operated under a Mayor-Council/City Manager form of government. On December 9, 1997, the City adopted a home-rule charter ("Charter") form of government. The Charter form of government became effective March 15, 1998. Under an amendment to the Charter that became effective on March 12, 2018 (the "Charter Amendment"), the Mayor is authorized to vote on all matters that come before the Council. Under the Charter Amendment the Mayor has authority to appoint, with the consent of the Council, the City Manager, City Attorney, City Clerk and members of advisory commissions; may exercise control over and remove the City Manager, City Attorney and City Clerk; prepare an annual budget and proposed spending priority for review and approval by the City Finance Committee and Council.

The masthead of this Official Statement contains the names of the Mayor and the members of the Council.

## **Budget**

The City's fiscal year begins on July 1 and ends on June 30. The City Manager is responsible for preparing the budget. After reviewing department requests and making adjustments as the City Manager deems necessary, the City Manager recommends to the Finance Committee of the City (the "Finance Committee") approval of the budget as the City Manager envisions the operations of the City for the coming fiscal year. The Finance Committee reviews the City Manager's recommendations, makes appropriate adjustments and recommends to the full Council for adoption of the budget. Finally, the Council reviews and adopts the budget. Prior to June 1, the City is required to submit a working draft of the budget to the Local Government Division of the State Department of Finance and Administration (the "Finance Department") for its approval. By July 20 of the new fiscal year, the City submits the budget to the Finance Department. Prior to the first Monday in September, the Finance Department must certify the budget with whatever adjustments it deems necessary to comply with State statutes. At mid-year, the City performs a budget review and adjusts the budget to reflect current conditions. Approval of the Finance Department is required for all budget increases, cash transfers between funds and budget transfers between departments within a fund or between funds. If adequate fund balances are available from the prior year, the City budgets expenditures in excess of revenues. The City budget is prepared using an estimate of anticipated revenues and expenditures.

## **Services**

The City provides traditional services such as public safety and recreation, public works, highways and streets as well as water and sewer services and refuse collection. In addition, the City operates parking facilities, convention facilities, a golf course and an industrial park.

## **Employees**

The City employs 1,402 persons, approximately 1,338 of whom are full-time employees, and approximately 54 of whom are part-time employees, including 10 elected officials.

## Retirement Plans

### *Public Employees Retirement Association*

Substantially all of the City's full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11 NMSA 1978). The Public Employees Retirement Association ("PERA") is the administrator of the plan, which is a cost-sharing multi-employer defined benefit retirement plan. The plan provides retirement, disability benefits, survivor benefits, and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to PERA, P. O. Box 2123, Santa Fe, New Mexico 87504-2123.

The contribution requirements of defined benefit plan members and the City of Santa Fe are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. For employer and employee contribution rates in effect for FY18 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the PERA FY18 annual audit report available at [www.nmpera.org](http://www.nmpera.org). The PERA coverage options that apply to the City are the Municipal General Division, Municipal Police Division and Municipal Fire Division. Statutorily required contributions to the pension plan from the City were \$11,289,958 for the fiscal year ended June 30, 2024.

On June 25, 2012, the Governmental Accounting Standards Board approved Statement No. 68 which requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. Statement No. 68 requires cost-sharing employers, such as the City, to record a liability and expense equal to their proportionate share of the collective net pension liability and expense for the cost-sharing plan. Statement No. 68 is effective for fiscal years beginning after June 15, 2014. For Fiscal Year ended June 30, 2024, the City reported the following proportionate shares of PERA's net pension liability: \$102,554,027 for PERA Fund Municipal General Division, \$40,803,876 for PERA Fund Municipal Police Division, and \$57,993,806 for the PERA Municipal Fire Division.

### *New Mexico Retiree Health Care Authority*

The City offers other post-employment benefits through the Retiree Health Care Fund, a cost-sharing multiple employer defined benefit plan administered by the New Mexico Retiree Healthcare Authority. This plan is used to provide post-employment health insurance benefits for eligible employees and their dependents. The contribution requirements are established by and may be amended by the statute. The City's contribution to the fund for Fiscal Year 2023, the most recent year for which information is available, was \$1,759,581. For additional information regarding the post-employment benefit plan, please refer to "Notes to Required Supplementary Information" at p. 138 of the City's audited financial statements for Fiscal Year ended June 30, 2024.

## SUMMARY OF INDEBTEDNESS

The table below summarizes all outstanding general obligation and revenue bond obligations of the City as of June 30, 2025:

Subordinate Lien Gross Receipts Tax Refunding Revenue Bonds, Series 2013B	13,780,000	3.00%-5.00%	6/1/36	9,460,000
General Obligation Bonds, Series 2013	12,000,000	1.75%-4.00%	8/1/32	6,570,000
Gross Receipts Tax Improvement Revenue Bonds, Series 2014	15,460,000	2.25%-5.00%	6/1/29	11,080,000
General Obligation Bonds, Series 2014	5,800,000	3.00%-4.00%	8/1/34	3,765,000
Water Utility System Refunding Revenue Bonds, Series 2016	36,665,000	2.00%-5.00%	6/1/39	29,070,000
Senior Lien Gross Receipts Tax Refunding Bonds, Series 2016B	21,900,000	2.00%-5.00%	6/1/35	4,525,000
Subordinate Lien Gross Receipts Tax Refunding Revenue Bonds, Series 2016D	2,020,000	2.00%-5.00%	6/1/28	920,000
Taxable Subordinate Lien Gross Receipts Tax Refunding Revenue Bonds, Series 2017	4,530,000	1.42%-3.56%	6/1/33	2,775,000
Gasoline Tax/Subordinate Lien Gross Receipts Tax Improvement Revenue Bonds, Series 2018	10,290,000	3.00%-5.00%	6/1/28	4,745,000
Senior Lien Gross Receipts Tax Improvement Revenue Bonds, Series 2018A	20,000,000	5.00%	6/1/38	16,985,000
Net Wastewater Utility System / Environmental Services Gross Receipts Tax Improvement Revenue Bonds Series 2019 (Climate Bond Certified / Green Bonds)	13,550,000	4.00%-5.00%	6/1/38	12,360,000
General Obligation Bonds, Series 2019	5,445,000	5.00%	8/1/29	3,525,000
Subordinate Lien Gross Receipts Tax Refunding Revenue Bonds, Series 2021	<u>13,590,000</u>			<u>2,660,000</u>
<b>Total</b>	<b><u>175,030,000</u></b>			<b><u>\$110,975,000</u></b>

In addition to its outstanding revenue and general obligation bonds referenced above, the City has loans payable to the New Mexico Finance Authority from various revenue sources. The table below summarizes the outstanding loans of the City as of June 30, 2025.

<u>Category of Indebtedness</u>	<u>Original Principal Amount</u>	<u>Interest Rate</u>	<u>Date of Final Maturity</u>	<u>Amount Outstanding</u>
Convention Center	\$33,790,000	3.00-5.00%	June 2035	\$21,030,000
Drinking Water Loan (Buckman DW-2)	15,150,000	2.00%	June 2029	4,368,611
College Refunding Loan	23,705,000	2.362%-3.924%	June 2039	18,055,000
Drinking Water Loan (Buckman DW-4)	2,445,292	2.00%	June 2035	1,376,073
Transit Buses	3,500,000	2.41%	June 2026	332,163
Parking Facilities Loan	1,575,000	1.820%-2.150%	June 2027	415,000
Guaranteed Energy Savings Lease Purchase Transaction	<u>17,244,894</u>	2.145%	December, 2039	<u>14,962,398</u>
<b>Total Loan Obligations</b>	<b><u><u>\$97,410,186</u></u></b>			<b><u><u>\$60,539,245</u></u></b>

## Education

### *Santa Fe Public Schools*

The Santa Fe Public School District is a political subdivision of the State organized for the purpose of operating and maintaining an education program for school-age children residing within its boundaries. Currently the District operates and maintains a variety of facilities in meeting its obligation to provide an educational program within its boundaries that cover 1,016 square miles with an estimated population of 125,000. The District is fourth largest district in the State with a 2024-25 student enrollment of 11,769. The District operates thirty school sites – two comprehensive high schools, four alternative high schools, an International Baccalaureate (IB) school which serves grades 7-12, 19 middle schools, 21 elementary schools, and 6 K-8 community schools. In addition, within the District there is one district charter school and five State charter schools. The District’s educational program additional includes vocational, technical and occupational training.

### *Santa Fe Community College*

Santa Fe Community College is a co-educational community college offering 2-year Associate of Arts, Associate of Science, and Associate of Applied Science degrees. The Community College occupies 366 acres within the County of Santa Fe and purchased five acres in the City of Santa Fe and built a 30,000

square foot building. The College has a faculty of approximately 65 full-time and 599 adjunct faculty, serving approximately 4,500 students.

*St. John's College*

St. John's College is a private, co-educational 4-year liberal arts college. The College's undergraduate program is an all-required course of study based on the classic works of western civilization. The College has an enrollment of approximately 450 students, with a faculty-student ratio of 1:7. The College offers a graduate degree program leading to a Master of Arts in Liberal Arts degree.

*New Mexico School for the Deaf*

The New Mexico School for the Deaf is a state institution serving New Mexico children with permanent hearing loss from birth through age 22. The School provides a rigorous academic program that focuses on language and literacy development and critical thinking skills. The School's curriculum conforms to New Mexico state standards and benchmarks. The School's 30-acre campus is located in the City of Santa Fe and provides housing for up to 96 residential students.

## **TAX EXEMPTION**

In the opinion of Modrall, Sperling, Roehl, Harris & Sisk, P.A., Bond Counsel, to be delivered at the time of original issuance of the Bonds, under existing laws, regulations rulings and judicial decisions, and assuming compliance with covenants described herein, interest on Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference under Section 57 of the Code (as defined below) for purposes of the federal alternative minimum tax imposed on individuals. Bond Counsel is also of the opinion, based on existing laws of the State of New Mexico as enacted and construed, that interest on the Bonds is exempt from all taxation by the State of New Mexico or any political subdivision thereof.

The Internal Revenue Code of 1986, as amended (the "Code"), imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal tax purposes of interest on obligations such as the Bonds. The City has made various representations and warranties with respect to, and has covenanted in the Bond Ordinance and other documents, instruments and certificates to comply with the applicable provisions of the Code to assure that interest on the Bonds will not become includible in gross income. Failure to comply with these covenants or the inaccuracy of these representations and warranties may result in interest on the Bonds being included in gross income from the date of issue of the Bonds. The opinion of Bond Counsel assumes compliance with the covenants and the accuracy of such representations and warranties.

Although Bond Counsel has rendered an opinion that interest on the Bonds is excludable from gross income for federal income tax purposes, the accrual or receipt of interest on the Bonds may otherwise affect the federal income tax liability of the recipient. The extent of these other tax consequences will depend upon the recipient's particular tax status or other items of income or deduction. Bond Counsel expresses no opinion regarding any such consequences. Before purchasing any of the Bonds, potential purchasers should consult their tax advisors as to the tax consequences of purchasing or owning the Bonds.

The opinions expressed by Bond Counsel are based upon existing law as of the date of issuance and delivery of the Bonds, and Bond Counsel expresses no opinion as of any date subsequent thereto or with respect to any pending legislation.

From time to time, there are legislative proposals in Congress that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted, it would apply to Bonds issued prior to enactment. Each purchaser of the Bonds should consult his or her own tax advisor regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

### **Internal Revenue Service Audit Program**

The Internal Revenue Service (the “Service”) has an ongoing program auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service will treat the City as the taxpayer and the Bond owners may have no right to participate in such procedure. None of the Municipal Advisor, the Underwriter, or Bond Counsel is obligated to defend the tax-exempt status of the Bonds. The City has covenanted in the Bond Ordinance not to take any action that would cause the interest on the Bonds to become includable in gross income except to the extent described above for the owners thereof for federal income tax purposes. None of the City, the Municipal Advisor, the Underwriters or Bond Counsel is responsible to pay or reimburse the costs of any Bond owner with respect to any audit or litigation relating to the Bonds.

### **Original Issue Premium**

Certain maturities of the Bonds may be offered at a premium (“original issue premium”) over their principal amount. For federal income tax purposes, original issue premium is amortizable periodically over the term of a bond through reductions in the holders’ tax basis in the bond for determining taxable gain or loss from sale or from redemption prior to maturity. Amortizable premium is accounted for as reducing the tax-exempt interest on the bond rather than creating a deductible expense or loss. Holders of Bonds offered at an original issue premium should consult their tax advisors for an explanation of the amortization rules.

### **Original Issue Discount**

Certain maturities of the Bonds may be offered at a discount (“original issue discount”) equal generally to the difference between public offering price and principal amount. For federal income tax purposes, original issue discount on a bond accrues periodically over the term of the bond as interest with the same tax exemption and alternative minimum tax status as regular interest. The accrual of original issue discount increases the holder’s tax basis in the bond for determining taxable gain or loss from sale or from redemption prior to maturity. Holders of Bonds offered at an original issue discount should consult their tax advisors for an explanation of the accrual rules.

### **Internal Revenue Service Audit Program**

The Internal Revenue Service (the “Service”) has an ongoing program auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service will treat the City as the taxpayer and the Bond owners may have no right to participate in such procedure. Neither the Municipal Advisor, the initial purchasers of the Bonds nor Bond Counsel is obligated to defend the tax-exempt status of the Bonds. The City has covenanted in the Bond Ordinance not to take any action that would cause the interest on the Bonds to become includable in gross income except to the extent described above for the owners thereof for federal income tax purposes.

None of the City, the Municipal Advisor, the initial purchasers of the Bonds, or Bond Counsel is responsible to pay or reimburse the costs of any Bond owner with respect to any audit or litigation relating to the Bonds.

## **FINANCIAL STATEMENTS**

Appendix A contains the Audited Financial Statements of the City for the fiscal year ended June 30, 2024 (the “2024 Report”). The audited financial statements referred to above have been audited by Carr, Riggs & Ingram, L.L.C., Albuquerque, New Mexico, independent certified public accountants (the “Auditor”), whose report with respect thereto (the “Report”) also appears in Appendix A hereto.

## **CONTINUING DISCLOSURE**

In connection with the issuance of the 2025 Bonds, the City will execute a Continuing Disclosure Undertaking, in the form attached hereto as Appendix C, under which it will agree for the benefit of the owners of the 2025 Bonds to provide audited annual financial statements of the City when available after the end of each Fiscal Year, and to provide certain annual financial information and operating data relating to the City and timely notice of certain events.

The City believes that it has not been in default under its existing continuing disclosure agreements with respect to the filing of audited annual financial statements and annual financial information and notice of certain events as required by Rule 15c2-12.

## **LITIGATION**

At the time of the original delivery of the Bonds, the City will deliver a no-litigation certificate to the effect that no litigation or administrative action or proceeding is pending or, to the knowledge of the appropriate City officials, threatened, restraining or enjoining, or seeking to restrain or enjoin, the issuance and delivery of the Bonds, effectiveness of the Bond Ordinance, or contesting or questioning the proceedings and authority under which the Bonds have been authorized and are to be issued, sold, executed or delivered, or the validity of the Bonds.

## **RATINGS**

The Bonds have received a rating of “\_\_\_” on the Bonds from Fitch Ratings Group (“Fitch”) and has received a rating of “\_\_\_” from S&P Global Ratings, a division of the McGraw-Hill Companies, Inc. (“S&P”). An explanation of the significance of the rating given by Fitch may be obtained from Fitch at One State Street Plaza, New York, New York 10004, and from S&P at 55 Water Street, 38<sup>th</sup> Floor, New York, New York 10041.

Such ratings reflect only the view of such rating agencies, and there is no assurance that such ratings will continue for any given period of time after obtained or that such ratings will not be revised downward or withdrawn entirely by the rating agencies if, in their judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds. Neither the City nor the Underwriter has undertaken any responsibility to bring to the attention of the owners of the Bonds any proposed change in or withdrawal of such rating once received or to oppose any such proposed revision.

## **MUNICIPAL ADVISOR**

Hilltop Securities Inc. is employed as Municipal Advisor to the City in connection with the issuance of the Bonds. The Municipal Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. Hilltop Securities Inc., in its capacity as Municipal Advisor, has relied on the opinion of Bond Counsel and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

The Municipal Advisor to the City has provided the following sentence for inclusion in this Official Statement. The Municipal Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the City and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information.

## **LEGAL MATTERS**

Modrall, Sperling, Roehl, Harris & Sisk, P.A., Albuquerque, New Mexico, Bond Counsel, will render an opinion with respect to the validity of the Bonds and with respect to tax matters described above under "TAX EXEMPTION". The proposed form of such opinion is attached hereto as Appendix A. Modrall, Sperling, Roehl, Harris & Sisk, P.A., has also acted as special counsel to the City in connection with the preparation of this Official Statement. Certain legal matters will be passed upon for the City by Erin K. McSherry, Esq., City Attorney. Certain legal matters will be passed upon for the Underwriter by McCall, Parkhurst & Horton L.L.P., Dallas, Texas.

## **TRANSCRIPT AND CLOSING DOCUMENTS**

A complete transcript of proceedings and a no-litigation certificate (described above under "LITIGATION") will be delivered by the City when the Bonds are delivered. The City will at that time also provide a certificate relating to the accuracy and completeness of this Official Statement.

## **MISCELLANEOUS**

References are made herein to certain laws, ordinances, documents, agreements and reports which are brief summaries thereof and which do not purport to be complete or definitive. Reference is made to such documents and reports for full and complete statements of the content thereof.

Any statement in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or owners of any of the Bonds.

**OFFICIAL STATEMENT CERTIFICATION**

As of the date hereof, this Official Statement is true to the best of my knowledge, complete and correct in all material respects, and does not include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made herein, in light of the circumstances under which they are made, not misleading.

The preparation of this Official Statement and its distribution have been authorized by the City Council. The Official Statement is hereby duly approved by the City Council as of the date on the cover page hereof.

CITY OF SANTA FE, NEW MEXICO

By: \_\_\_\_\_  
Alan Webber, Mayor

## APPENDIX A

### OPINION OF BOND COUNSEL

\_\_\_\_\_, 2025

City of Santa Fe  
Santa Fe, New Mexico

\$25,000,000  
City of Santa Fe, New Mexico  
General Obligation Improvement Bonds  
Series 2025

Ladies and Gentlemen:

We have acted as bond counsel to the City of Santa Fe (the “City”), Santa Fe County, State of New Mexico (the “State”), in connection with the issuance and sale of its \$25,000,000 General Obligation Improvement Bonds, Series 2025 (the “Bonds”), dated August \_\_, 2025, with interest payable on February 1, 2026, and semi-annually thereafter on February 1 and August 1 in each year in which the Bonds are outstanding, being issued in registered form and maturing serially on August 1 in the years 2031 through 2046, inclusive. The Bonds are being issued pursuant to Ordinance No.07 adopted by the City Council on June 25, 2025 and the Pricing Certificate executed on August \_\_, 2025 (together, the “Bond Ordinance”).

We have examined the transcript of proceedings (the “Transcript”) relating to the issuance of the Bonds and the law under authority of which the Bonds are issued. Based on our examination, we are of the opinion that, under the law existing on the date of this opinion, subject to the provisions of federal bankruptcy law and other laws affecting creditors’ rights and further subject to the exercise of judicial discretion in accordance with general principles of equity:

1. The Bonds constitute legal, valid and binding general obligation debt of the City and the principal of and interest on the Bonds, unless paid from other sources, are to be paid from the proceeds of the levy of ad valorem taxes on all property within the City subject to ad valorem taxes levied by the City, which taxes are unlimited as to rate or amount.

2. Under existing laws, regulations, rulings and judicial decisions, interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”), as amended, and is not a specific item of tax preference for purposes of the federal alternative minimum tax under the Code; however, interest on the Bonds is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Although we are of the opinion that interest on the Bonds is excludable from gross income for federal income tax purposes, the accrual or receipt of interest on the Bonds may otherwise affect the federal income tax liability of the recipient. We call your attention to the fact that the interest on tax-exempt obligations, such as the Bonds, may be includable in a corporation's adjusted financial statement income for purposes of determining the alternative minimum tax imposed on certain corporations by section 55 of the Code. The extent of these other tax consequences will depend upon the recipient’s particular tax status or other items of income or deduction. We express no opinion regarding any such consequences.

3. The Bonds and the income from the Bonds are exempt from all taxation by the State or any political subdivision of the State.

The opinions set forth above in paragraph 2 are subject to continuing compliance by the City with covenants regarding federal tax law contained in the proceedings and other documents relevant to the issuance by the City of the Bonds. Failure to comply with these covenants may result in interest on the Bonds being included in gross income retroactive to their date of issuance. The obligations of the City related to the Bonds are subject to the reasonable exercise in the future by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of the powers (including bankruptcy powers) delegated to it by the United States Constitution. The obligations of the City and the security provided therefor, as contained in the Bond Ordinance, may be subject to general principles of equity which permit the exercise of judicial discretion and are subject to the provisions of applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect.

The foregoing opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of result. We express no opinion with respect to any pending legislation.

We are passing upon only those matters set forth in this opinion and are not passing upon the accuracy or completeness of any statement made in connection with any sale of the Bonds or upon any tax consequences arising from the receipt or accrual or interest on, or the ownership of, the Bonds except those specifically addressed in paragraphs 2 and 3 above.

Respectfully submitted,

**APPENDIX B**

**AUDITED FINANCIAL STATEMENTS JUNE 30, 2018**

## APPENDIX C

### FORM OF CONTINUING DISCLOSURE UNDERTAKING

#### CONTINUING DISCLOSURE UNDERTAKING

Section 1. Recitals. This Continuing Disclosure Undertaking (the “Undertaking”) is executed and delivered by the City of Santa Fe, New Mexico (the “City”), in connection with the issuance of the City of Santa Fe, New Mexico General Obligation Improvement Bonds, Series 2025 (the “Series 2025 Bonds” or the “Bonds”). The Bonds are being issued pursuant to Ordinance No. \_\_\_\_\_ adopted by the Governing Body of the City on June 25, 2025, as supplemented by a Pricing Certificate executed on August \_\_\_\_, 2025 (together, the “Bond Ordinance”). Pursuant to the Bond Ordinance, to allow the owners of the Bonds to comply with the Rule (defined below), the City is required to make certain continuing disclosure undertakings for the benefit of owners (including beneficial owners) of the Bonds (the “Owners”). This Undertaking is intended to satisfy the requirements of the Rule.

Section 2. Definitions.

“Annual Financial Information” means the financial information (which will be based on financial statements prepared in accordance with generally accepted accounting principles, as in effect from time to time (“GAAP”), for governmental units as prescribed by the Governmental Accounting Standards Board (“GASB”)) and operating data with respect to the City, delivered at least annually pursuant to Sections 3(a) and 3(b) of this Undertaking, consisting of information of the type set forth under the captions “DEBT AND OTHER FINANCIAL OBLIGATIONS” and “FINANCES OF THE CITY” (tables 1 – 10) in the Official Statement.

“Audited Financial Statements” means the annual financial statements for the City, prepared in accordance with generally accepted accounting principles consistently applied, as in effect from time to time, audited by a firm of certified public accountants.

“EMMA” means the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System located on its website at [emma.msrb.org](http://emma.msrb.org).

“Events” means any of the events listed in Section 4(a) of this Disclosure Undertaking.

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided however that a “financial obligation” shall not include municipal securities as to which a final official statement (as defined in Rule 15c2-12) has been provided to the MSRB consistent with Rule 15c2-12.

“Fiscal Year” means the Fiscal Year of the City, ending June 30.

“Official Statement” means the Official Statement dated August \_\_\_, 2025, delivered in connection with the original issue and sale of the Series 2025 Bonds.

“Owners” means the registered owners of the Series 2025 Bonds, and so long as the Series 2025 Bonds are subject to the book-entry system, any Beneficial Owner, as such term is defined in the Bond Ordinance.

“Report Date” means March 31 of each year, beginning in 2026.

“Rule” means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934, as amended (17 C.F.R. Part 240, Section 240.15c2-12), as the same may be amended from time to time.

“Rule 15c2-12” or “Rule” shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” means the United States Securities and Exchange Commission.

Section 3. Provision of Annual Financial Information.

(a) The City, or its designated agent, will provide the Annual Financial Information for the preceding fiscal year to EMMA on or before each Report Date while the Bonds are outstanding.

(b) Annual Financial Information shall be provided by the City not later than 270 days after the end of each Fiscal Year. If not filed with the Annual Financial Information, the Audited Financial Statements will be provided when available.

(c) The City, or its designated agent, may provide Annual Financial Information by specific reference to other documents, including information reports and official statements relating to other debt issues of the City, which have been submitted to EMMA or filed with the SEC; provided, however, that if the document so referenced is a “final official statement” within the meaning of the Rule, such final official statement must also be available from the MSRB.

Section 4. Reporting of Events.

(a) This Section 4 shall govern the giving of notices of the occurrence of any of the following Events with respect to the Series 2025 Bonds:

1. principal and interest payment delinquencies;
2. non-payment related defaults, if material;
3. unscheduled draws on debt service reserves reflecting financial difficulties;
4. unscheduled draws on credit enhancements reflecting financial difficulties;
5. substitution of credit or liquidity providers, or their failure to perform;

6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the Series 2025 Bonds;
7. modifications to the rights of the security holders, if material;
8. bond calls, if material, or tender offers;
9. defeasances;
10. release, substitution or sale of property securing repayment of the Series 2025 Bonds, if material;
11. rating changes;
12. bankruptcy, insolvency, receivership or a similar event with respect to the City or an obligated person;
13. the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. appointment of a successor or additional trustee, or a change of name of a trustee, if material;
15. the incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material; and
16. a default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

(b) At any time the Series 2025 Bonds are outstanding and the City obtains knowledge of the occurrence of an Event, the City shall file, in a timely manner not in excess of ten (10) business days after the occurrence of the event, a notice of such occurrence with EMMA.

(c) At any time that the Series 2025 Bonds are outstanding, the City or its designated agent, shall provide to EMMA, notice in a timely manner not in excess of ten (10) business days after the occurrence of any failure of the City to timely provide the Annual Financial Information and Audited Financial Statements as specified in Section 3 hereof.

Section 5. Term. This Disclosure Undertaking shall be in effect from and after the issuance and delivery of the Series 2025 Bonds and shall extend to the earliest of (a) the date all principal and interest

on the Series 2025 Bonds are deemed paid or legally defeased pursuant to the terms of the Bond Ordinance; (b) the date that the City is no longer an “obligated person” with respect to the Series 2025 Bonds within the meaning of the Rule; and (c) the date on which those portions of the Rule which require this Disclosure Undertaking are determined to be invalid by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Series 2025 Bonds, the determination of (a), (b) or (c) herein to be made in any manner deemed appropriate by the City, including by an opinion of Counsel experienced in federal securities laws selected by the City. The City shall file a notice of any such termination with EMMA.

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Undertaking, the City may amend this Disclosure Undertaking, and any provision of this Disclosure Undertaking may be waived, if (a) such amendment or waiver is consented to by the Owners of no less than a majority in aggregate principal amount of the Series 2025 Bonds obtained in the manner prescribed by the Bond Ordinance or (b) if such amendment or waiver is otherwise consistent with the Rule, as determined by an opinion of Counsel experienced in federal securities laws selected by the City. Written notice of any such amendment or waiver shall be provided by the City to EMMA, and the Annual Financial Information shall explain the reasons for the amendment and the impact of any change in the type of information being provided. If any amendment changes the accounting principles to be followed in preparing financial statements, the Annual Financial Information for the year in which the change is made will present a comparison between the financial statement or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The City shall provide notice of any such amendment or waiver to EMMA.

Section 7. Additional Information. Nothing in this Disclosure Undertaking shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other annual information or notice of occurrence of an event which is not an Event, in addition to that which is required by this Disclosure Undertaking; provided that the City shall not be required to do so. If the City chooses to include any annual information or notice of occurrence of an event in addition to that which is specifically required by this Disclosure Undertaking, the City shall have no obligation under this Disclosure Undertaking to update such information or include it in any future annual filing or notice of occurrence of an Event.

Section 8. Default and Enforcement. If the City fails to comply with any provision of this Disclosure Undertaking, any Owner of the Series 2025 Bonds may take action to seek specific performance by court order to compel the City to comply with its obligations under this Disclosure Undertaking; provided that any Owner of the Series 2025 Bonds seeking to require the City to so comply shall first provide at least 30 days’ prior written notice to the City of the City’s failure (giving reasonable details of such failure), following which notice the City shall have 30 days to comply and, provided further, that only the Owners of no less than a majority in aggregate principal amount of the Series 2025 Bonds may take action to seek specific performance in connection with a challenge to the adequacy of the information provided by the City in accordance with this Disclosure Undertaking, after notice and opportunity to comply as provided herein, and such action shall be taken only in a court of competent jurisdiction in the State of New Mexico. A DEFAULT UNDER THIS DISCLOSURE UNDERTAKING SHALL NOT BE DEEMED AN EVENT OF DEFAULT UNDER THE BOND ORDINANCE OR THE SERIES 2025 Bonds, AND THE SOLE REMEDY UNDER THIS DISCLOSURE UNDERTAKING IN THE EVENT OF ANY FAILURE OF THE CITY TO COMPLY WITH THIS DISCLOSURE UNDERTAKING SHALL BE AN ACTION TO COMPEL PERFORMANCE.

Section 9. Beneficiaries. The Disclosure Undertaking shall inure solely to the benefit of the City, the Underwriter and Owners from time to time of the Series 2025 Bonds, and shall create no rights in any other person or entity.

Section 10. Requesting Information. Persons seeking to obtain the Annual Financial Information, including the Audited Financial Statements, may obtain such information by contacting the City Director of Finance at 200 Lincoln Avenue, Santa Fe, New Mexico 87501 (505) 955-\_\_\_\_.

Section 11. Governing Law. This Undertaking is governed by and is to be construed in accordance with the law of the State.

Dated: August \_\_, 2025

CITY OF SANTA FE, NEW MEXICO

By: \_\_\_\_\_  
Alan Webber, Mayor

[End of form of Continuing Disclosure Undertaking]

**APPENDIX D**

**OFFICIAL NOTICE OF BOND SALE**

**\$25,000,000**

**CITY OF SANTA FE, NEW MEXICO  
General Obligation Improvement Bonds  
Series 2025**

**PUBLIC NOTICE IS HEREBY GIVEN** that electronic bids will be received by the Finance Director of the City of Santa Fe, New Mexico (the “City”), for the purchase of all of the City’s General Obligation Improvement Bonds, Series 2025 (the “2025 Bonds”), more particularly described below. The Finance Director will award the 2025 Bonds to the best bidder therefor at 2:00 p.m. prevailing Mountain Time on \_\_\_\_\_, 2025.

Bids for the purchase of the 2025 Bonds will be accepted through the Grant Street Group electronic bidding web site (“Grant Street Group”) at [www.grantstreet.com](http://www.grantstreet.com). No other method of submitting bids will be accepted. The date and time for submitting bids will be as follows:

**Bid Date:** \_\_\_\_\_, 2025  
**Bid Time:** Between 10:00 a.m. and 10:30 a.m. Eastern Time  
(Between 8:00 a.m. and 8:30 a.m. prevailing Mountain Time)  
**Submit Bid to:** [www.grantstreet.com](http://www.grantstreet.com)

**Information related to this auction can be obtained from Grant Street Group Auction Support at (412) 391-5555 (x370), attention John Carver.**

To bid, bidders must have both (1) completed the registration form on the Grant Street Group website and (2) requested and received admission to the City’s auction, as described under “TERMS OF SALE - Submission of Bids” below. The use of Grant Street Group shall be at the bidder’s risk and expense, and the City shall have no liability with respect thereto.

**None of the City, Grant Street Group, the Financial Advisor, or Bond Counsel shall be responsible for, and each bidder expressly assumes the risk of, any incomplete, inaccurate, or untimely bid submitted by Internet transmission by such bidder, including, without limitation, by reason of garbled transmissions, mechanical failure, engaged telephone or telecommunications lines, or any other cause arising from delivery by Internet transmission. Additionally, the Grant Street Group time stamp will govern the receipt of all bids. The official bid clock does not automatically refresh. Bidders must refresh the auction page periodically to monitor the progression of the bid clock and to ensure that their bid will be submitted prior to the termination of the auction. All bids will be deemed to incorporate the provisions of this Official Notice of Bond Sale.**

**This Official Notice of Bond Sale, and the information set forth herein, are not to be treated as a complete disclosure of all relevant information with respect to the 2025 Bonds. The information set forth herein is subject, in all respects, to a more complete description of the 2025 Bonds and the security therefore set forth in the Preliminary Official Statement dated \_\_\_\_\_, 2025 (the “Preliminary Official Statement”).**

## BOND DETAILS

The 2025 Bonds will be issued in the aggregate principal amount of \$25,000,000. The 2025 Bonds and the interest thereon are general obligations of the City. The City has prepared the Preliminary Official Statement relating to the 2025 Bonds, which is deemed by the City to be final as of its date for purposes of allowing bidders to comply with Rule 15c2-12 of the Securities Exchange Commission (“the Rule”), except for the omission of certain information as permitted by the Rule. Details of the 2025 Bonds, including maturities, redemption provisions, payment dates and security for payment are contained in the Preliminary Official Statement. The Preliminary Official Statement is subject to revision, amendment and completion in a Final Official Statement.

**Official Statement.** The Preliminary Official Statement may be viewed and downloaded from [www.grantstreet.com](http://www.grantstreet.com) or a physical copy may be obtained by contacting the City or the Financial Advisor, see “TERMS OF SALE - Information” below.

The City will make available to the winning bidder, within seven business days after the award of the sale of the 2025 Bonds, the Final Official Statement which is to be downloaded from [www.grantstreet.com](http://www.grantstreet.com). Ten (10) physical copies of the Final Official Statement also will be provided to the winning bidder at that time; provided, however, the winning bidder must cooperate in providing the information required to complete the Final Official Statement. Additional copies of the Final Official Statement may be provided at the expense of the winning bidder.

The winning bidder shall comply with the requirements of Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board.

## TERMS OF SALE

**Submission of Bids.** All bids must be submitted only by electronic bidding on Grant Street Group at [www.grantstreet.com](http://www.grantstreet.com). No other provider of bidding services and no other means of delivery (i.e. telephone, telefax or physical delivery) will be accepted. Bidding for the 2025 Bonds will begin at 10:00 a.m., prevailing Eastern Time (8:00 a.m. Mountain Time), as indicated above. The receipt of bids will end promptly at 10:30 a.m., prevailing Eastern Time (8:30 a.m. Mountain Time), unless extended in accordance with the two-minute rule described herein. If any bid becomes a leading bid two (2) minutes prior to the end of the auction, then the auction will be automatically extended by two (2) minutes from the time such new leading bid was received by Grant Street Group. The auction end time will continue to be extended, indefinitely, until a single leading bid remains the leading bid for at least two (2) minutes.

To bid, bidders must first visit the Grant Street Group website where, if they have not previously registered with Grant Street Group, they can register and then request admission to bid on the 2025 Bonds. Bidders will be notified prior to the scheduled bidding time of their eligibility to bid. Only NASD registered broker-dealers and dealer banks with DTC clearing arrangements will be eligible to bid. Bidders who have previously registered with Grant Street Group may call **(412) 391-5555, x 370, attention John Carver**, for their ID Number or password.

**Rules of Grant Street Group.** Bidders must comply with, and all bids must be made in accordance with, the Rules of Grant Street Group in addition to the requirements of this Official Notice of Bond Sale. The Rules of Grant Street Group can be viewed on the Grant Street Group website and are incorporated herein by reference. In the event the Rules of Grant Street Group conflict with this Official Notice of Bond Sale, this Official Notice of Bond Sale shall prevail.

***Bidding Parameters.*** Bidders are required to submit unconditional all-or-none bids specifying the rate of interest at which the bidder will purchase all of the 2025 Bonds. Interest shall be bid in multiples of 1/20<sup>th</sup> or 1/8<sup>th</sup> percentum and only one interest rate may be bid for each maturity of the 2025 Bonds. The maximum interest rate may not exceed 5% and the maximum interest rate specified for any maturity of the 2025 Bonds may not exceed the minimum interest rate specified for any maturity of the 2025 Bonds by more than 3 percent (3%). The maximum net effective interest rate of the 2025 Bonds shall not exceed ten percent (10%) per annum.

**The 2025 Bonds will not be sold at less than 100% of par.**

***Term Bonds.*** A bidder may elect to have all or a portion of the 2025 Bonds scheduled to mature in consecutive years issued as one or more term bonds (“Term Bonds”) scheduled to mature in the latest of the consecutive years and subject to mandatory redemption requirements consistent with the schedule of serial maturities set forth in the Preliminary Official Statement; however, not less than all 2025 Bonds of the same serial maturity shall be converted to Term Bonds with mandatory redemption requirements.

***Adjustment of principal amounts, modification or clarification prior to examination of bids.*** The Finance Director Manager, in consultation with the City’s financial and bond advisors, in the Finance Director’s sole discretion and prior to the examination of bids, may (i) adjust the aggregate principal amount set forth herein or may adjust the principal amount of each series without increasing the aggregate principal amount of the 2025 Bonds; (ii) adjust individual maturities, and/or (iii) modify or clarify any other term hereof, including the date on which bids for the 2025 Bonds will be received, by issuing a notification of the adjusted series, amounts, modification or clarification via Thomson Municipal News (“TM3”) and/or Grant Street Group platform and/or Bloomberg Financial Services no later than 8:00 a.m., Mountain Time, on the Bid Date.

***Adjustments to principal amounts after determination of best bid.*** The aggregate principal amount of the 2025 Bonds is subject to increase or reduction, and each scheduled maturity thereof is subject to increase or reduction, by the Finance Director after the determination of the Best Bid (defined below). Such adjustments will be made within no more than two (2) hours after the end of the time of bid examination and will be in the sole discretion of the City. To cooperate with any adjustment in the principal amounts, the Purchaser is required to indicate by e-mail to Emily K. Oster, Finance Director, at [ekoster@santafenm.gov](mailto:ekoster@santafenm.gov) or such other address as may be indicated by the City Manager within one-half (1/2) hour after the end of the time of bid examination, the amount of any original issue discount or premium on any maturity of the 2025 Bonds, the initial offering price of each maturity, the cost of bond insurance, if any, and the amount received from the sale of the 2025 Bonds to the public that will be retained by the Purchaser as its compensation.

The Finance Director, in consultation with the City’s financial and bond advisors, may change the dollar amount bid by the Purchaser if the aggregate principal amount of the 2025 Bonds is adjusted as described below, but the interest rates specified by the Purchaser for all maturities will not change. The Finance Director, in consultation with the City’s financial and bond advisors, will make every effort to ensure that the percentage net compensation to the Purchaser (i.e., the percentage resulting from dividing (i) the aggregate difference between the offering price of the 2025 Bonds to the public and the price to be paid to the City, less any bond insurance premium to be paid by the bidder, by (ii) the principal amount of the 2025 Bonds) does not increase or decrease from the amount of such compensation if no adjustment was made to principal amounts shown in the maturity schedule. The City will notify the Purchaser of the final principal amounts and the resulting adjusted prices no later than 12:00 p.m. prevailing Mountain Time on the day of the sale and award of the 2025 Bonds. **THE PURCHASER MAY NOT WITHDRAW OR MODIFY ITS BID ONCE SUBMITTED TO THE CITY FOR ANY REASON, INCLUDING, WITHOUT**

LIMITATION, AS A RESULT OF ANY INCREASE OR DECREASE IN THE FINAL PRINCIPAL AMOUNTS AND THE AGGREGATE PURCHASE PRICE OF THE 2025 BONDS.

**Information Regarding Bids.** Bidders may change and submit bids as many times as they wish during the bidding; provided, however, that each bid submitted subsequent to a bidder's initial bid must result in a lower true interest cost ("TIC") with respect to a bid when compared to the immediately preceding bid of such bidder. During the bidding, no bidder will see any other bidder's bid, but each bidder will be able to see its own ranking (*i.e.*, "Leader," "Cover," "3<sup>rd</sup>," etc.).

**Bids Constitute an Irrevocable Offer.** Each bid submitted through Grant Street Group shall be deemed an irrevocable offer to purchase the 2025 Bonds on the terms provided in this Official Notice of Bond Sale and shall be binding upon the bidder.

**Basis of Award.** The 2025 Bonds will be sold to the bidder or bidders offering to purchase the same at the lowest true interest cost. The actuarial yield on the 2025 Bonds using the true interest cost method will be computed at that yield which, if used to compute the present value of all payments of principal and interest on the 2025 Bonds as of \_\_\_\_\_, 2025 (the "Sale Date"), produces an amount equal to the aggregate bid price. Such calculation will be made based upon a 360-day year and a semiannual interval for compounding.

The winning bid or bids will be indicated on Grant Street Group and the auction results, as posted on such website, will be subject to verification by the City. The City will verify the auction results immediately following the close of the bidding period and notice of confirmation by the City of the winning bidder or bidders will be made by a posting on Grant Street Group stating "Auction Results Verified and Confirmed."

An award may be made by the City to any bidder in a principal amount less than the principal amount of the 2025 Bonds for which the bid is submitted. Further, in the event of an award by the City for a principal amount less than the principal amount the bidder submitted, any premium bid shall be ratably reduced. If two or more bids have the same true interest cost, the first bid submitted, as determined by reference to the time stamp displayed on Grant Street Group, shall be deemed to be the leading bid.

**Sale Reservations.** The City reserves the right (a) to reject any and all bids for any 2025 Bonds, (b) to reoffer any 2025 Bonds for public sale, and (c) to waive any irregularity or informality in any bid.

**Good Faith Deposit Not Required to Bid.** A good faith deposit will not be required in connection with the submission of any bid for the 2025 Bonds. The winning bidder will be required to submit a Bid Award Deposit (see "Bid Award Deposit" below).

**Bid Award Deposit.** Not later than 12:00 p.m., prevailing Mountain Time on September 28, 2025, the winning bidder is required to submit a Bid Award Deposit of \$500,000. All Bid Award Deposits must be made in good funds by wire transfer of the required amount to an account specified by the City Manager and provided to the winning bidder after the sale of the 2025 Bonds.

No interest will be paid by the City on the amount of the Bid Award Deposit. The proceeds of the Bid Award Deposit of the winning bidder will be applied to the purchase price of the 2025 Bonds, or in the event of the failure of a winning bidder to take up and pay for the 2025 Bonds in compliance with the terms of the bid, at the option of the City, its Bid Award Deposit may be retained as liquidated damages, as partial payment of actual damages or as security for any other remedy available to the City.

***Manner and Time of Delivery.*** The 2025 Bonds will be delivered to DTC for the account of the winning bidder or bidders at the expense of the City on \_\_\_\_\_, 2025, or such later date as the City and the winning bidder may agree. Payment of the purchase price due at delivery must be made in Federal Reserve funds for immediate and unconditional credit to the City.

***Continuing Disclosure Undertaking.*** The City has covenanted to provide, in a timely manner, on the Electronic Municipal Market Access (EMMA) Website maintained by the Municipal Securities Rulemaking Board notice of the occurrence of specified, material events. The City has not failed to comply with any of its previous undertakings under Rule 15c2-12, except as disclosed in the Preliminary Official Statement.

***State Securities Laws.*** The City has taken no action to qualify the offer or sale of the 2025 Bonds under the securities laws of any state. Should any such qualification be necessary, the City agrees to cooperate with the winning bidder in such matters, provided that the City reserves the right not to consent to service of process outside its boundaries and expenses related to any such qualification shall be the responsibility of the winning bidder.

***CUSIP Numbers.*** CUSIP numbers will be issued at the cost of the winning bidder, and printed on the 2025 Bonds at the expense of the City. Any error or omission in printing such numbers on the 2025 Bonds will not constitute cause for any winning bidder to refuse delivery of any 2025 Bond.

***Legal Opinion, Certificates and Transcript.*** The validity and enforceability of the 2025 Bonds will be approved by the City's Bond Counsel. A copy of the form of the opinion of Bond Counsel is attached as an exhibit to the Preliminary Official Statement.

The purchaser of the 2025 Bonds will receive a certified transcript of legal proceedings which will include, among other items:

- (a) a certificate of the City to the effect that, as of its date, the Preliminary Official Statement was deemed final within the meaning of Rule 15c2-12, except for the omissions permitted under Rule 15c2-12;
- (b) a certificate of the City to the effect that there is no litigation pending or, to its knowledge, threatened affecting the validity of the 2025 Bonds as of the date of their delivery; and
- (c) a certificate of the City to the effect that, as of the date of the Official Statement and at all times to and including the date of delivery of the 2025 Bonds, the Official Statement did not contain any untrue statement of a material fact or omit any statement of a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

***Establishment of Issue Price (Hold-the-Offering Price Rule May Apply if Competitive Sale Requirements are Not Satisfied):*** The winning bidder shall assist the City in establishing the issue price of the 2025 Bonds and shall execute and deliver to the City at closing an "issue price" or similar certificate, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the City, and Bond Counsel. All actions to be taken by the City to establish the issue price of the 2025 Bonds may be taken on behalf of the City by the City's municipal advisor identified herein and any notice or report to be provided to the City may be provided to the City's municipal advisor.

- (a) The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the 2025 Bonds) will apply to the initial sale of the 2025 Bonds (the "competitive sale requirements") because:

- (i) the City shall disseminate a Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (ii) all bidders shall have an equal opportunity to bid;
- (iii) the City may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (iv) the City anticipates awarding the sale of the 2025 Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to the Notice of Sale shall be considered a firm offer for the purchase of the 2025 Bonds, as specified in the bid.

In the event that the competitive sale requirements described above in subparagraph (a) are not satisfied, the City shall so advise the winning bidder. The City may determine to treat (i) the first price at which 10% of each maturity of the 2025 Bonds is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of any maturity of the 2025 Bonds as the issue price of that maturity (the “hold-the-offering-price rule”), in each case applied on a maturity-by-maturity basis. The winning bidder shall advise the City if any maturity of the 2025 Bonds satisfies the 10% test as of the date and time of the award of the 2025 Bonds. The City shall promptly advise the winning bidder, at or before the time of award of the 2025 Bonds, which maturities of the Bonds shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule during the Holding Period, as defined in subparagraph (d)(i) below. Bids will not be subject to cancellation in the event that the City determines to apply the hold-the-offering-price rule to any maturity of the 2025 Bonds. Bidders should prepare their bids on the assumption that all of the maturities of the 2025 Bonds will be subject to the 10% test in order to establish the issue price of the 2025 Bonds.

(b) The City acknowledges that, in making the representation set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the 2025 Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the 2025 Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of

any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the 2025 Bonds.

(c) By submitting a bid, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement, and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the 2025 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold 2025 Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the 2025 Bonds of that maturity or all 2025 Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and

(ii) any agreement among underwriters relating to the initial sale of the 2025 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the 2025 Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold 2025 Bonds of each maturity allotted to it until it is notified by the winning bidder or such underwriter that either the 10% test has been satisfied as to the 2025 Bonds of that maturity or all 2025 Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

(d) The following terms are defined below:

(i) Hold-the-Offering-Price Maturity means a maturity of the 2025 Bonds of which less than 10% has been sold to the Public on the Sale Date.

(ii) Holding Period means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (a) the close of the fifth business day after the Sale Date, or (b) the date on which the winning bidder sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(iii) Maturity means 2025 Bonds with the same credit and payment terms. Bond with different maturity dates, or 2025 Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(iv) Public means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(v) Sale Date means the first day on which there is a binding contract in writing for the sale of a Maturity of the 2025 Bonds. The Sale Date of the 2025 Bonds is expected to be \_\_\_\_\_, 2025.

(vi) Underwriter means (i) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the 2025 Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the 2025 Bonds to the to the Public).

***Postponement of Sale.*** The City reserves the right to postpone the date and time established for the receipt of bids. Any such postponement will be announced by posting on Grant Street Group prior to commencement of the bidding. If any date and time fixed for the receipt of bids and the sale of the 2025 Bonds is postponed, an alternative sale date and time will be announced at least one business day prior to such alternative sale date. On any such alternative sale date and time, any bidder may submit bids electronically as described above for the purchase of the 2025 Bonds in conformity in all respects with the provision of this Official Notice of Bond Sale, except for the date and time of sale and except for any changes announced by posting on Grant Street Group at the time the sale date and time are announced, or in accordance with the section of this Official Notice of Bond Sale entitled

***Adjustment of principal amounts, modification or clarification prior to examination of bids.*** The City reserves the right to adjust the principal amounts of the 2025 Bonds prior to commencement of bidding.

***Rating.*** A rating has been applied for to Standard and Poor's Ratings Services.

***Information.*** Copies (in reasonable quantities) of this Official Notice of Bond Sale, the Preliminary Official Statement, and other information concerning the City and the 2025 Bonds may be obtained from:

**George H. Williford**

Hilltop Securities Inc.

Managing Director | Investment Banker

717 N Harwood St, Suite 3400 | Dallas, TX 75201

direct: 214.953.8705 | work mobile: 469.830.2205

[george.williford@hilltopsecurities.com](mailto:george.williford@hilltopsecurities.com) |

The date of this Official Notice of Bond Sale is \_\_\_\_\_, 2025.

**CITY OF SANTA FE, NEW MEXICO**

**CITY OF SANTA FE, NEW MEXICO**  
**General Obligation Improvement Bonds**  
**Series 2025**

**OFFICIAL BID FORM ( \_\_\_\_\_, 2025)**

City of Santa Fe, New Mexico

c/o

**George H. Williford**

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Managing Director | Investment Banker

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[george.williford@hilltopsecurities.com](mailto:george.williford@hilltopsecurities.com) | [HilltopSecurities.com](http://HilltopSecurities.com)

Finance Director:

Pursuant to the City of Santa Fe "Official Notice of Bond Sale," dated \_\_\_\_\_, 2025, relating to the City's General Obligation Improvement Bonds, Series 2025 (the "2025 Bonds") in the principal amount of \$25,000,000, which by reference is made a part hereof, we submit the following bid:

For your legally issued Bonds as described in the Official Notice of Bond Sale, we will pay you par, plus accrued interest, if any, from the date of the Bonds to the date of delivery to us, provided the Bonds bear interest per annum as follows:

**2025 Bonds**

<u>Maturing (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			

If this bid is the best bid for the Bonds, we will send a wire transfer to the City of Santa Fe in the amount of \$500,000.00 prior to your acceptance of our bid, which wire transfer will be our bid award deposit and submitted in accordance with the terms set forth in the Official Notice of Bond Sale. We will pay the CUSIP Service Bureau charge, if any, for the assignment of CUSIP numbers.

[2025 Bonds Bid Form]

The undersigned agrees to complete, execute, and deliver to the City a Certificate Regarding Issue Price or a similar certificate relating to the "issue price" of the 2025 Bonds, in the form attached hereto as Exhibit A.

We understand and agree that no more than ten (10) copies of the final Official Statement, including any amendments or supplements thereto will be supplied to us at the City's expense and that any additional copies requested will be subject to a charge to us. By accepting this bid, you agree to provide such copies of the final Official Statement and of any amendments or supplements thereto in accordance with the Official Notice of Bond Sale, and you undertake your other obligations described therein, as contemplated by Rule 15c2-12 of the Securities and Exchange Commission.

Respectfully submitted,

\_\_\_\_\_  
\_\_\_\_\_  
By: \_\_\_\_\_  
Authorized Representative

\* (Strike inapplicable words)

For informational purposes only, our calculation of the True Interest Cost is as follows:

True Interest Cost: (stated as a nominal annual percentage) \_\_\_\_\_%

Additionally, for informational purposes only, the following is requested:

Gross Interest Cost: \$ \_\_\_\_\_

Less Premium Bid: \$ \_\_\_\_\_

Net Interest Cost: \$ \_\_\_\_\_

[2025 Bonds Bid Form]

ACCEPTANCE CLAUSE

The above bid is hereby accepted by the City of Santa Fe, New Mexico, this \_\_\_\_ day of \_\_\_\_\_, 2025.

CITY OF SANTA FE, NEW MEXICO

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Finance Director

[2025 Bonds Bid Form]

EXHIBIT A  
[to 2025 Bonds Bid Form]

**UNDERWRITER'S CERTIFICATE REGARDING ISSUE PRICE**

\$25,000,000  
City of Santa Fe, New Mexico  
General Obligation Improvement Bonds  
Series 2025

The undersigned, \_\_\_\_\_ (the *Underwriter*), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the *Bonds*) of the City of Santa Fe, New Mexico (the *Issuer*).

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) The Underwriter offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the *Initial Offering Prices*) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Purchase Agreement, the Underwriter agreed in writing on or prior to the Sale Date that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule.

(c) The Underwriter, as the party controlling all of the Hold-the-Offering Price Maturities, has not offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Defined Terms.***

(a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which the Underwriting Group sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(e) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(f) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is \_\_\_\_\_, 2025.

(g) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Compliance Certificate with respect to the Bonds and with respect to compliance with the federal income tax rules affecting the Bonds, and by Modrall, Sperling, Roehl, Harris, & Sisk, P.A., in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the City from time to time relating to the Bonds.

[NAME OF UNDERWRITER]

By: \_\_\_\_\_  
Managing Director

Dated: \_\_\_\_\_, 2025

**SCHEDULE A TO ISSUE PRICE CERTIFICATE**  
**INITIAL OFFERING PRICES OF THE TAX EXEMPT BONDS**

\$25,000,000  
City of Santa Fe, New Mexico  
General Obligation Improvement Bonds  
Series 2025

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	Price	Issue Price
2031					
2032					
2033					
2034					
2035					
2036					
2037					
2038					
2039					
2040					
2041					
2042					
2043					
2044					
2045					
2046					

**SCHEDULE B**  
**PRICING WIRES**

[End of Form of Official Notice of Bond Sale]