

revenue growth pursuant to state law (Chapter 7, Article 37). The previous year tax effort (current taxes imposed) is multiplied by the total growth factor, and the product is divided by the current year tax base to derive the operational mill rate. This mill rate is then imposed on the net taxable value of a property as certified by the County Assessor's Office.

The five-year property tax revenue estimate utilizes actual data for housing permits issued in fiscal year 2016, and a conservative forecast of the number of housing permits anticipated to be issued for fiscal years 2017 through 2020. The number of housing permits is multiplied by the current median home price, and the product divided by one-third to estimate new net taxable value. According to the University of New Mexico Bureau of Business and Economic Research (BBER), Gross Domestic Product (GDP) in 2017 continues to be sluggish. Consumption growth remains encouraging, while residential fixed investment contracted in the 2nd quarter after several quarters of strong and steady growth. Job growth has slowed in 2017 and the trajectory has become more volatile. Until very recently and except for isolated pockets, housing markets have disappointed over the course of the national economic recovery and New Mexico has certainly not been among the prosperous markets. Weak housing data continues to raise questions about whether the housing market is awaiting a trigger such as increasing home values or greater credit availability to ignite a recovery or are weak fundamentals such as weak employment and wage growth underlying the market. The outlook is for modest growth in the fiscal years 2019 and 2020, 2.0 percent; and somewhat faster growth beginning in 2021, 2.4 percent and in 2022, 2.6 percent.

The revenue estimate for new nonresidential construction forecasts at recent historical rates of growth. Estimated rates of new nonresidential growth remove the effects of large, one-time developments such as Hewlett Packard, Presbyterian Hospital, and the Sandoval Regional Medical Center. City permit data is cross referenced with the Sandoval County Assessor's Office on an annual basis to refine the estimate for the current year. Total current property tax revenues are projected to grow at rates ranging between 2.0 to 2.6 percent through the fiscal year 2022.

Franchise Fee projections include telephone services, natural gas, water and wastewater, waste management, cable and electric services and are based on trend and rate changes of each of these services. As total franchise fees, projected revenue changes varies from 3.0 percent increase in FY18 to an average of 4 percent in fiscal years 2019 and 2020, and start decreasing to 0.4 percent in FY22. The most significant franchise fee revenue is the electric franchise fee, and the growth projection ranges from 7.8 percent in FY18 to 0.4 percent in FY22. Electricity price change does not include any rate change, changes are correlated to fuel cost change, and for New Mexico, natural gas is the fuel mostly use in plants electricity generators; natural gas prices are expected to decrease based on the EIA 2016 National Energy Modeling System projection. Other revenue projections are based on trend analysis and growth rates mirroring January 2017 BBER forecast.

Expenditure Assumptions

Personal Services expenditures account for 78 percent of the General Fund operating the budget. In the Adopted Budget, Personal Services expenditures increase 0.10 percent or approximately \$46 thousands compared to the FY17 adopted budget. Although this projection includes 2.4 percent salary increase and 10 percent increase in health cost, these changes are offset by the decrease in pay periods from 27 in the fiscal year 2017 to the normal 26 in the fiscal year 2018.

In addition, the 2.4 percent across-the-board salary increase for all employees intend to address increases in the cost of living as well as for the ongoing years it is included in this projection the cost of living as a percent of salary increase. Vacancy savings is budgeted at \$1.5 million based on recent trends, and terminal leave is budgeted at \$451,776 with no increases for FY19 through FY22 based on the actual cost average change of the last three years. Personal Services costs consider a change in personnel in FY 2019, which is a crew for road repairs. Finally, the projection includes a 5 percent annual health insurance increase beginning in FY19 through FY22.

Materials and Services expenditures are forecasted to increase using consumer price growth rates from BBER 2.5 percent through FY22. Certain utility costs are forecasted differently than other material and services expenditures such as electricity costs, changes are based on natural gas price forecasts; water/wastewater services costs are based on proposed rate an increase that for the period does not include changes; and gasoline price projections are based on Energy Information Agency and average 4 percent increase.

ECONOMIC DEVELOPMENT AND INCENTIVES

The City of Rio Rancho annexed 1,000 acres of state land in 2006 and has been building on a 160-acre parcel, known as the Central Business District. Companies interested in relocating or expanding in Rio Rancho could qualify for the following economic development incentives through the City of Rio Rancho and/or the State of New Mexico:

Local Incentives, Resources and Tools

- One-stop, fast-track permitting/expedited construction inspections
- Industrial Revenue Bonds, affording:
 - Partial property tax abatement
 - Gross receipts tax exemption on equipment purchases
 - Industrial Development Bond Financing
- The Gross Receipts Investment Policy (GRIP) is a sales-tax share incentive program designed to attract large-scale incremental retail businesses development. The City may choose to refund a portion of the new incremental gross receipts taxes to a developer or end-user for public infrastructure investment associated with the development.
- A Tax Increment Development District (TIDD): Similar to a GRIP, however more suited for larger developments enables the developer to finance a portion of the public infrastructure investment through increased gross receipt taxes and/or property taxes generated in the defined boundaries of development district.
- Local Economic Development Act (LEDA) support which could include the provision of City owned land, waiver of impact fees as well as the conveyance of financial resources to offset the cost of construction, real estate and development required public infrastructure investments.

State Incentives

Over the past five-(5), New Mexico has augmented its business friendliness and competitiveness to support expansion, retention and recruitment of economic based employers. Four key pillars in this push:

- **Headquarter Tax Treatment:** This provision provides Corporate Income Tax (CIT) relief for a company that operates national, regional or sub-regional facilities in administrative and managerial functions such as accounting/financial management, IT, planning, procurement, supply chain and more.
- **Manufacturing Tax Treatment:** The Single Sales Apportionment Factor enables a manufacturer to reduce its Corporate Income Tax (CIT) Liability (note: the maximum CIT rate is 5.9 percent in NM). Data Centers can apply for treatment as manufacturers to be eligible for this and other applicable credits.
- **LEDA – aka the State’s Recruitment Closing Fund:** New Mexico is armed with its largest recruitment incentive fund yet. These monies can be used to off-set eligible capital expenditures (i.e. land, building, and infrastructure) associated with qualified job creating relocation to or expansion in New Mexico.
- **JTIP – Job Training Incentive Program:** JTIP has been heralded as one of the strongest job training incentive programs in the Country by *Business Facilities Magazine*. It provides for 50 percent reimbursement of employees’ salaries, as part of a qualified job creating relocation to or expansion in New Mexico expansion, for up to six-(6) months.

These are in addition to other credits and tools such as:

- Angel Investment Credit
- Consumables Gross Receipts Tax Deduction for Manufacturers
- Film Industry Incentives
- High Wage Jobs Tax Credit
- Investment Tax Credit for Manufactures
- Renewable Energy Production and Solar Market Development Tax Credits
- Research and Development Tax Credit
- Software Development Tax Credit

Recent Economic Activity

Following are some significant developments affecting the Rio Rancho economy:

- In calendar year 2016, 568 new single-family homes were constructed, which is the best year since 2009. Several housing projects are underway in the City, and it is expected that homebuilders will begin bringing new lots online in FY 18.
- A new 5-year schedule of Impact Fees went into effect on July 1, 2017. New rates for commercial/office/industrial projects substantially decreased during the 5-year schedule, which is intended to increase new development competitiveness with the City of Albuquerque market.
- In 2017, Safelite Auto Glass opened their new contact center and began filling the approximately 900 jobs they will have located in Rio Rancho.
- 2017 will be the first full calendar year with Phase 3 (Burke’s Outlet, PetSmart, Ross and Verizon) of the Plaza at Enchanted Hills open to shoppers.
- FY 18 will see the opening of a new multi-million dollar medical office space and assisted living facility. Several local businesses are planning expansions as well.

- During FY 18, significant public and private investments are being made to revitalize business corridors, remodel and make use of existing or vacant retail/commercial space (e.g., Quanz Automotive and Southern Blvd Reconstruction Project-Phase I).
- CNM Rio Rancho and UNM West continue to expand and hone their course and program offerings. Between the two institutions, there are over 2,700 students taking classes at these campuses located in the City Center area each semester.
- During FY 18, the City of Rio Rancho, using information from a recently completed Retail Attraction Study, will intensify efforts to bring targeted retailers to the community.
- The City has adopted a new Strategic Plan for 2017-2022, and work will be taking place on goals and objectives that help foster a diverse and robust local economy that is stable and facilitates community prosperity.

INCOME AND EMPLOYMENT

Per Capita Income

The following table shows per capita personal income levels for Rio Rancho, Sandoval County, the State of New Mexico and the United States.

| PER CAPITA INCOME | | | | | | | | |
|-------------------|------------|--------|-----------------|--------|---------------------|--------|---------------|--------|
| Year | Rio Rancho | Change | Sandoval County | Change | State of New Mexico | Change | United States | Change |
| 2010 | 26,372 | | 25,979 | | 22,966 | | 27,334 | |
| 2011 | 26,916 | 2.1% | 26,757 | 3.0% | 23,537 | 2.5% | 27,915 | 2.1% |
| 2012 | 27,261 | 1.3% | 26,848 | 0.3% | 23,249 | -1.2% | 28,051 | 0.5% |
| 2013 | 27,311 | 0.2% | 26,924 | 0.3% | 22,966 | -1.2% | 28,155 | 0.4% |
| 2014 | 27,400 | 0.3% | 26,916 | 0.0% | 23,948 | 4.3% | 28,555 | 1.4% |
| 2015 | 26,955 | -1.6% | 26,887 | -0.1% | 24,388 | 1.8% | 29,979 | 5.0% |

Source: U.S. Census Bureau, 2000 US Census and 2010-2015 American Community Survey

Table prepared by: The City of Rio Rancho Financial Services Department

Median Household Income and Median Family Income

The following table shows median household income changes between 2000 and 2015 for Rio Rancho, the State of New Mexico and the United States. In addition it shows the changes in Median Family Income and Poverty Level All people.

| ECONOMIC CHARACTERISTICS | | | | |
|---------------------------------|-------------------------|----------------------|-------------------------------|-------------------------|
| | Median Household Income | Median Family Income | Poverty Level all Individuals | Poverty Status Families |
| Rio Rancho | | | | |
| 2000 | 47,169 | 52,233 | 5.1% | 3.7% |
| 2010 | 59,063 | 67,956 | 7.9% | 6.1% |
| 2015 | 64,475 | 69,385 | 10.6% | 5.8% |
| Change 2010-2015 | 9.2% | 2.1% | 34.2% | -4.9% |
| New Mexico | | | | |
| 2000 | 34,133 | 39,425 | 18.4% | 14.5% |
| 2010 | 43,820 | 52,565 | 18.4% | 13.9% |
| 2015 | 45,382 | 56,207 | 20.4% | 14.8% |
| Change 2010-2015 | 3.6% | 6.9% | 10.9% | 6.5% |
| United States | | | | |
| 2000 | 41,994 | 50,046 | 12.4% | 9.2% |
| 2010 | 51,914 | 62,982 | 13.8% | 10.1% |
| 2015 | 55,575 | 68,260 | 14.7% | 10.6% |
| Change 2010-2015 | 7.1% | 8.4% | 6.5% | 5.0% |

Source: U.S. Census Bureau, 2000 US Census and 2010, 2015 American Community Survey
Table prepared by: The City of Rio Rancho Financial Services Department

The following table shows the Median Household Income in dollars for Rio Rancho, Sandoval County, the State of Mexico and the United States.

| INCOME AND BENEFITS | | | | | | | | |
|------------------------------|--------------------|-------|-----------------|-------|------------|-------|---------------|-------|
| Total Household Income Group | City of Rio Rancho | | Sandoval County | | New Mexico | | United States | |
| | 2010 | 2015 | 2010 | 2015 | 2010 | 2015 | 2010 | 2015 |
| Under \$24,999 | 16.3% | 16.5% | 19.7% | 18.0% | 28.7% | 29.0% | 23.5% | 22.1% |
| \$25,000 - \$49,999 | 25.1% | 20.2% | 23.8% | 20.1% | 27.1% | 25.0% | 24.6% | 23.0% |
| \$50,000 - \$99,999 | 38.2% | 43.1% | 35.4% | 40.2% | 28.8% | 28.1% | 30.9% | 30.0% |
| \$100,000 - \$199,999 | 18.0% | 18.5% | 17.8% | 18.4% | 13.2% | 14.9% | 16.7% | 19.1% |
| \$200,000 and Over | 2.5% | 1.8% | 3.4% | 3.3% | 2.4% | 3.0% | 4.2% | 5.8% |

Source: U.S. Census Bureau, 2010 and 2015 American Community Survey
Table prepared by: The City of Rio Rancho Financial Services Department

Historical Employment by Sector

The following table describes by industry sector the estimated nonagricultural wage and salary employment for New Mexico during the past seven years. The Bureau of Economic Analysis defines “earnings” as including wages and salaries, proprietor’s income and other labor income (such as bonuses).

| NON AGRICULTURAL EMPLOYMENT | | | | | | | |
|--------------------------------------|---------|---------|---------|---------|---------|---------|---------|
| New Mexico | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Total Nonfarm | 803,400 | 802,100 | 804,200 | 810,900 | 819,100 | 825,600 | 830,600 |
| Total Private | 603,800 | 607,500 | 612,200 | 620,300 | 629,000 | 635,800 | 639,200 |
| Goods-producing | 91,200 | 93,300 | 95,000 | 97,300 | 98,800 | 96,800 | 89,900 |
| Service-providing | 712,200 | 708,800 | 709,300 | 713,600 | 720,300 | 728,900 | 740,600 |
| Mining and Logging | 18,500 | 21,500 | 24,200 | 26,100 | 28,000 | 25,600 | 19,700 |
| Construction | 43,600 | 42,200 | 41,100 | 42,200 | 42,800 | 43,500 | 43,400 |
| Manufacturing | 29,100 | 29,600 | 29,700 | 29,100 | 28,000 | 27,600 | 26,900 |
| Trade, transportation, and utilities | 133,000 | 133,600 | 135,600 | 136,800 | 138,300 | 139,300 | 138,900 |
| Wholesale Trade | 21,500 | 21,000 | 21,400 | 21,600 | 21,600 | 21,600 | 21,400 |
| Retail trade | 89,800 | 90,100 | 90,900 | 91,800 | 92,500 | 93,700 | 93,100 |
| Transportation and warehousing | 21,800 | 22,500 | 23,300 | 23,500 | 24,100 | 24,200 | 24,400 |
| Information | 14,400 | 13,500 | 13,500 | 13,100 | 12,500 | 12,700 | 12,800 |
| Financial activities | 33,000 | 32,500 | 32,800 | 33,200 | 33,200 | 33,200 | 33,500 |
| Professional and business services | 100,400 | 100,100 | 98,100 | 99,000 | 99,100 | 99,500 | 101,200 |
| Education and health services | 119,700 | 121,500 | 122,600 | 124,300 | 127,600 | 132,700 | 138,700 |
| Leisure and hospitality | 83,600 | 84,600 | 86,200 | 88,400 | 91,000 | 93,000 | 95,600 |
| Other services | 28,500 | 28,500 | 28,400 | 28,300 | 28,600 | 28,600 | 28,600 |
| Government | 199,600 | 194,500 | 192,000 | 190,600 | 190,200 | 189,800 | 191,400 |
| Federal | 33,700 | 32,600 | 31,600 | 30,300 | 29,400 | 29,100 | 29,400 |
| State government | 59,300 | 57,100 | 55,900 | 56,300 | 57,200 | 57,300 | 58,800 |
| Local government | 106,700 | 104,900 | 104,500 | 104,000 | 103,600 | 103,400 | 103,200 |

Source: New Mexico Department of WorkForce Solutions: Current Employment Statistics: 28-Year Employment History

Labor Force and Unemployment

The following table, derived from information supplied by the U.S. Census Bureau, presents information on employment within Sandoval County, the State of New Mexico, and the United States, for the periods indicated. The annual unemployment figures indicate average rates for the entire year and do not reflect monthly or seasonal trends.

| CIVILIAN LABOR FORCE AND UNEMPLOYMENT | | | | | | | | | |
|---------------------------------------|-------------|--------------------|-----------------|--------------------|-------------|--------------------|---------------------|--------------------|------------|
| Year | Rio Rancho | | Sandoval County | | New Mexico | | United States (000) | | Unemployed |
| | Labor Force | Percent Unemployed | Labor Force | Percent Unemployed | Labor Force | Percent Unemployed | Labor Force | Percent Unemployed | |
| 2000 | 25,964 | 3.2 | 41,599 | 3.9 | 834,632 | 4.4 | 137,668 | 3.7 | |
| 2011 | 41,509 | 10.5 | 62,776 | 11.4 | 979,399 | 11.2 | 156,460 | 10.3 | |
| 2012 | 42,265 | 7 | 63,359 | 9 | 970,121 | 10.3 | 157,703 | 9.4 | |
| 2013 | 43,638 | 8.8 | 63,210 | 9.8 | 960,616 | 9.2 | 158,498 | 8.4 | |
| 2014 | 48,444 | 6.7 | 67,939 | 9.3 | 958,074 | 8.7 | 159,550 | 7.2 | |
| 2015 | 46,729 | 7.6 | 66,379 | 7.9 | 950,312 | 7.4 | 160,652 | 6.3 | |

Source: U.S. Census Bureau, 2000. 2011-2015 American Community Survey
Table prepared by: The City of Rio Rancho Financial Services Department

Major Employers

The following table shows the major employers in the City of Rio Rancho.

| MAJOR EMPLOYERS | | |
|-----------------|----------------------------------|------------------------|
| Rank | Employer | Type of Business |
| 1 | Intel Corporation | Semiconductors |
| 2 | Rio Rancho Public Schools | Education |
| 3 | Hewlett-Packard Company | Technology |
| 4 | Presbyterian Health Services | Health Care |
| 5 | Sprint Corporation | Communications |
| 6 | Bank of America Banking Services | Call Center |
| 7 | Stream Global | Communications |
| 8 | Alliance Data | Call Center |
| 9 | U.S. Cotton | Personal Care Products |
| 10 | Wal-Mart Stores, Inc. | Consumer Goods |

Source: https://en.wikipedia.org/wiki/Rio_Rancho,_New_Mexico
14-Jul-17

Occupation

The following table shows, by percentages, in which occupations people in Rio Rancho, Sandoval County, New Mexico and the United States are employed.

| Civlian Employed Population 16 Years and Over | OCCUPATION | | | | | | | |
|---|------------|-------|----------|-------|------------|-------|---------------|-------|
| | Rio Rancho | | Sandoval | | New Mexico | | United States | |
| | 2010 | 2015 | 2010 | 2015 | 2010 | 2015 | 2010 | 2015 |
| Management, Business, Science, and Arts Occupations | 37.4% | 35.8% | 37.8% | 37.1% | 34.4% | 34.5% | 35.3% | 37.1% |
| Service Occupations | 14.5% | 19.3% | 15.0% | 19.2% | 19.0% | 21.5% | 17.1% | 18.0% |
| Sales and Office Occupations | 30.1% | 28.8% | 28.3% | 26.9% | 24.3% | 24.0% | 25.4% | 23.6% |
| Natural Sources, Construction and Maintenance Occupations | 9.9% | 6.6% | 10.1% | 7.4% | 12.7% | 11.1% | 9.8% | 9.0% |
| Production, Transportation, and Material Moving Occupations | 8.1% | 9.4% | 8.7% | 9.4% | 9.6% | 8.9% | 12.4% | 12.3% |

Source: U.S. Census Bureau, 2010 and 2015 American Community Survey
Table prepared by: The City of Rio Rancho Financial Services Department

The table below shows, by percentage, in which class individuals in Rio Rancho, Sandoval County, New Mexico and the United States are employed.

| Civlian Employed Population 16 Years and Over | CLASS OF WORKERS | | | | | | | |
|---|------------------|-------|----------|-------|------------|-------|---------------|-------|
| | Rio Rancho | | Sandoval | | New Mexico | | United States | |
| | 2010 | 2015 | 2010 | 2015 | 2010 | 2015 | 2010 | 2015 |
| Private Wage and Salary Workers | 77.8% | 76.3% | 73.6% | 72.3% | 69.9% | 71.0% | 78.5% | 79.5% |
| Government Workers | 17.2% | 18.6% | 20.0% | 21.4% | 22.3% | 22.2% | 14.8% | 14.3% |
| Self-employed in unincorporated Business | 4.9% | 5.0% | 6.3% | 6.2% | 7.5% | 6.7% | 6.50% | 6.0% |
| Unpaid Family Workers | 0.1% | 0.0% | 0.1% | 0.1% | 0.3% | 0.2% | 0.20% | 0.2% |

Source: U.S. Census Bureau, 2010 and 2015 American Community Survey S2405
Table prepared by: The City of Rio Rancho Financial Services Department

The table below shows, by percentage, in which industries people in Rio Rancho, Sandoval County, New Mexico and the United States, are employed.

| INDUSTRY | | | | | | | | |
|--|------------|-------|----------|-------|------------|-------|---------------|-------|
| Civilian Employed Population 16 Years and Over | Rio Rancho | | Sandoval | | New Mexico | | United States | |
| | 2010 | 2015 | 2010 | 2015 | 2010 | 2015 | 2010 | 2015 |
| Agriculture, Forestry, Fishing and Hunting, and Mining | 0.5% | 1.0% | 1.2% | 1.5% | 4.1% | 4.5% | 1.9% | 2.0% |
| Construction | 7.0% | 6.2% | 7.6% | 7.0% | 8.5% | 6.8% | 7.1% | 6.2% |
| Manufacturing | 12.0% | 8.8% | 10.8% | 8.2% | 5.3% | 4.7% | 11.0% | 10.4% |
| Wholesale Trade | 2.6% | 2.2% | 2.3% | 2.2% | 2.2% | 2.2% | 3.1% | 2.7% |
| Retail Trade | 13.7% | 12.9% | 12.5% | 11.8% | 11.6% | 11.3% | 11.5% | 11.6% |
| Transportation and Warehousing, and Utilities | 4.2% | 4.5% | 4.3% | 4.3% | 4.6% | 4.5% | 5.1% | 5.0% |
| Information | 2.7% | 2.4% | 2.3% | 2.2% | 1.9% | 1.6% | 2.4% | 2.1% |
| Finance and Insurance, and Real Estate and Rental and Leasing | 7.0% | 6.1% | 6.4% | 5.7% | 5.1% | 4.5% | 7.0% | 6.6% |
| Professional, Scientific, and Management, and Administrative and Waste Management Services | 11.5% | 10.6% | 11.9% | 10.7% | 10.8% | 11.2% | 10.4% | 11.0% |
| Educational Services, and Health Care and Social Assistance | 18.1% | 23.8% | 19.6% | 24.2% | 23.4% | 25.1% | 22.1% | 23.1% |
| Art, Entertainment, and Recreation, and Accommodation, and Food | 8.5% | 10.2% | 9.3% | 10.5% | 10.3% | 11.1% | 8.9% | 9.6% |
| Other Services, Except Public Administration | 4.2% | 4.1% | 4.0% | 4.0% | 4.7% | 4.8% | 4.9% | 4.9% |
| Public Administration | 7.8% | 7.2% | 7.8% | 7.6% | 7.5% | 7.7% | 4.8% | 4.8% |

Source: U.S. Census Bureau, 2010 and 2015 American Community Survey
Table prepared by: The City of Rio Rancho Financial Services Department

BUILDING PERMITS, POPULATION, AND HOUSING

Building Permits

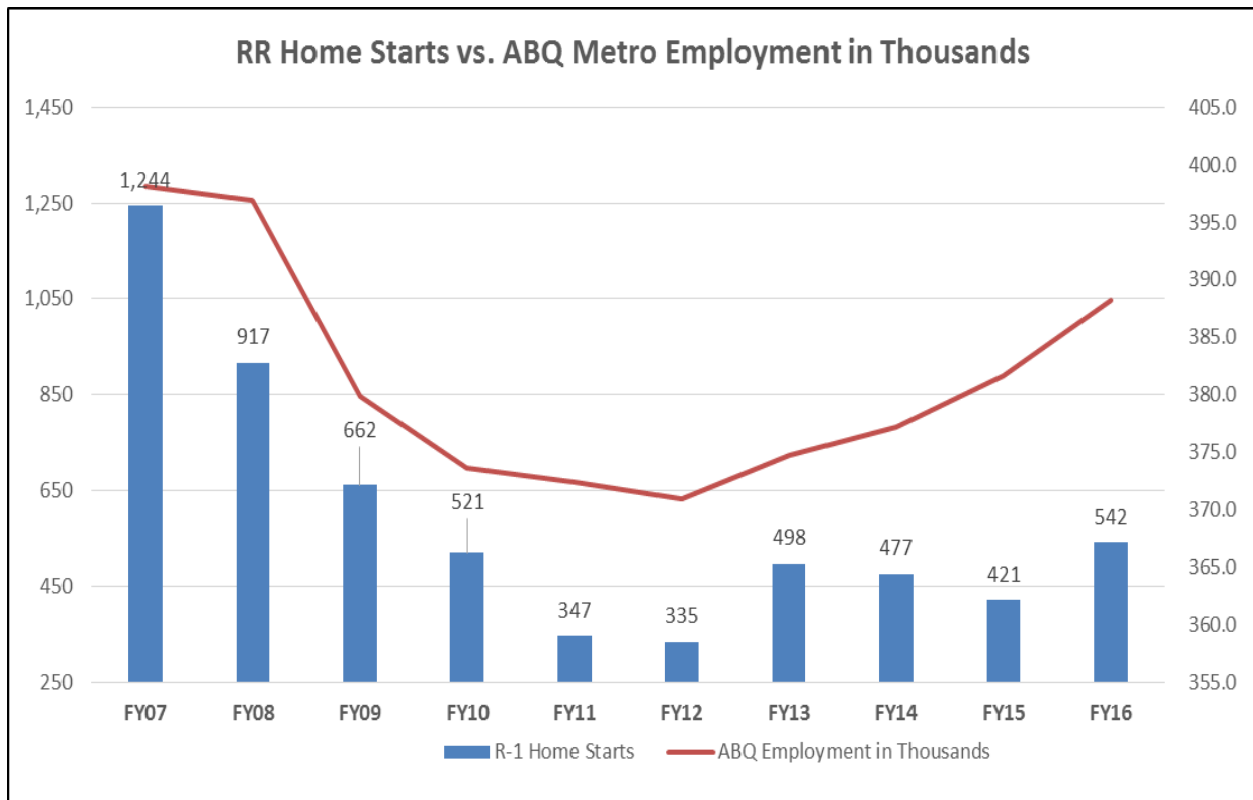
Initial development of the City was due in large part to the availability of affordable land. However, from 2005 to 2008 the average price of residential construction increased to the mid to upper income housing levels. Below is a historical chart for residential and non-residential building permits, their associated assessed valuation and the average price per unit:

| BUILDING PERMITS | | | | | | |
|------------------|-----------------|----------------|------------------------|--|---------------------|---------------|
| Fiscal Year | Residential (1) | | | | Non-Residential (2) | |
| | New Units | Value | Average price per Unit | | New Units | Value |
| 2017 | 485 | \$ 102,378,943 | \$ 211,091 | | 5 | \$ 6,871,159 |
| 2016 | 542 | \$ 115,678,421 | \$ 213,429 | | 12 | \$ 10,016,854 |
| 2015 | 421 | \$ 89,012,014 | \$ 211,430 | | 15 | \$ 23,919,839 |
| 2014 | 477 | \$ 96,674,872 | \$ 202,673 | | 14 | \$104,801,159 |
| 2013 | 498 | \$ 96,119,528 | \$ 193,011 | | 11 | \$ 8,055,020 |
| 2012 | 335 | \$ 61,148,887 | \$ 182,534 | | 9 | \$ 5,290,489 |
| 2011 | 347 | \$ 63,748,772 | \$ 183,714 | | 11 | \$ 12,458,351 |
| 2010 | 521 | \$ 91,861,755 | \$ 176,318 | | 0 | \$ - |
| 2009 | 662 | \$ 109,338,818 | \$ 165,164 | | 7 | \$ 8,880,604 |

Source: City of Rio Rancho - Planning and Zoning

(1) Includes: R-1 Single Family

(2) Includes: C-1 Retail Commercial and M-1/C-2 Manufacturing Industrial Starts



Population

As the City of Rio Rancho has experienced fast growth, so has the state of New Mexico. According to the 2000 Census, New Mexico's 1.8 million population ranked as the 12th fastest growing state in the nation, with a 13.2 percent increase from 2000 to 2010. The 2010 Census proved that the State of New Mexico is indeed growing in population. Projections estimate that New Mexico will add an estimated one million people by the year 2025 for a total population of 2.6 million. This anticipated rate of population change, at 55 percent, would rank New Mexico's growth rate as the 2nd largest amongst the 50 states and District of Columbia.

| POPULATION CHANGES | | | | |
|--------------------|---------------|---------------|------------|----------|
| US Census | | | | |
| Area | April 1, 2010 | April 1, 2000 | Change | % Change |
| United States | 309,349,689 | 281,421,906 | 27,927,783 | 9.9% |
| New Mexico | 2,065,932 | 1,819,046 | 246,886 | 13.6% |
| Sandoval County | 132,330 | 89,908 | 42,422 | 47.2% |
| Rio Rancho | 87,954 | 51,765 | 36,189 | 69.9% |

Source: U.S. Census Bureau, Population Division. Released Date: March 2011

Table prepared by: The City of Rio Rancho Financial Services Department

The City's relatively short history of rapid growth and development began with its inception in the 1960's as a bulk land subdivision. Prior to its incorporation as a municipality, the 1980 census records Rio Rancho as having 9,985 persons residing within the vicinity. For incorporation purposes, a special census was conducted in 1981 revealing that Rio Rancho's population was 10,131. By 1990, the population had more than tripled to 32,505. As of the

2000 Census, the U.S. Bureau of Census reflects that the City population increased to 51,765. The 2010 Census revealed an increase of 69 percent to 87,521 for the City of Rio Rancho.

| POPULATION CHANGES | | | | | | | | |
|--------------------|------------|--------|-----------------|--------|------------|--------|-----------------|--------|
| Year | Rio Rancho | Change | Sandoval County | Change | New Mexico | Change | United States** | Change |
| 1980 | 9,985 | | 34,400 | | 1,303,143 | | 226,542,199 | |
| 1990 | 32,674 | 227.2% | 63,319 | 84.1% | 1,249,069 | -4.1% | 248,709,873 | 9.8% |
| 2000 | 51,765 | 58.4% | 89,908 | 42.0% | 1,819,046 | 45.6% | 281,421,906 | 13.2% |
| 2010 | 87,521 | 69.1% | 131,561 | 46.3% | 2,059,179 | 13.2% | 308,745,538 | 9.7% |
| 2016* | 96,028 | 9.7% | 142,025 | 8.0% | 2,081,015 | 1.1% | 323,127,513 | 4.7% |

Source: U.S. Census Bureau, Population Division.

*Source: U.S. Census Bureau, Community Facts, 2016 Population Estimates

Table prepared by: The City of Rio Rancho Financial Services Department

Most of the City's growth resulted from net migration, resulting from people moving to Rio Rancho from other areas. A comparison of the demographic changes in Sandoval County and Rio Rancho between 1990 and 2000 illustrates how the influx of new residents accounts for Rio Rancho's population growth during this decade. This trend continued between 2000 and 2010.

This population growth has made Rio Rancho the largest city in Sandoval County, and the third largest in the state. With respect to Rio Rancho's share of the total New Mexico population, Rio Rancho ranked as the 14th largest community in state in 1980. As a result of an almost five-fold growth in population in less than twenty years, Rio Rancho has become the fastest growing city with an overall growth rate of 69 percent during the last ten years.

| TOTAL POPULATION | | | | |
|---|----------------------------|---------------------------|--------------------------------|--------------------------------|
| New Mexico Metropolitan Statistical Areas, 2000 to 2010 | | | | |
| Area | Census 2010* Population | Census 2000 Population | Population Change 2000-2010 | Percentage Change 2000-2010 |
| New Mexico | 2,065,932 | 1,819,046 | 246,886 | 13.6% |
| Metro Portion 1/ | 1,375,392 | 1,147,424 | 227,968 | 19.9% |
| Albuquerque MSA 2/ | 890,103 | 729,649 | 160,454 | 22.0% |
| Farmington MSA 3/ | 130,145 | 113,801 | 16,344 | 14.4% |
| Las Cruces MSA 4/ | 210,538 | 174,682 | 35,856 | 20.5% |
| Santa Fe MSA 5/ | 144,606 | 129,292 | 15,314 | 11.8% |
| Nonmetro Portion 1/ | 690,540 | 671,622 | 18,918 | 2.8% |

*The values were produced by applying estimates of change in the population between April 1 and July 1 of 2010 to the 2010

1/ Metropolitan and nonmetropolitan portions are based on current metropolitan statistical area (MSA) definitions.

2/ Bernalillo, Sandoval, Torrance and Valencia counties. 3/ San Juan County. 4/ Dona Ana County

5/ Santa Fe County.

Source: U.S. Census Bureau, Population Division. Revised September 2011.

Table prepared by: The City of Rio Rancho Financial Services Department

Gender and Age Distribution

The character and composition of the residents have changed dramatically over the last two decades. Beginning as a retirement community, a large number of seniors dominated the demographic composition. However, as the City has evolved into an affordable housing community with an expanding economic base, a large number of young families are calling Rio Rancho home. Whereas 17.5 percent of the Rio Rancho population was over retirement age in 1980, by 1990 this percentage had dropped to 10.9 percent. By 1990 there were three times more residents under the age of 17 than residents over the age of 65.

Over 45 percent of the City's population is between the ages of 20 and 54 years old, which is younger than the national average, and almost 30 percent of the population are school age or younger.

All states and the District of Columbia are projected to show a decline in the proportion of youth (under 20 years old) in their populations. As the Baby Boom generation (those born between 1946 and 1964) reach retirement age, the growth of the elderly population (65 and over) is expected to accelerate rapidly. The size of the elderly population is projected to increase in all states and the District of Columbia over the 30 year period. The proportion of New Mexico's population classified as elderly is expected to increase from 10.9 percent in 1995 to 16.9 percent in 2025.

The following table sets forth a comparative age distribution profile for Rio Rancho, Sandoval County, the State of New Mexico and the United States.

| GENDER AND AGE DISTRIBUTION | | | | | | | | |
|-----------------------------|------------|-------|----------|-------|------------|-------|---------------|-------|
| Characteristic | Rio Rancho | | Sandoval | | New Mexico | | United States | |
| | 2000 | 2015 | 2000 | 2015 | 2000 | 2015 | 2000 | 2015 |
| Male | 48.5% | 49.2% | 48.8% | 49.1% | 49.2% | 49.5% | 49.1% | 49.2% |
| Female | 51.5% | 50.8% | 51.2% | 51.9% | 50.8% | 50.5% | 50.9% | 50.8% |
| Median Age | 35.1 | 36.8 | 35.1 | 39.1 | 34.6 | 37.0 | 35.3 | 37.6 |
| Under 9 years | 15.7% | 14.1% | 15.8% | 13.2% | 15.0% | 13.4% | 14.1% | 12.8% |
| 10 to 19 years | 15.9% | 15.1% | 16.3% | 14.5% | 16.1% | 13.7% | 14.5% | 13.2% |
| 20 to 34 years | 18.3% | 18.1% | 17.7% | 17.7% | 19.6% | 20.5% | 20.9% | 20.7% |
| 35 to 54 years | 31.5% | 27.6% | 31.5% | 26.8% | 29.0% | 24.8% | 29.4% | 26.8% |
| 55 to 64 years | 7.0% | 12.0% | 8.1% | 13.5% | 8.7% | 12.8% | 8.6% | 12.4% |
| 65 to 84 years | 10.3% | 11.0% | 9.5% | 13.0% | 10.4% | 12.9% | 10.9% | 12.1% |
| 85 years and over | 1.5% | 1.5% | 1.1% | 1.4% | 1.3% | 1.7% | 1.5% | 1.9% |

Source: U.S. Census Bureau, 2000 US Census and 2015 American Community Survey

Table prepared by: The City of Rio Rancho Financial Services Department

Race and Ethnicity

At the national level, 73.6 percent of the American population is classified as non-Hispanic white, while Hispanic or Latino persons constitute 17.1 percent of the population, African Americans 12.6 percent, Native American less than 1 percent, and Asian Americans 5.1 percent. However, New Mexico, along with Hawaii and California, does not have an ethnic or racial majority. More than half of the population is composed of non-Hispanic whites, two out of every five residents are Hispanic, nearly one out of every ten is Native American, while African Americans constitute 2.1 percent of the state population. By comparison, Rio Rancho's population is 79.9 percent white, while Hispanics of any race constitute over 39.8 percent of the City, with small percentages of Native Americans, African Americans, and Asian Americans.

| RACE AND ETHNICITY BY PERCENTAGE OF POPULATION | | | | | | | | |
|--|------------|-------|----------|-------|------------|-------|---------------|-------|
| Characteristic | Rio Rancho | | Sandoval | | New Mexico | | United States | |
| | 2000 | 2015 | 2000 | 2015 | 2000 | 2015 | 2000 | 2015 |
| One Race | 95.9% | 95.2% | 96.5% | 96.1% | 96.4% | 96.7% | 97.6% | 97.0% |
| White | 78.4% | 79.9% | 65.1% | 70.0% | 66.8% | 73.2% | 75.1% | 73.6% |
| Black or African American | 2.7% | 3.7% | 1.7% | 2.7% | 1.9% | 2.1% | 12.3% | 12.6% |
| American and Alaska Native | 2.4% | 2.0% | 16.3% | 12.3% | 9.5% | 9.1% | 0.9% | 0.8% |
| Asian | 1.5% | 1.7% | 1.0% | 1.4% | 1.1% | 1.4% | 3.6% | 5.1% |
| Native Pacific Islands | 0.2% | 0.0% | 0.1% | 0.0% | 0.1% | 0.1% | 0.1% | 0.2% |
| Some Other Race | 10.9% | 7.8% | 12.4% | 9.7% | 17.0% | 10.9% | 5.5% | 4.7% |
| Two or More Races | 4.1% | 4.8% | 3.5% | 3.9% | 3.6% | 3.3% | 2.4% | 3.0% |
| Hispanic or Latino (of Any Race) | 27.7% | 39.8% | 29.4% | 36.9% | 42.1% | 47.4% | 12.5% | 17.1% |

Source: U.S. Census Bureau, 2000 US Census and 2015 American Community Survey

Table prepared by: The City of Rio Rancho Financial Services Department

Social Characteristics

The following table sets forth a comparative education profile and other social characteristics for Rio Rancho, Sandoval County, the State of New Mexico and the United States.

| SOCIAL CHARACTERISTICS | | | | | | | | |
|--|------------|--------|----------|---------|------------|-----------|---------------|-------------|
| Characteristic | Rio Rancho | | Sandoval | | New Mexico | | United States | |
| | 2000 | 2015 | 2000 | 2015 | 2000 | 2015 | 2000 | 2015 |
| Education Attainment by Population | | | | | | | | |
| Percent High School Graduate or Higher | 90.3% | 84.3% | 84.6% | 82.3% | 77.7% | 80.5% | 79.4% | 85.6% |
| High School Graduate or Higher | | | | | | | | |
| 25 to 34 years | 95.2% | 93.0% | 89.4% | 88.6% | 81.5% | 85.3% | 83.9% | 88.8% |
| 35 to 44 years | 94.5% | 93.4% | 89.2% | 91.4% | 82.2% | 84.7% | 85.0% | 87.8% |
| 45 to 64 years | 93.2% | 94.6% | 88.7% | 92.7% | 82.4% | 86.0% | 83.2% | 88.0% |
| 65 years and over | 78.1% | 89.1% | 71.1% | 87.0% | 64.8% | 79.5% | 65.5% | 81.0% |
| Bachelor's Degree or Higher | | | | | | | | |
| 25 to 34 years | 24.6% | 23.4% | 19.6% | 19.0% | 20.1% | 22.0% | 27.5% | 33.1% |
| 35 to 44 years | 23.9% | 34.9% | 23.2% | 31.2% | 22.1% | 25.8% | 25.9% | 33.4% |
| 45 to 64 years | 26.3% | 27.5% | 30.0% | 30.1% | 28.8% | 27.9% | 26.4% | 29.3% |
| 65 years and over | 23.7% | 27.6% | 23.0% | 30.9% | 18.7% | 27.8% | 15.4% | 24.1% |
| Total Households | 18,995 | 32,511 | 31,411 | 47,931 | 677,971 | 763,603 | 105,480,101 | 116,926,305 |
| Average Household Size | 2.70 | 2.81 | 2.84 | 2.83 | 2.63 | 2.67 | 2.59 | 2.58 |
| Place of Birth | | | | | | | | |
| Native | 49,243 | 86,613 | 86,028 | 129,183 | 1,669,440 | 1,880,413 | 250,314,017 | 274,797,601 |
| Foreign Born | 2,479 | 5,194 | 3,880 | 7,455 | 149,606 | 203,704 | 31,107,889 | 41,717,420 |
| Percentage | 4.8% | 5.7% | 4.3% | 5.5% | 8.2% | 9.8% | 11.1% | 13.2% |

Source: U.S. Census Bureau, 2000 US Census and 2015 American Community Survey

Table prepared by: The City of Rio Rancho Financial Services Department

Housing Characteristics

The following table sets forth a comparative housing profile for Rio Rancho, Sandoval County, the State of New Mexico and the United States.

| HOUSING CHARACTERISTICS | | | | | | | | |
|--------------------------|------------|-----------|-----------|-----------|------------|-----------|---------------|-------------|
| Characteristic | Rio Rancho | | Sandoval | | New Mexico | | United States | |
| | 2000 | 2015 | 2000 | 2015 | 2000 | 2015 | 2000 | 2015 |
| Total Housing Units | 20,176 | 35,171 | 34,866 | 53,675 | 780,579 | 909,565 | 115,904,641 | 133,351,840 |
| Occupied | 93.9% | 92.4% | 90.0% | 89.3% | 86.8% | 84.0% | 91.0% | 87.7% |
| Owner Occupied | 75.2% | 72.7% | 69.6% | 72.4% | 50.1% | 57.1% | 52.3% | 56.0% |
| Median Value | \$112,900 | \$173,100 | \$115,400 | \$177,400 | \$108,100 | \$160,300 | \$119,600 | \$178,600 |
| Housing with a Mortgage* | 86.0% | 79.3% | 73.9% | 70.6% | 63.6% | 58.5% | 70.0% | 65.6% |
| Median Monthly Payment | \$955 | \$1,303 | \$979 | \$1,319 | \$929 | \$1,227 | \$1,088 | \$1,492 |
| Rent | | | | | | | | |
| Median Monthly Payment | \$807 | \$1,071 | \$726 | \$1,022 | \$503 | \$777 | \$602 | \$928 |

*Represents Owner Occupied Units. Source: U.S. Census Bureau, 2000 US Census and 2015 American Community Survey

Table prepared by: The City of Rio Rancho Financial Services Department

PER CAPITA COMPARISONS

City per Capita Comparisons

The General Fund budget contains most of the operating funds for City government, and the size of the General Fund in relation to the city can provide a *general* indication of the level of services that a City can provide. Compared to other New Mexico cities, the City of Rio Rancho has a relatively small General Fund budget. Historically, the small per capita expenditure ratio is primarily due to Rio Rancho's relatively limited retail tax base which did not generate large amounts of gross receipts tax (GRT) revenues due to the proximity of Albuquerque, which is the regional retail center. Studies over the last several years suggested that Rio Rancho was losing as much as 40 percent of its GRT to Albuquerque. Various initiatives and policies have been undertaken to address this issue.

| REVENUE & EXPENDITURES PER CAPITA | | | | |
|--------------------------------------|----------------------|-------------------------|-----------------------------|-------------------------|
| Top Five Populated New Mexico Cities | | | | |
| FY17 Adopted Budgets | | | | |
| City | Estimated Population | General Fund Revenues * | General Fund Expenditures * | Per Capita Expenditures |
| Albuquerque | 559,277 | \$550,350 | \$504,478 | \$ 902 |
| Las Cruces | 101,759 | 93,423 | 95,980 | 943 |
| Rio Rancho | 96,028 | 56,597 | 54,394 | 566 |
| Santa Fe | 83,875 | 81,554 | 78,025 | 930 |
| Farmington | 41,629 | 61,080 | 61,080 | 1,467 |

* (000's)

Source: U.S. Census Bureau, Community Facts, 2016 Population Estimate (as July 1, 2016)

Table prepared by: The City of Rio Rancho Financial Services Department

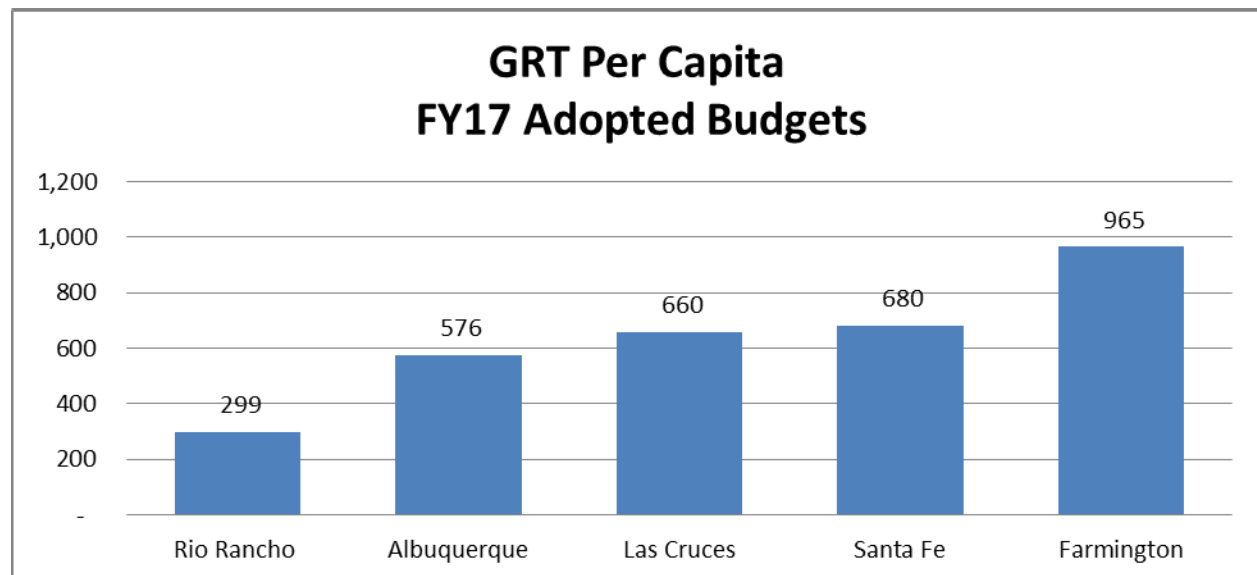
Gross Receipt Taxes per Capita Comparisons

| GRT PER CAPITA | | | | |
|--------------------------------------|----------------------|--------------------|------------------------------|----------------|
| Top Five Populated New Mexico Cities | | | | |
| FY 17 Adopted Budgets | | | | |
| City | Estimated Population | General Fund GRT * | General Fund Total Revenue * | GRT Per Capita |
| Albuquerque | 559,277 | \$322,011 | \$550,350 | \$576 |
| Las Cruces | 101,759 | 67,131 | 93,423 | 660 |
| Rio Rancho | 96,028 | 28,693 | 56,597 | 299 |
| Santa Fe | 83,875 | 57,000 | 81,554 | 680 |
| Farmington | 41,629 | 40,172 | 61,080 | 965 |

* (000's)

Source: U.S. Census Bureau, Community Facts, 2016 Population Estimate (as July 1,2016)

Table prepared by: The City of Rio Rancho Financial Services Department



City Employees per 1,000 of Population

Another method to compare capacity to provide services is the number of employees per population. The City of Rio Rancho has had to limit the number of employees due to the limited tax base.

| NUMBER OF EMPLOYEES PER 1,000 POPULATION | | | |
|--|----------------------|------------------|---------------|
| Top Five Populated New Mexico Cities | | | |
| FY 17 Adopted Budgets | | | |
| City | Estimated Population | General Fund FTE | FTE per 1,000 |
| Rio Rancho | 96,028 | 598.6 | 6.23 |
| Albuquerque | 559,277 | 4,039.0 | 7.22 |
| Las Cruces | 101,759 | 1,053.6 | 10.35 |
| Santa Fe | 83,875 | 853.0 | 10.17 |
| Farmington | 41,629 | 583.5 | 14.02 |

Source: U.S. Census Bureau, Community Facts, 2016 Population Estimate (as July 1,2016)

Table prepared by: The City of Rio Rancho Financial Services Department

| MISCELLANEOUS INFORMATION | |
|--|--------|
| Function/Program | |
| <u>Police</u> | |
| Main Stations | 1 |
| Substations | - |
| Patrol Units | 190 |
| <u>Fire</u> | |
| Main Stations | 6 |
| Substations | 1 |
| Firetrucks | 14 |
| <u>EMS</u> | |
| Ambulances | 12 |
| <u>Animal Control</u> | |
| Patrol Units | 8 |
| <u>Other Public Works</u> | |
| Streets (centerline miles) | 444 |
| Streetlights | 3,002 |
| Traffic signals (Signalized Intersections) | 59 |
| <u>Parks & Recreation</u> | |
| New/Renovated Park Facilities | 1 |
| Developed Parkland (acres) | 285 |
| Constructed | 25 |
| Constructed Trailways (linear feet) (F) | 68,821 |
| Water mains (miles) | 573 |
| Fire hydrants | 4,273 |
| New Connections | 334 |
| Water Main Breaks | 40 |
| Storage Capacity (thousands of Gallons) | 44,350 |
| Average daily consumption (thousands of gallons) | 9,636 |
| Booster Stations | 10 |
| Wells (in production) | 14 |
| Storage tanks | 19 |
| Arsenic Treatment Facilities | 10 |
| <u>Wastewater</u> | |
| Sanitary sewers (miles) | 383 |
| Average Daily Treatment (thousands of Gallons) | 4,532 |
| Water Treatment Plants | 4 |
| Lift Stations | 26 |
| <u>Rio Rancho School District</u> | |
| Newest School District in New Mexico | |
| Enrollment (February 2016) | 17,457 |
| Comprehensive High School | 2 |
| Specialized High Schools | 1 |
| Middle Schools | 4 |
| Elementary Schools | 10 |
| Pre-School | 1 |
| Graduation Rate District Wide | 82.7% |

Sources: City of Rio Rancho, CAFR for the FY ended June 30, 2016

Rio Rancho Public Schools web page