



Market Study
3521 Fourth NW
Albuquerque, NM

Prepared for
City of Albuquerque

Prepared by
Todd Clarke CCIM
Cantera Consultants
& Advisors Inc.

September 27th, 2016



North Fourth Site



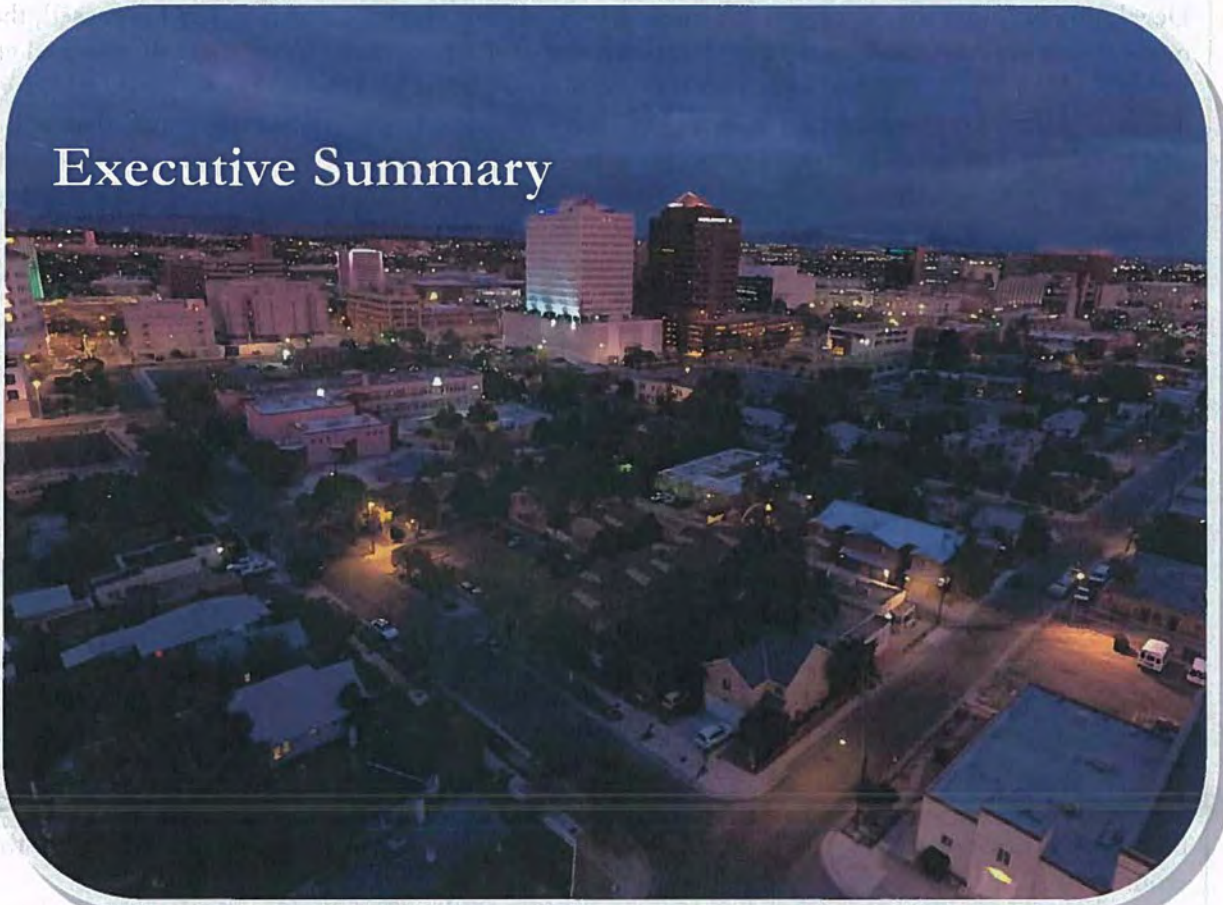
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Executive Summary



Executive Summary

This 146 page market study represents the analysis to understand what is physically possible, legally permissible, and financially feasible on the site located at 3521-3525 Fourth NW, and known as the Brown property.

What's in a name?

The naming of the apartment community helps identify its location and paints a potential picture of its lifestyle. The current working name reflects its location "North Fourth Street"

Property Info

The subject property contains 5.0013 acres of C-3 zoned land, or Special Use - SU2-Mixed Use m Development under the North Fourth Street Corridor plan. If the City's new IDO is passed, the site would move to a mixed use medium zoning. Currently the property contains 5 buildings of marginal value totaling 118,808 sf. A 2010 appraisal indicated the site was valued at \$1,416,000 for its market land value. Two different Phase I environmental assessments have identified some potential issues that will need to be addressed prior to development. The property has a walk score of 63, a bike score of 66, and a transit score of 29. The City of Albuquerque and Bernalillo County have entered into a intergovernmental agreement between them for acquisition of the property. The property is located along the Fourth street corridor which has received significant attention from the city in the form of a new corridor plan, and redevelopment studies.

Demographics as Drivers of Demand

Demand for apartments is driven by population and household formation. Population is driven by employment, which has been on the increase in Albuquerque since the early 1980's.

Although employment has shrunk in the latest economic downturn, it has also created turmoil in the housing market, encouraging more employees to seek the flexibility and mobility renting offers over home ownership.

From a macro level perspective, Albuquerque has been slow to emerge form the economic recession, and ony recently has landed as a "green dot" on the radar of national investors and developers. With the exception of construction jobs, the local employment has mostly recovered from the downturn.

In analyzing the potential development, the consultant considered two trade areas—the Albuquerque Metropolitan Statistical Area (MSA) and the 87107 Zip code which covers a majority of the trade area around the subject property.

The 87107 Zip code had three main demographics tapestry profiles:

- **Exurbanites** - 18.4% of the trade area population - pre-retirement couples with a higher than average median household income
- **Front Porches** - 16.8% of the trade area population - cutting edge millennials (34 years old) - average household income—1/2 of whom have 1 child - this demographic chooses rentals by choice
- **Comfortable Empty Nesters** - 7.3% of the trade area population - active Gen-X'ers with a higher than average household income.

Market Trends

Up until the year 2000, a majority of Albuquerque's multifamily supply has been supplied by luxury housing

or low income housing tax credit housing, somewhat evenly split between the two. For the most part, high land costs and construction costs have restricted new inventory to the highest end in rents, or a community that has a government subsidy.

With a concentrated effort by the Albuquerque City leaders, a majority of the multifamily development in the last decade has occurred in more urban locations, like downtown, uptown and airport area.

Communities that focused on the live/work, live/leave/green, live/shop and live/learn niches became highly sought after by savvy multifamily residents, many of whom are willing to pay a price premium of 50% over average apartment rents.

Building the type of product that supports the millennials, would recruit a vibrancy to this area.

Market Trends

The strongest property sectors are apartments, retail and industrial. Office remains oversupplied and its high vacancy rate and low rental rates makes it difficult to make new construction pencil out.

Transportation Trends that are impacting housing

Recent surveys, demographics analysis, and meetings performed by the Middle Rio Grande Council of Governments and the NM Chapter of the Urban Land Institute indicate:

- Millennials use alternative modes of transportation at higher rates
- Millennials value walking biking and mass transit over driving
- Albuquerquean's have more than doubled their use of mass transit between 2004 to 2015
- Albuquerquean's desire more mixed (32%) and affordable (40%) housing
- Albuquerquean's desire more urban location to live in

Additionally, The Apartment Association's 2014 market outlook was the first rent survey in the country that identified:

- renters will pay a 24% rent premium to live in a property that is in the top 10% of **walk** scores
- renters will pay a 24% rent premium to live in a property that is in the top 10% of **bike** scores
- renters will pay a 26% rent premium to live in a property that is in the top 10% of **transit** scores

GAP Analysis

Has identified:

- Albuquerque has been oversupplied with single family housing by thousands of units
- Albuquerque has been undersupplied with multi family housing by thousands of units
- According to MRCOG—"In order to align with national averages, 30,000 multifamily housing units will need to be built"
- Some of Albuquerque's housing inventory is functionally obsolete and needs to be replaced or relocated to be come more Millennial (and eventually Baby boomer) friendly.
- in 2017, Albuquerque will need an additional 1,610 units of multifamily rental units
- in 2017, the 87107 trade are will need an additional 292 units of multifamily rental units

Site Linkages & Location Analysis

The property's location analysis favored apartments (4.30) over retail (3.66), office (3.29) and industrial (2.29). The property's site analysis favored apartments (16.27) over retail (15.48), office (13.94) and industrial (4.95).

Product Recommendations

The site lends itself to being developed in two distinctive but conjoined parts:

- Phase I - Square portion of land facing Forth Street and Fitzgerald Avenue with 90 to 120 units of housing over the top of ground floor retail. Parking would be provide as a combination of onsite and on street.
- Phase II - rectangular portion of site could be developed into as many as 20 townhouse or patio home lots
- Its recommended that site access to be limited to ingress from Fourth street or Fitzgerald Avenue and egress on Seventh Street.

However the property is developed, it should be run as one large(r) property—i.e. as one large apartment community or one large condominium / townhome development as there will be common shared elements include access, right of way, and landscaping (to name a few).

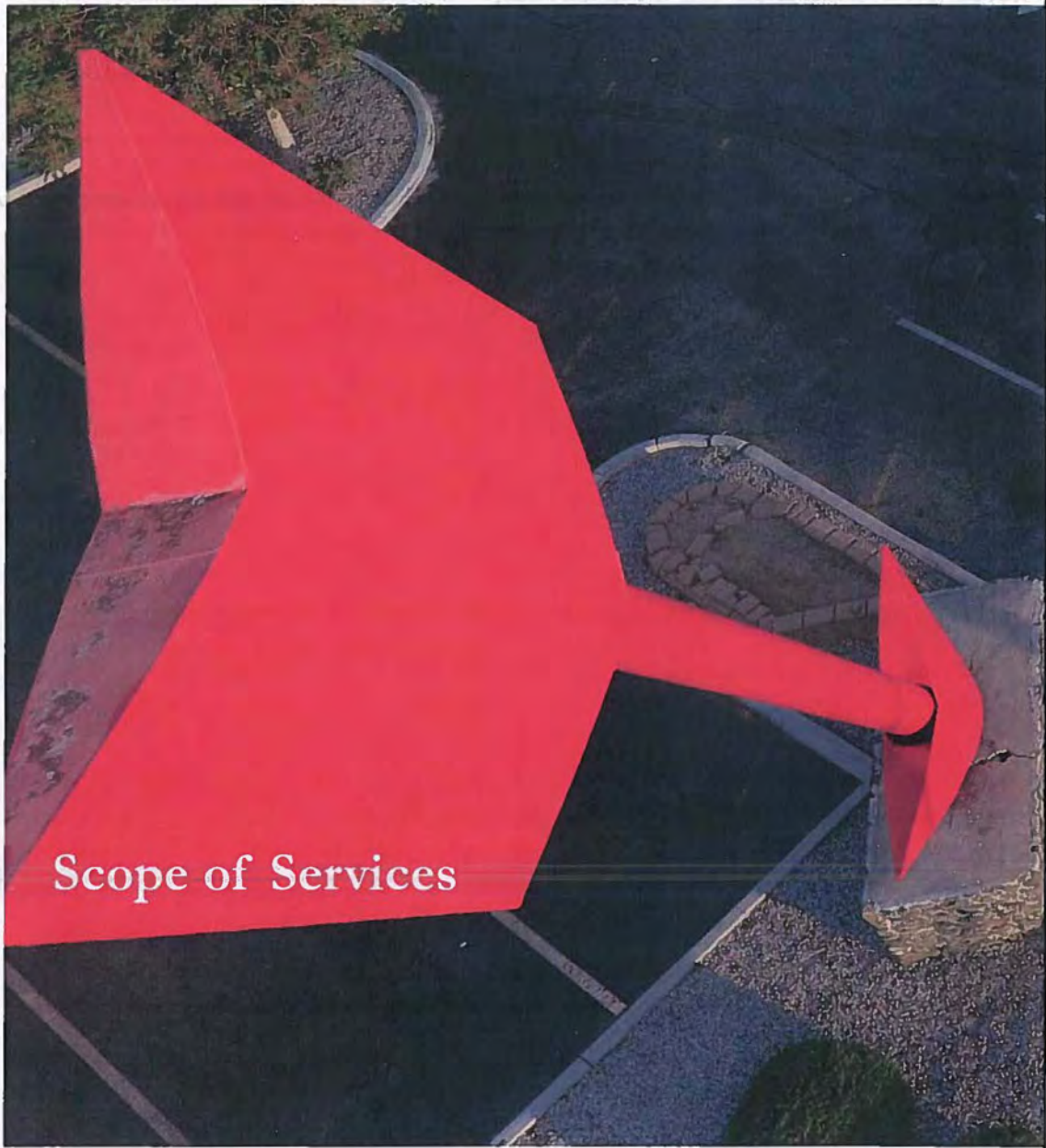
Good examples of Phase I of this development have recently been developed in the Fourth Street corridor at 4322 Fourth NW which is a 24 unit mixed use (4 commercial, 20 residential units) just north of the subject site (photo below).



Development for the area...

Development for the area...

Development for the area...



2

Scope of Services

The City of Albuquerque contracted with Cantera Consultants and Advisors for the following scope of services:

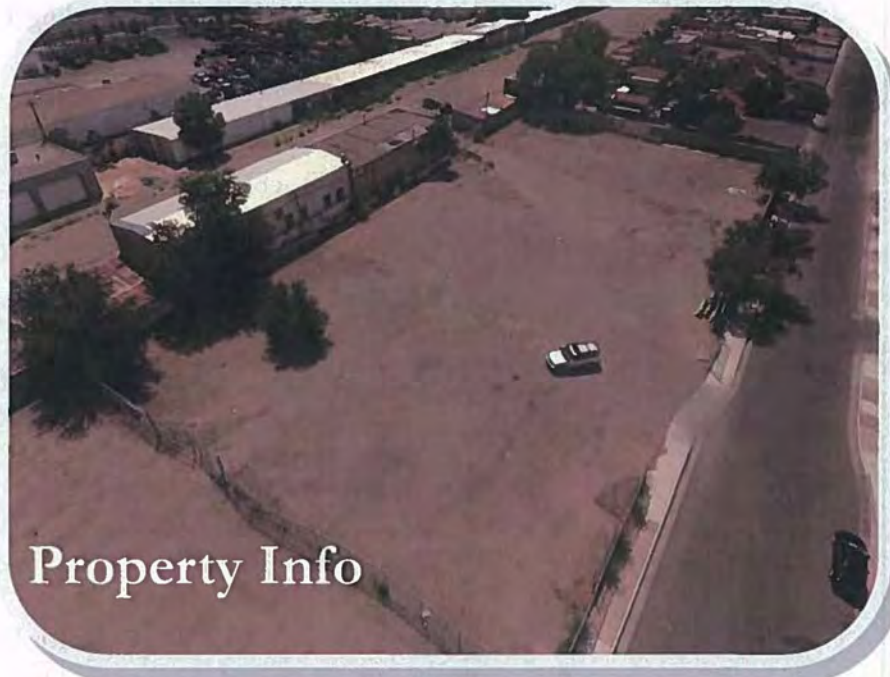
| Phase | Item to complete |
|-------|------------------|
|-------|------------------|

II Develop outlines for project concepts

- Demographics Analysis of primary and secondary trade area
- Convert demographics into GAP (demand-supply) analysis for Single Family Residential
- Convert demographics into GAP (demand-supply) analysis for Multi Family Residential
- Acquire Single Family residential data reports for pipeline
- Determine market viability of product in macro level (ABQ)
- Determine viability of site as it relates to linkages (scoring)
- Identify other communities that compete with subject - provide unit mix, occupancy, and rental rates

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Property Info



Property Information

Suggested Community Name: El Camino Real

Property Address: Fourth Street NW 87107
420 Fitzgerald NW
Fitzgerald NW
3525 Fourth NW Front
3525 Fourth NW Rear

Proposed Number of Units:

Owner: City of Albuquerque

Existing Structures: Five buildings/sheds totaling 118,808 sf

Total Site Size: 0.5510 acres
Missing parcel ?
0.3514 acres
0.3650 acres
0.8356 acres
2.2500 acres
5.0013 acres

Legal: Lots 1, 2, 3, Block 1, Replat of Fitzgerald Addition
& Map 33 Track 90C & Map 33 Track 90B2

UPC: 101406034308740419
101406033008940420
101406032209040422
101406027208540436
101406032807540418

Zoning: C-3 or SU2- NFMX (North Fourth Mixed Use Development)

Sector Plan: North Fourth Street Corridor

Plan Area: North Valley Area

Potential Zoning under proposed Mixed Use Medium

IDO/UDO:

Land Use: Commercial Service

Zone Atlas Page: G14

Neighborhood association: Near North Valley

MAI Summary Appraisal: Performed by American Property in September 22, 2010 indicated a market value of \$1,720,000 with improvements, \$1,416,000 as a vacant site

Phase I Environmental Site Assessment: Performed on November 10, 2014 by X8EVinyard conclusions:
- limited asbestos testing found asbestos in some of the structures
- remove 55 gallon drums
- stained soil to be scraped and removed
- Sub slab vapors require additional testing in Building 5

Geotechnical Investigation: Performed by Vinyard and Associates Inc., in March 2012



Somewhat Walkable

Some errands can be accomplished on foot.



Some Transit

A few nearby public transportation options.



Bikeable

Flat as a pancake, good bike lanes.





Zoning Data
Zone Designated: R-1
Number of Stories: 4

Legal Description
Parcel 1
Parcel 2
Parcel 3

Flood Note
Flood Hazard Zone: X-1



Legend table with symbols for various survey features like boundaries, easements, and structures.

ALTA/ACSM Land Title Survey
Tracts 90-C and 90-B-2
M.R.G.C.D. Map No. 33
Together with Lots 1, 2, and 3, Block 1
Fitzgerald Addition
City of Albuquerque, Bernalillo County, New Mexico
November 2014

Notes Corresponding to Schedule B II

- List of notes corresponding to Schedule B II, detailing survey observations and findings.

Access Note

Access Note text describing the method of access to the survey site.

Notes

- General survey notes providing additional context and details.

Surveyor's Certificate

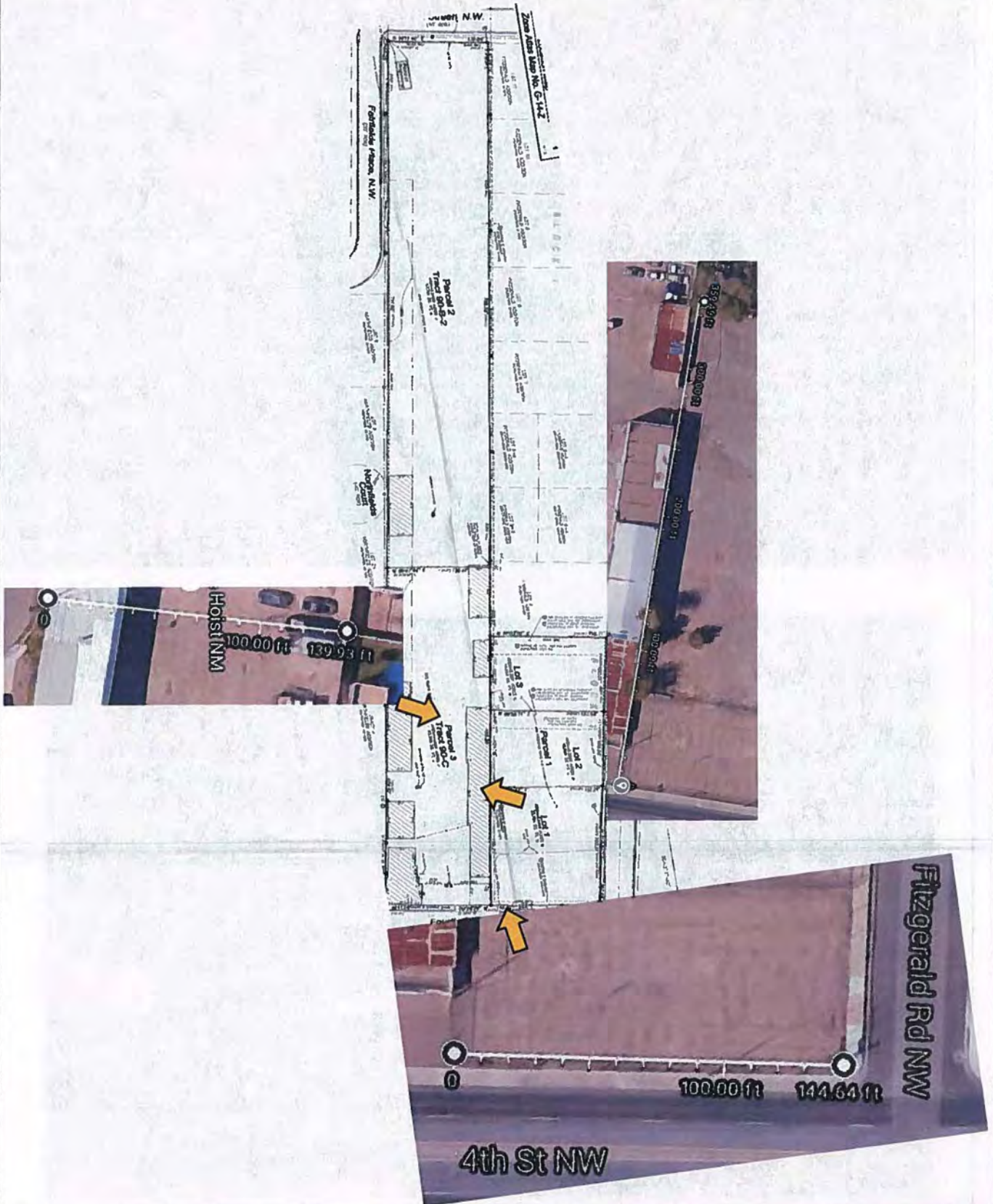
Surveyor's Certificate text, including the signature of the surveyor and the date.

Statement of Encroachments

- Statement of Encroachments text detailing any encroachments found during the survey.



Key Site dimensions





Potential changes in Right of Way



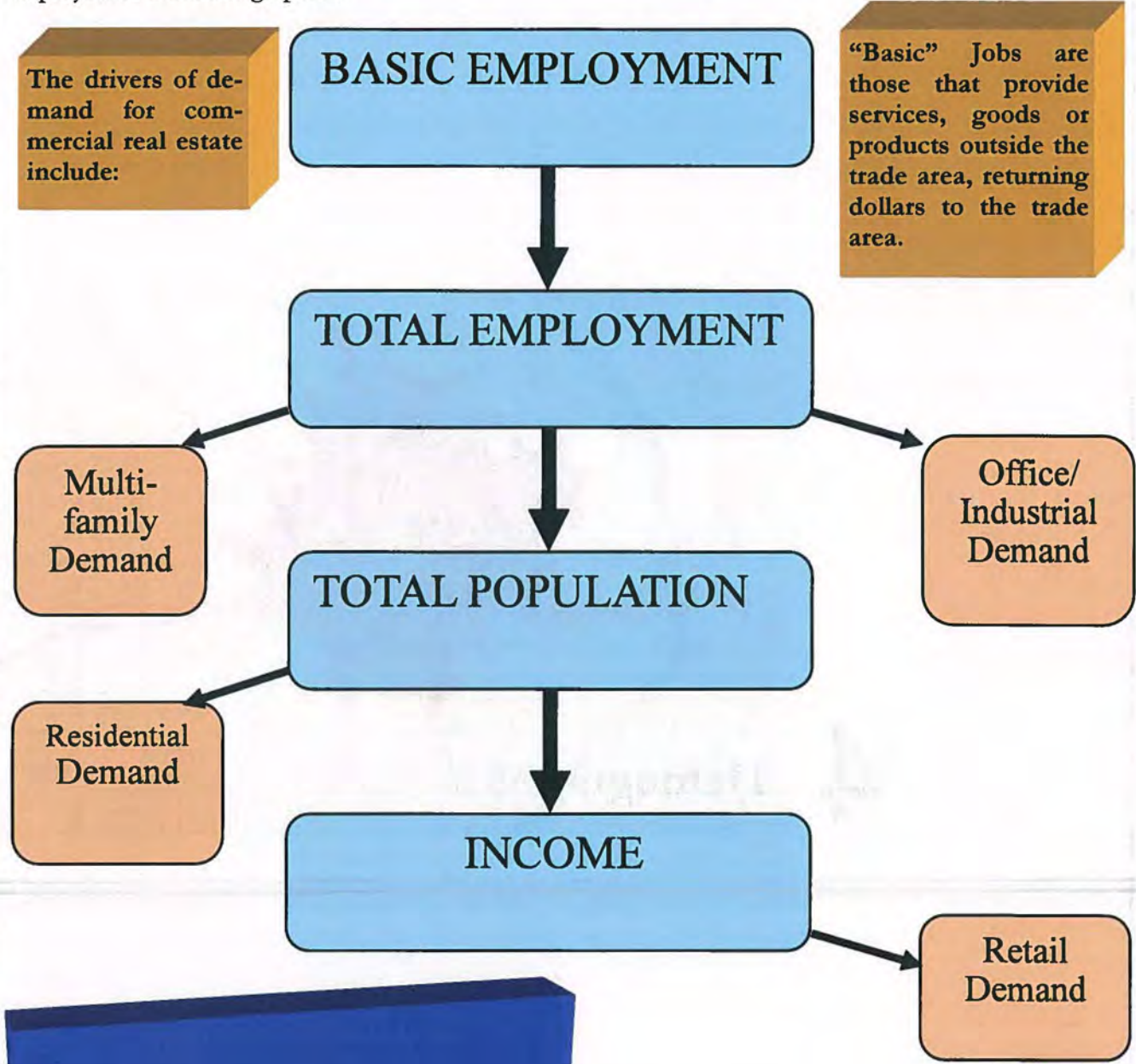
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Demographics



The following pages contains Cantera Consultants & Advisors analysis forecasting future demand and supply for housing in the Albuquerque MSA.

The basic driver for residential demand is employment. The drivers for luxury rental housing are employment and demographics.



The drivers of demand for commercial real estate include:

“Basic” Jobs are those that provide services, goods or products outside the trade area, returning dollars to the trade area.

“THE POINT OF INVESTING IS NOT TO GUESS THE FUTURE, BUT TO ACT ON NEW INFORMATION BEFORE THE WHOLE WORLD POUNCES ON THE IDEA”
TODD G. BULCHOLZ





Mark Lautman
Guest Columnist

Reinventing ECONOMIC DEVELOPMENT

How it really works

I've given you a lot of economic development theory, which I hope has been useful. Now I want to tell you how economic development works and why it's important to create economic base jobs that export goods and services and bring new money into a community.

Without economic base jobs, there would be no service sector economy, which means most people wouldn't have jobs.

The city of Rio Rancho to Albuquerque's north is a classic example of why economic base jobs are important, and how they drive the rest of the economy.

Economic development is about acting to ensure that the economy of a community grows a little faster than its population, or $E > P$.

If a community's economy grows faster than the population, then its households, local businesses and tax-dependent institutions have more money per person each year.

In 1986, the mayor of the then-five-year-old city of Rio Rancho, Grover Nash, showed me a graph indicating the city's service burden (costs) was growing much faster than the tax base (revenue) needed to pay for them. In this case, the community's master developer, AMREP Southwest, was building 1,000 homes a year, causing the city's service burden (population) to grow faster than the tax base (revenue) to pay for it.

The community had almost no economic base, unless, as some suggested, we counted the Willness Protection Program. The fact that 85 percent of Rio Rancho's work force commuted to Albuquerque for jobs, and did most of their shopping there, was the crux of the problem. If something wasn't done fast, the city and the developer were going to be upside down in five years.

Rio Rancho couldn't risk slowing development, because more than half its revenue was coming from the construction and sale of new homes. To survive, it needed to create economic base jobs at a rate of two or three times faster than the population was growing.

Community leaders, the developer and almost every local business owner joined forces to do just that. Over the years, a long list of economic base employers was recruited to Rio Rancho and Sandoval County. Alongside the local effort, equally vital roles were played by state government and neighboring economic development organizations, such as Albuquerque Economic Development.

In the end, though, it was Intel Corp.'s

commitment to the community that saved Rio Rancho, Sandoval County and AMREP from calamity. Intel invested tens of billions of dollars into a 3-million-square-foot facility where up to 10,000 local residents worked at any time. Since nearly all the computer chips manufactured there were purchased by out-of-state customers, the money the plant paid in salaries came from outside the community and made the state, regional and local economies bigger.

When 100 Intel hires got their first paychecks and started spending them, the community's service sector employers suddenly got more business.

As the newly hired went out with their first paychecks, they went to the local bank to open accounts and deposit their checks. They dropped off their cars at Big O Tires to get their tires rotated. They walked over to 4B's Restaurant for lunch, and on the way back to the plant, they stopped by Walgreens to get a battery for their calculator or some Tylenol.

So Ron Smith at United New Mexico Bank had to hire a new account representative and an additional teller. Bob Jancar had to hire an extra tire buster. Steve Kennedy at 4B's had to hire another cook and another waitress. Nobel Sysco, their food supplier, had to buy another delivery truck and hire another driver, and Walgreens had to staff an additional register and hire an additional inventory auditor.

As more people were hired at the plant, new banks, tire stores and restaurants had to be built and staffed. As the number of local commercial businesses increased, store sales and property values (tax base/revenue) increased.

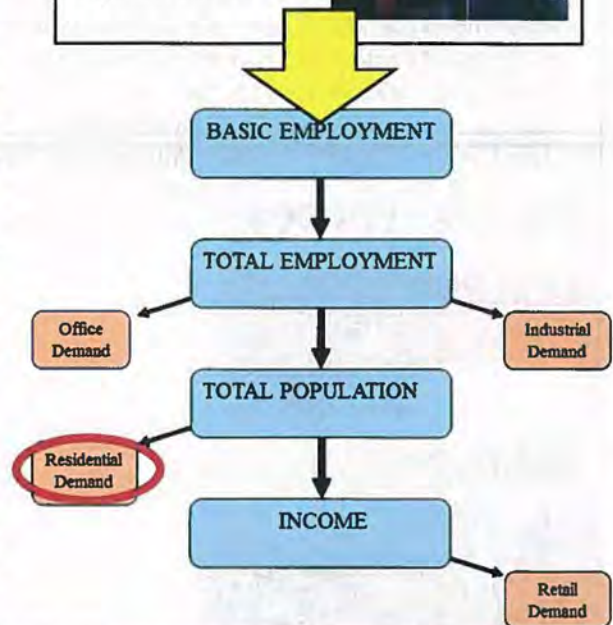
From 1986 to 1996, average household income grew from \$19,000 a year to \$44,000, and land values appreciated dramatically. Commercial property values rose from an average of \$3.50 a square foot to \$12, with some sites going for as much as \$20. With the extra tax base, Rio Rancho and Sandoval County were able to begin controlling their own destiny. In the 10 years that followed, the community continued to grow and improve.

That's economic development.

MARK LAUTMAN is a founding director of the Community Economics Lab, a private, non-profit think tank, and consults as Lautman Economic Architecture. He has three decades of experience in economic development. His column appears monthly in the Business Weekly. Reach him at Lautman123@gmail.com or at www.marklautman.com.



From a bedroom retirement community sold via GlenGary Glen Ross (the movie) to an economic engine for NM



Albuquerque and New Mexico have been on the national radar for the last few years—primarily due to the lack of employment volatility coupled with rising occupancy and rents.

Albuquerque and Rio Rancho continue to garner national attention



Although the rest of the country might know Albuquerque for its award winning TV Show, *Breaking Bad*, astute investors are looking at Albuquerque as the place to invest. With neither a boom or bust mentality, Albuquerque has a strong record of rent increases and a lack of new product. This results in high barriers to entry for competing apartments making multifamily investment a solid choice. Thanks to major employers like Sandia National Laboratories and Intel Albuquerque is home to more PhD's per capita than in any city in North America. Albuquerque has an exceptional quality of living, offering over 147 miles of hiking and biking trails inside the city as well as mile high Sandia mountains, and North America's largest cottonwood forest, Albuquerque is known for its 300+ days of sunshine, skiing and golf in the same day, stunning sunsets, and abundance of outdoor activities, Albuquerque is the amenity for most apartment residents.

Forbes

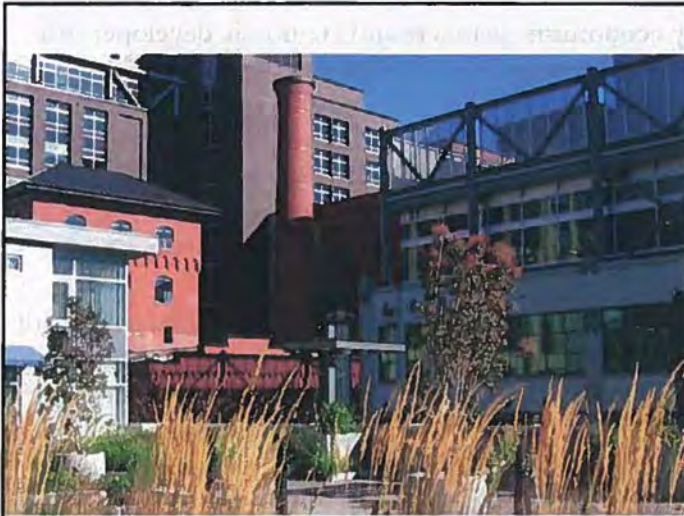
Best Places for Business
#1
ALBUQUERQUE, NEW MEXICO

Forbes

#1 place where home prices are likely to rise



- ✓ **9th best mid-sized city of the Future**
Foreign Direct Investment magazine—03/2015
- ✓ **6th best city to travel to for food snobs**
Travel+Leisure—03/2015
- ✓ **America's best city for Global Trade for Skilled Workforce**
Global Trade magazine—11/2014
- ✓ **3rd best city for rent growth**
All Property Management as reported in ABQ Journal—10/2013
- ✓ **6th best city in US for connecting workers to jobs using Public Transportation**
Brookings Institute—July 2012
- ✓ **One of the 10 best park systems in the nation**
Trust for Public Land—2012
- ✓ **3rd most fittest city**
Men's Fitness Magazine—2012
- ✓ **3rd best city to make movies**
Moviemaker.com—June 2012
- ✓ **Top 25 best places to Retire**
CNNMoney.com—Sept. 2011
- ✓ **15th best city in Bloomberg's Business Week (best cities)**
Bloomberg's Business Week—2011
- ✓ **#17th best bike friendly city**
Bicycling Magazine—2010
- ✓ **Top Ten for Being a Healthy Community**
Outside Magazine—#6—August 2009
- ✓ **One of the Best Cities in the Nation**
Kiplinger Magazine—#2—July 2009
- ✓ **Top 10 places to Live**
U.S. News & World Report—June 2009
- ✓ **AAA rates Albuquerque 2nd in vacation affordability**
American Automobile Association—June 2008
- ✓ **UNM Anderson School Ranked in Global 100**
Aspen Institute, October 2007

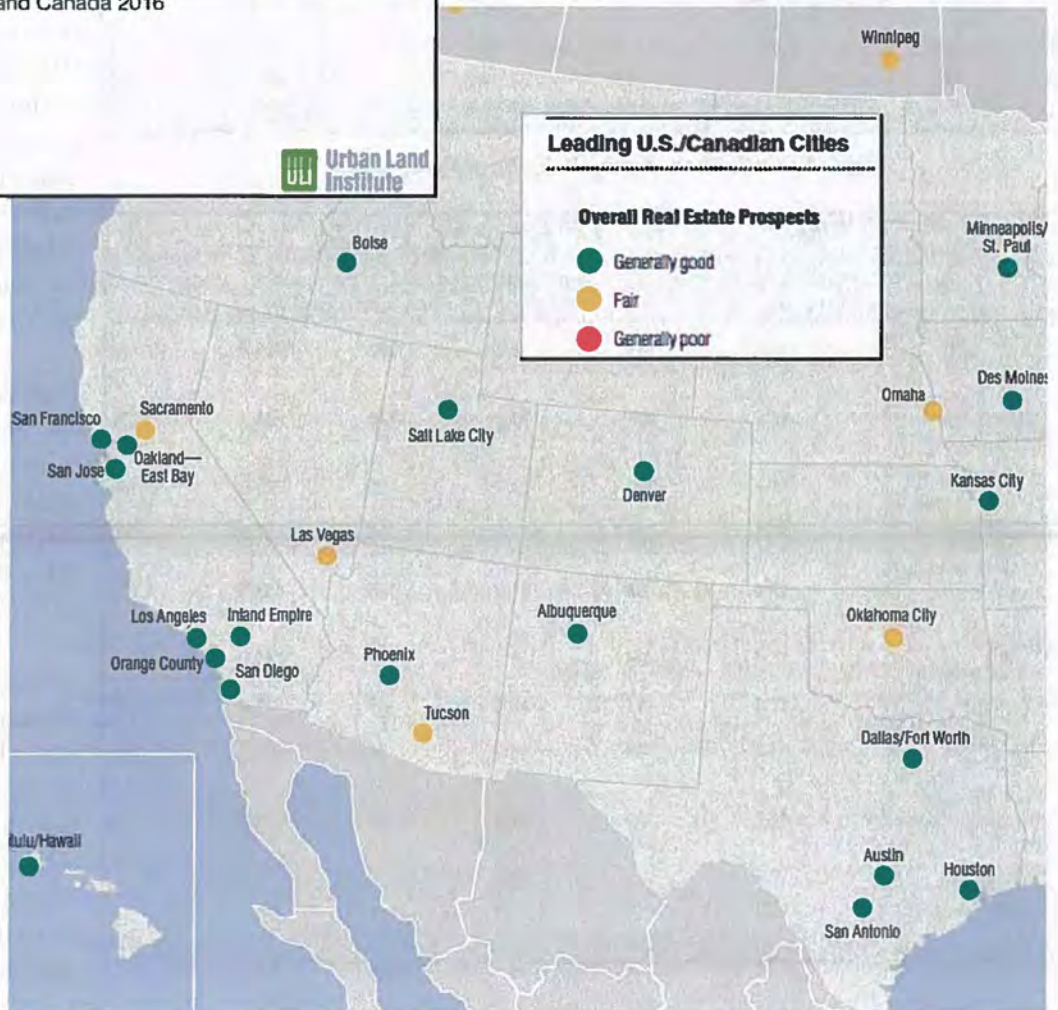


Emerging Trends in Real Estate®

United States and Canada 2016



Investors, developers, and lenders interviewed for the Urban Land Institute's Emerging Trends 2016 report moved Albuquerque's "dot" from yellow to green in 2016, indicating Albuquerque's real estate prospects are "generally good".



Shift-Share analysis is a common technique used by economists, planners and economic developer officials to ascertain a city's competitiveness in different employment sectors. The analysis looks to job growth by sector over two different time periods and nets out of the growth numbers the amount of growth that can be attributed to national growth and growth by that industry. The following tables were created using the University of Georgia's shift-share tool on Sandoval county (FIRPS code 35043) showing

Table 1: Employment Changes in Your Area, 1990 to 2010.

| Sector | Employment, 1990 | Employment, 2010 | Employment Change | Percent Growth, 1990 - 2010 |
|--------------------------------------|------------------|------------------|-------------------|-----------------------------|
| Education and Health Services | 1,415 | 5,356 | 3,941 | 278.5 |
| Trade, Transportation, and Utilities | 1,695 | 5,239 | 3,544 | 209.1 |
| Leisure and Hospitality | 1,092 | 4,964 | 3,872 | 354.6 |
| Manufacturing | 2,543 | 4,123 | 1,580 | 62.1 |
| Public Administration | 537 | 2,350 | 1,813 | 337.6 |
| Professional and Business Services | 356 | 2,315 | 1,959 | 550.3 |
| Construction | 797 | 1,998 | 1,201 | 150.7 |
| Financial Activities | 225 | 1,207 | 982 | 436.4 |
| Information | | 944 | | |
| Other Services | | 484 | | |
| Natural Resources and Mining | 113 | 102 | -11 | -9.7 |
| | 8,773 | 29,082 | 18,881 | |

the growth in employment between 1990 to 2010.

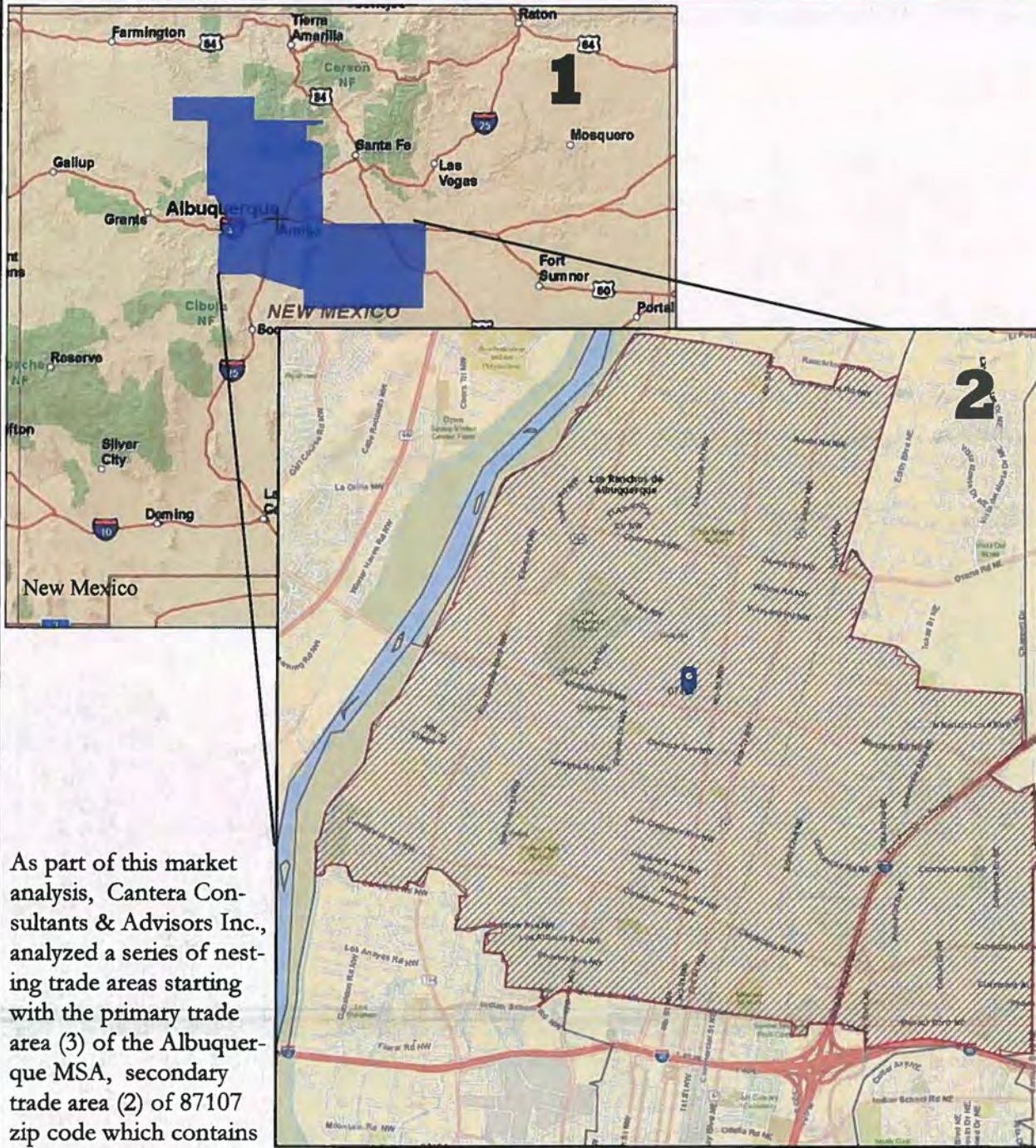
Comparing the competitive share component (jobs) in table 2 with the employment change number in table one indicates that a substantial part of Sandoval County's growth has been due to its own economic competitiveness. (i.e. of the 3,872 new jobs in leisure and hospitality (i.e. tourism and service sector), only 193 of those jobs can be attributed to national growth and only 237 of those jobs to growth in that industry, the balance of 3,442 jobs can be attributed to Sandoval County's competitive advantages.

Table 2: Shift-Share Analysis for Your Area, 1990-2010.

| Sector | National Growth Component, Percent | National Growth Component, Jobs | Industrial Mix Component, Percent | Industrial Mix Component, Jobs | Competitive Share Component, Percent | Competitive Share Component, Jobs |
|--------------------------------------|------------------------------------|---------------------------------|-----------------------------------|--------------------------------|--------------------------------------|-----------------------------------|
| Leisure and Hospitality | 17.7 | 193 | 21.7 | 237 | 315.2 | 3,442 |
| Trade, Transportation, and Utilities | 17.7 | 300 | -10.0 | -170 | 201.4 | 3,414 |
| Education and Health Services | 17.7 | 250 | 37.2 | 526 | 223.6 | 3,165 |
| Manufacturing | 17.7 | 450 | -53.3 | -1,355 | 97.8 | 2,486 |
| Professional and Business Services | 17.7 | 63 | 41.0 | 146 | 491.6 | 1,750 |
| Public Administration | 17.7 | 95 | 0.7 | 4 | 319.2 | 1,714 |
| Construction | 17.7 | 141 | -12.4 | -99 | 145.4 | 1,159 |
| Financial Activities | 17.7 | 40 | -9.2 | -21 | 427.9 | 963 |
| Natural Resources and Mining | 17.7 | 20 | -14.9 | -17 | -12.5 | -14 |
| Information | 17.7 | | -19.5 | | | |
| Other Services | 17.7 | | 7.7 | | | |
| | | 1,552 | | -749 | | 18,079 |

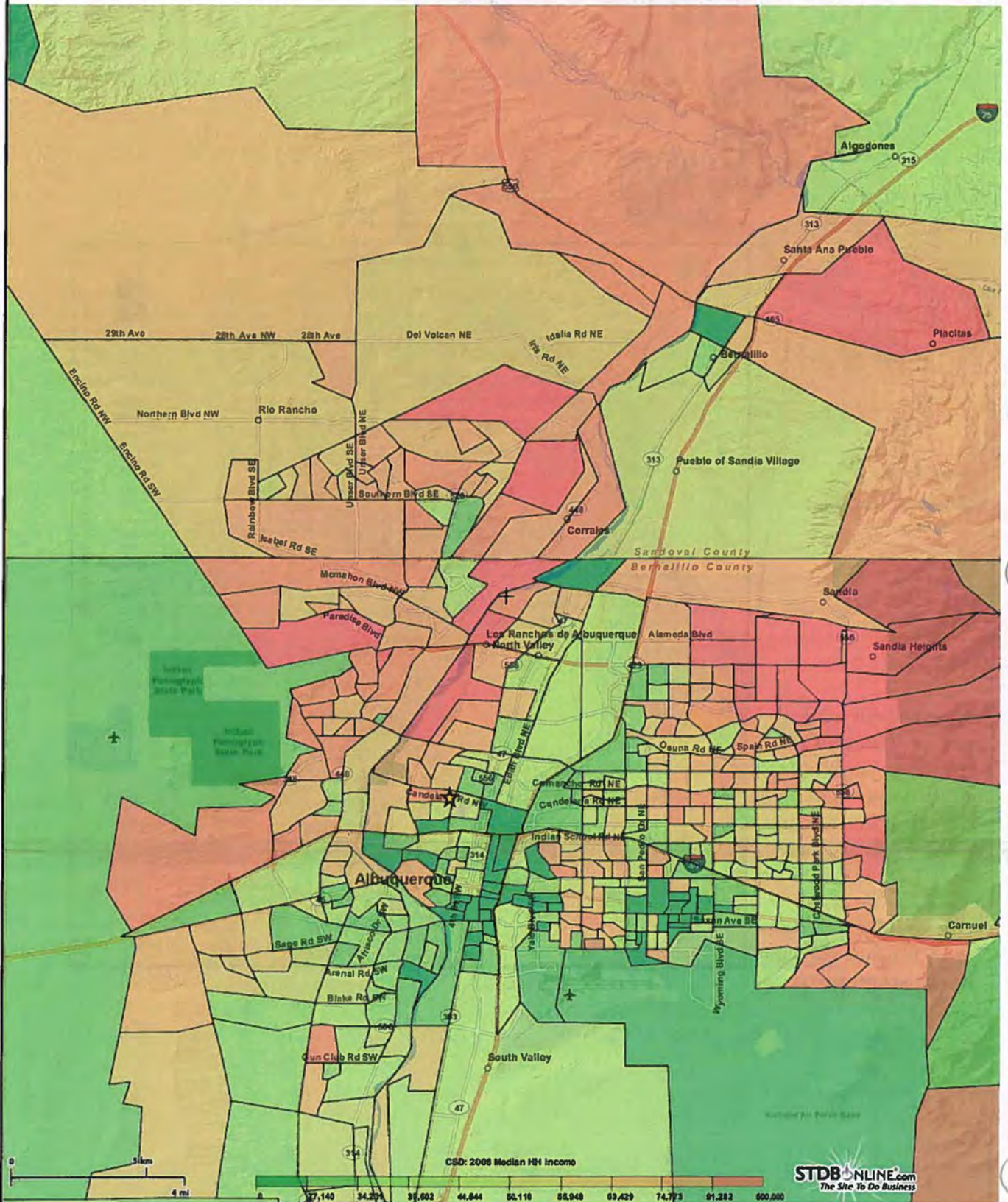
From a multifamily perspective, Rio Rancho added only 1,597 new apartment units between 1990 to 2010, expanding its total multifamily housing supply to 2,725 total units.

Between 1990 to 2010, Rio Rancho grew its employment base 3.3 fold, and only added to its multifamily housing stock 2.41 fold, which is another indicator of a surplus of demand for workforce housing in Rio Rancho.

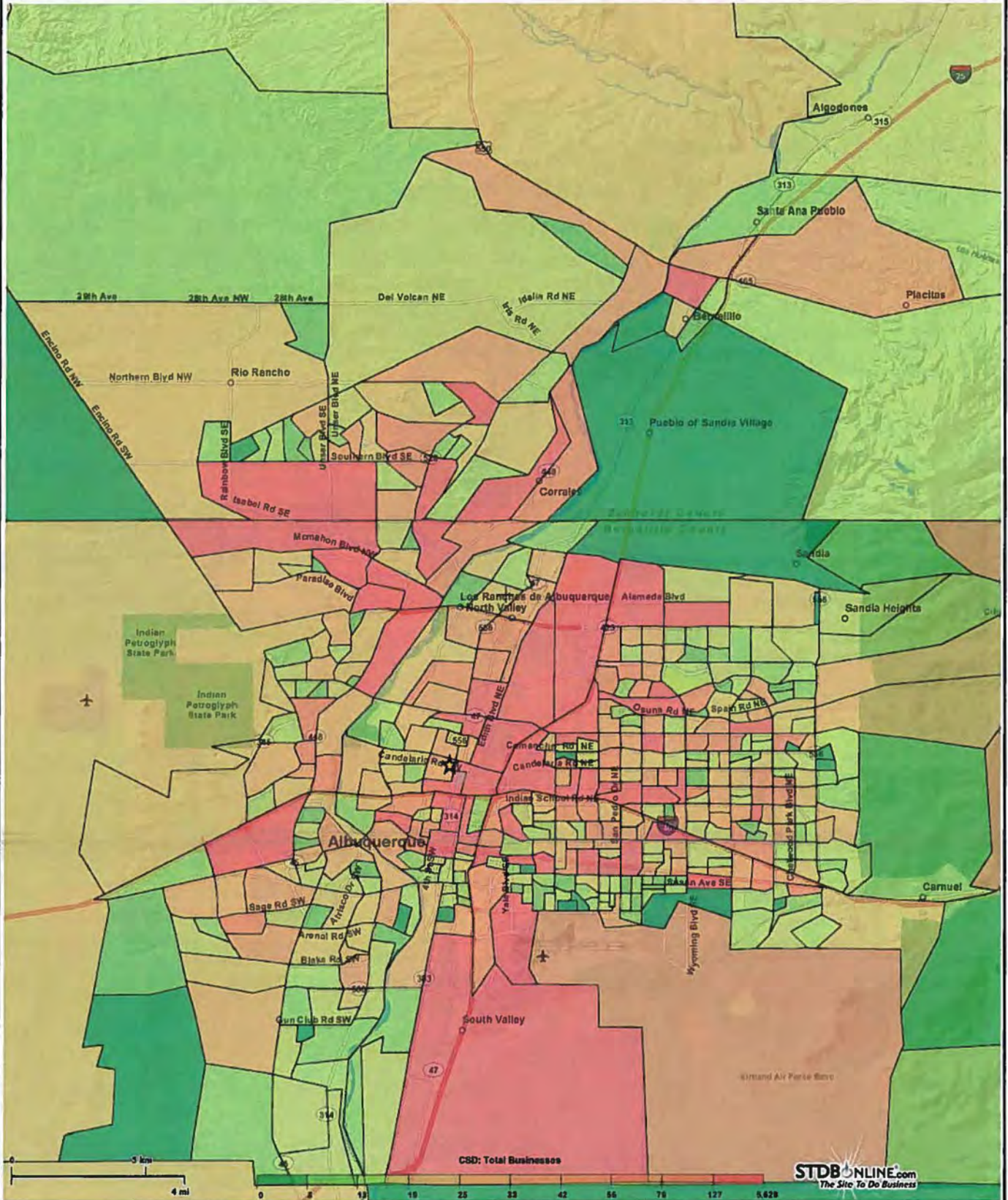


As part of this market analysis, Cantera Consultants & Advisors Inc., analyzed a series of nesting trade areas starting with the primary trade area (3) of the Albuquerque MSA, secondary trade area (2) of 87107 zip code which contains the subject property.

Albuquerque MSA—Median Household Income 2010 (forecast)



Albuquerque MSA—Total # of businesses by census block group



STDB ONLINE.com
The Site To Do Business

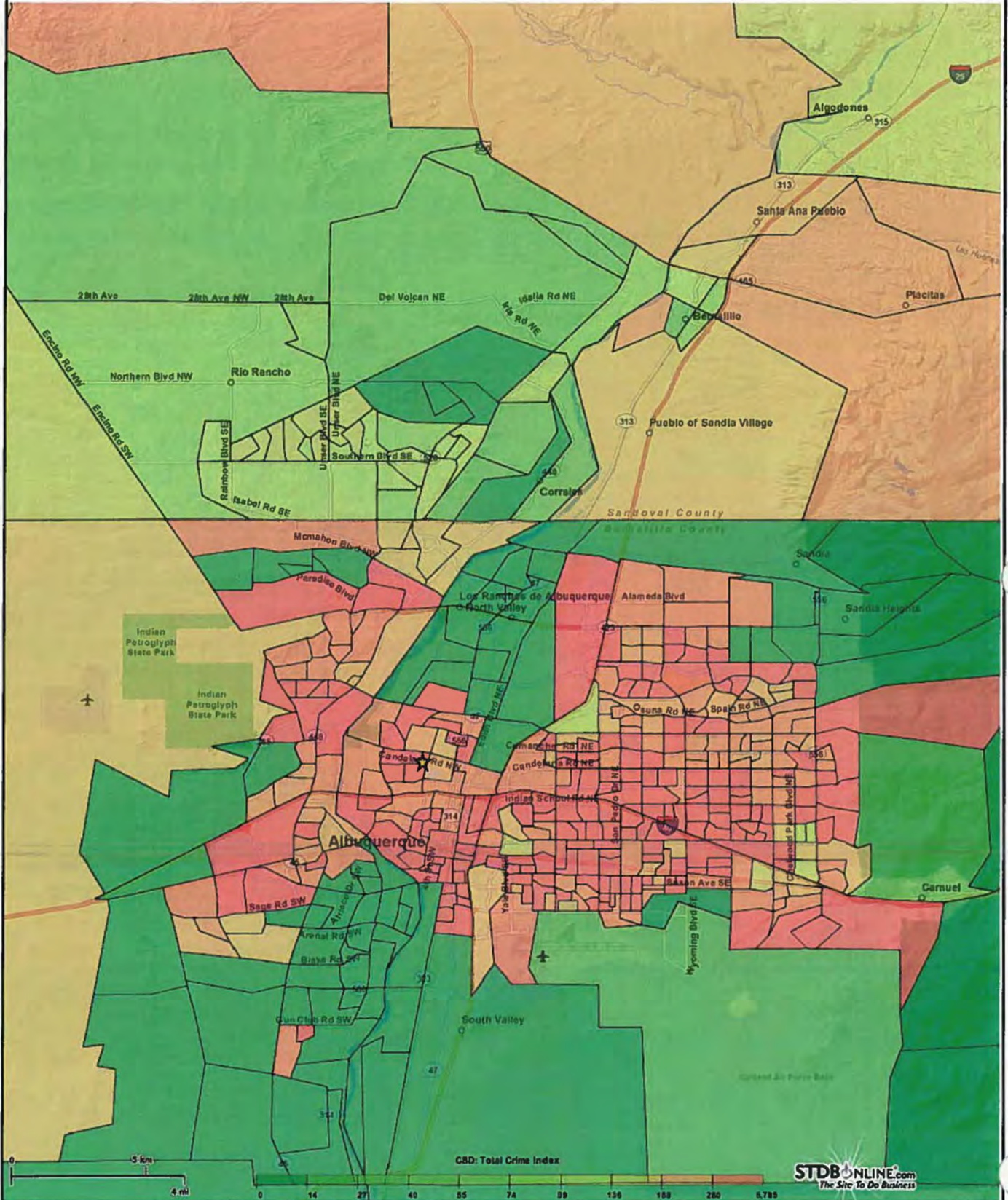


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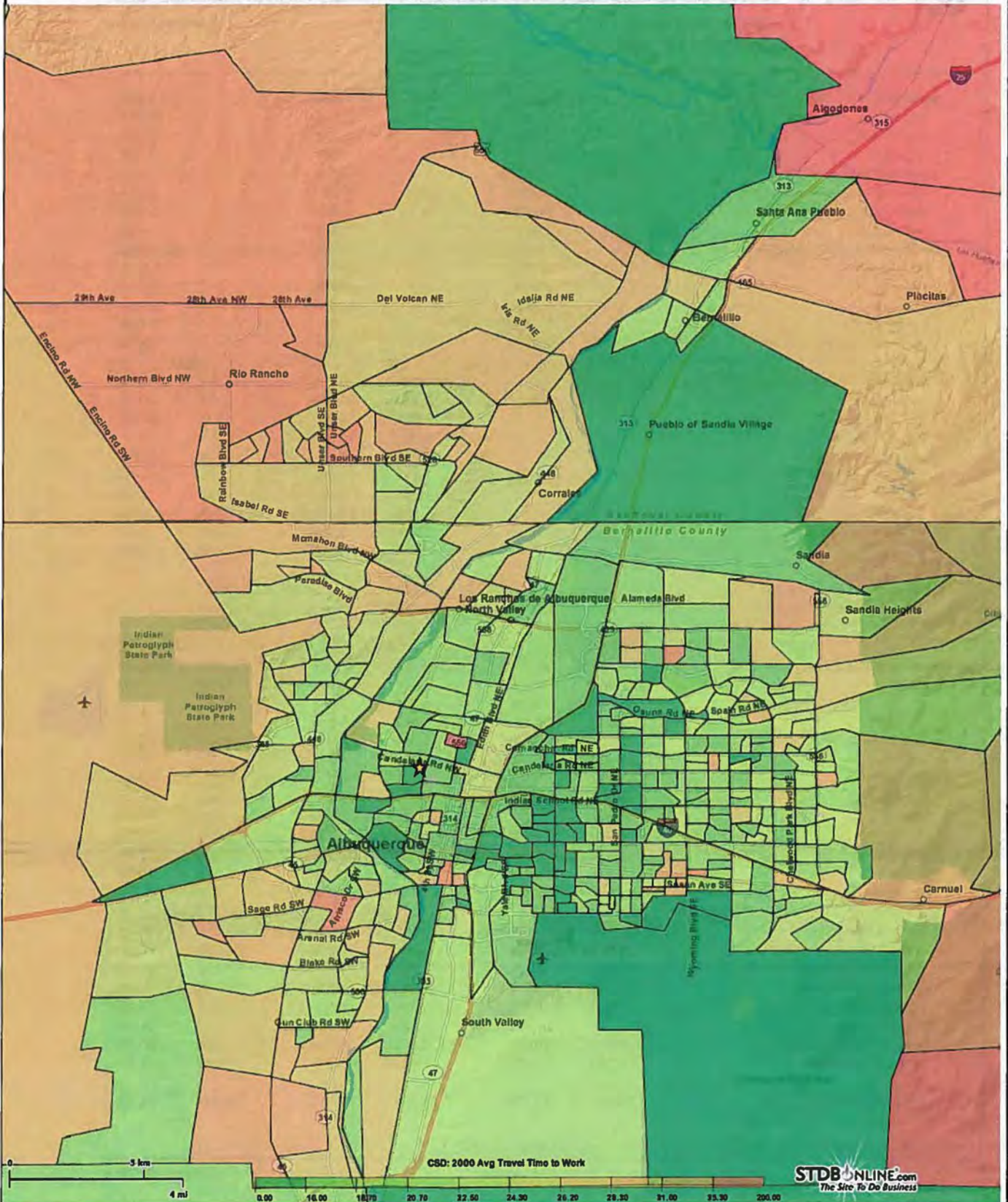


North Fourth Street

Albuquerque MSA—total crime index



Albuquerque MSA—Average Commute time



Demographics— 87107 Zip Code



esri

Demographic and Income Profile

87107 (Albuquerque)
Geography: ZIP Code

Prepared by Esri

| Summary | Census 2010 | 2016 | 2021 | | | |
|---------------------------------|-------------|---------|----------|---------|--------|---------|
| Population | 31,100 | 31,491 | 31,778 | | | |
| Households | 13,109 | 13,232 | 13,335 | | | |
| Families | 7,846 | 7,747 | 7,714 | | | |
| Average Household Size | 2.34 | 2.34 | 2.35 | | | |
| Owner Occupied Housing Units | 8,444 | 8,158 | 8,214 | | | |
| Renter Occupied Housing Units | 4,665 | 5,074 | 5,121 | | | |
| Median Age | 41.0 | 41.8 | 42.4 | | | |
| Trends: 2016 - 2021 Annual Rate | Area | State | National | | | |
| Population | 0.18% | 0.44% | 0.84% | | | |
| Households | 0.16% | 0.41% | 0.79% | | | |
| Families | -0.09% | 0.25% | 0.72% | | | |
| Owner HHs | 0.14% | 0.43% | 0.73% | | | |
| Median Household Income | 1.44% | 1.43% | 1.86% | | | |
| Households by Income | 2016 | | 2021 | | | |
| | Number | Percent | Number | Percent | | |
| <\$15,000 | 2,170 | 16.4% | 2,137 | 16.0% | | |
| \$15,000 - \$24,999 | 2,009 | 15.2% | 2,202 | 16.5% | | |
| \$25,000 - \$34,999 | 1,565 | 11.8% | 1,307 | 9.8% | | |
| \$35,000 - \$49,999 | 1,656 | 12.5% | 1,425 | 10.7% | | |
| \$50,000 - \$74,999 | 2,122 | 16.0% | 2,193 | 16.4% | | |
| \$75,000 - \$99,999 | 1,205 | 9.1% | 1,319 | 9.9% | | |
| \$100,000 - \$149,999 | 1,351 | 10.2% | 1,474 | 11.1% | | |
| \$150,000 - \$199,999 | 518 | 3.9% | 584 | 4.4% | | |
| \$200,000+ | 636 | 4.8% | 694 | 5.2% | | |
| Median Household Income | \$41,764 | | \$44,853 | | | |
| Average Household Income | \$66,063 | | \$70,794 | | | |
| Per Capita Income | \$28,087 | | \$30,033 | | | |
| Population by Age | Census 2010 | | 2016 | | 2021 | |
| | Number | Percent | Number | Percent | Number | Percent |
| 0 - 4 | 1,867 | 6.0% | 1,772 | 5.6% | 1,786 | 5.6% |
| 5 - 9 | 1,897 | 6.1% | 1,845 | 5.9% | 1,791 | 5.6% |
| 10 - 14 | 1,829 | 5.9% | 1,802 | 5.7% | 1,826 | 5.7% |
| 15 - 19 | 2,080 | 6.7% | 1,966 | 6.2% | 1,921 | 6.0% |
| 20 - 24 | 1,922 | 6.2% | 1,907 | 6.1% | 1,785 | 5.6% |
| 25 - 34 | 3,816 | 12.3% | 3,996 | 12.7% | 3,981 | 12.5% |
| 35 - 44 | 3,636 | 11.7% | 3,618 | 11.5% | 3,786 | 11.9% |
| 45 - 54 | 4,731 | 15.2% | 4,086 | 13.0% | 3,747 | 11.8% |
| 55 - 64 | 4,578 | 14.7% | 4,860 | 15.4% | 4,636 | 14.6% |
| 65 - 74 | 2,672 | 8.6% | 3,363 | 10.7% | 3,990 | 12.6% |
| 75 - 84 | 1,471 | 4.7% | 1,622 | 5.2% | 1,878 | 5.9% |
| 85+ | 601 | 1.9% | 654 | 2.1% | 651 | 2.0% |
| Race and Ethnicity | Census 2010 | | 2016 | | 2021 | |
| | Number | Percent | Number | Percent | Number | Percent |
| White Alone | 21,885 | 70.4% | 21,667 | 68.8% | 21,539 | 67.8% |
| Black Alone | 422 | 1.4% | 428 | 1.4% | 432 | 1.4% |
| American Indian Alone | 1,231 | 4.0% | 1,311 | 4.2% | 1,389 | 4.4% |
| Asian Alone | 223 | 0.7% | 247 | 0.8% | 268 | 0.8% |
| Pacific Islander Alone | 25 | 0.1% | 25 | 0.1% | 25 | 0.1% |
| Some Other Race Alone | 5,975 | 19.2% | 6,378 | 20.3% | 6,625 | 20.8% |
| Two or More Races | 1,339 | 4.3% | 1,435 | 4.6% | 1,500 | 4.7% |
| Hispanic Origin (Any Race) | 17,631 | 56.7% | 18,631 | 59.2% | 19,487 | 61.3% |

Data Note: Income is expressed in current dollars.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021.

August 28, 2016



68



North Fourth Street

Demographics- 87107 Zip Code



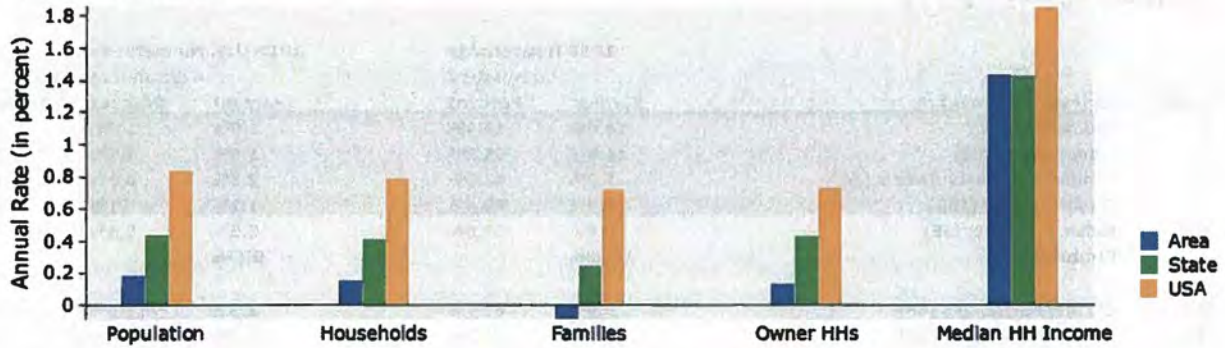
esri

Demographic and Income Profile

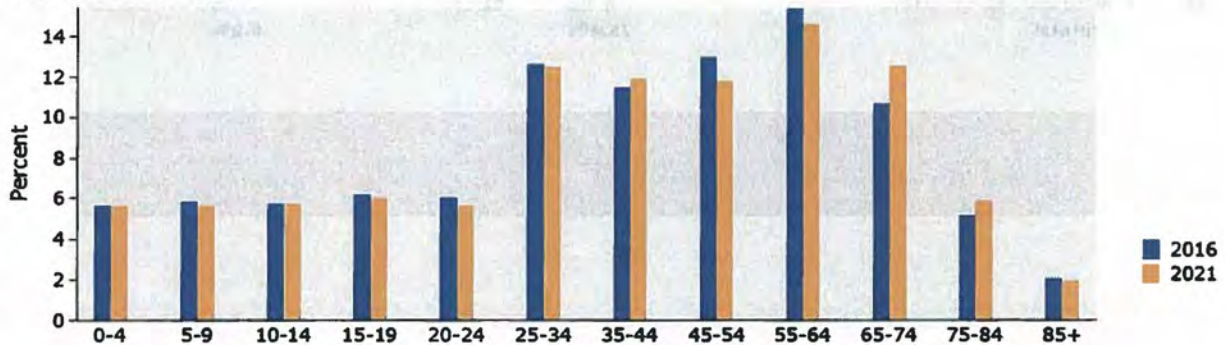
87107 (Albuquerque)
Geography: ZIP Code

Prepared by Esri

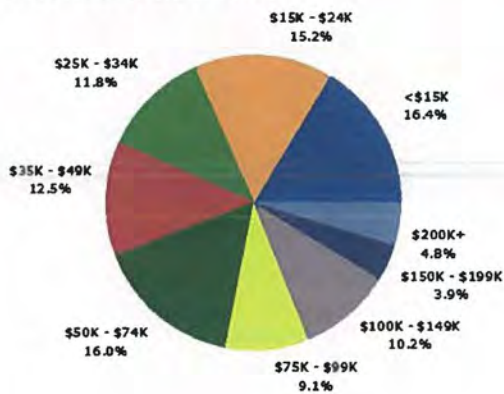
Trends 2016-2021



Population by Age



2016 Household Income



2016 Population by Race



2016 Percent Hispanic 59.2%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021.

August 28, 2016





Tapestry Segmentation Area Profile

87107 (Albuquerque)
Geography: ZIP Code

Prepared by Esri

Top Twenty Tapestry Segments

| Rank | Tapestry Segment | 2016 Households | | 2016 U.S. Households | | Index |
|------|--------------------------------|-----------------|--------------------|----------------------|--------------------|-------|
| | | Percent | Cumulative Percent | Percent | Cumulative Percent | |
| 1 | Exurbanites (1E) | 18.4% | 18.4% | 1.9% | 1.9% | 946 |
| 2 | Front Porches (8E) | 16.8% | 35.2% | 1.6% | 3.5% | 1,048 |
| 3 | Comfortable Empty Nesters (5A) | 7.3% | 42.5% | 2.5% | 6.0% | 295 |
| 4 | Down the Road (10D) | 6.9% | 49.4% | 1.1% | 7.1% | 601 |
| 5 | Midlife Constants (5E) | 6.4% | 55.8% | 2.5% | 9.6% | 253 |
| | Subtotal | | 55.8% | | 9.6% | |
| 6 | Old and Newcomers (8F) | 5.9% | 61.7% | 2.3% | 11.9% | 252 |
| 7 | The Great Outdoors (6C) | 5.0% | 66.7% | 1.6% | 13.5% | 324 |
| 8 | Set to Impress (11D) | 5.0% | 71.7% | 1.4% | 14.9% | 359 |
| 9 | Rustbelt Traditions (5D) | 4.8% | 76.5% | 2.2% | 17.1% | 217 |
| 10 | Young and Restless (11B) | 4.7% | 81.2% | 1.7% | 18.8% | 277 |
| | Subtotal | | 25.4% | | 9.2% | |





LifeMode Group: Affluent Estates

Exurbanites

1E

18.4%

Households: 2,320,000

Average Household Size: 2.48

Median Age: 49.6

Median Household Income: \$98,000

WHO ARE WE?

Ten years later, *Exurbanites* residents are now approaching retirement but showing few signs of slowing down. They are active in their communities, generous in their donations, and seasoned travelers. They take advantage of their proximity to large metropolitan centers to support the arts, but prefer a more expansive home style in less crowded neighborhoods. They have cultivated a lifestyle that is both affluent and urbane.

OUR NEIGHBORHOOD

- Established neighborhoods (most built between 1970 and 1990) found in the suburban periphery of large metropolitan markets.
- A larger market of empty nesters, married couples with no children; average household size is 2.48.
- Primarily single-family homes with a high median value of \$346,000 (Index 195), most still carrying mortgages.
- Higher vacancy rate at 9%.

SOCIOECONOMIC TRAITS

- Residents are college educated; more than half have a bachelor's degree or higher; almost 80% have some college education.
- This labor force is beginning to retire. 1 in 3 households currently receive Social Security or retirement income. Labor force participation has declined to less than 60% (Index 94).
- Unemployment remains low at 5.5% (Index 64); more of the residents prefer self-employment (Index 184) or working from home (Index 181).
- Consumers are more interested in quality than cost. They take pride in their homes and foster a sense of personal style.
- *Exurbanites* residents are well connected, using the Internet for everything from shopping to managing their finances.
- Sociable and hardworking, they still find time to stay physically fit.



TAPESTRY
SEGMENTATION
esri.com/tapestry

Note: The Index represents the ratio of the segment rate to the US rate multiplied by 100. Consumer preferences are estimated from data by GfK MR.



LifeMode Group: Middle Ground Front Porches

8E

Households: 1,910,000
Average Household Size: 2.55
Median Age: 34.2
Median Household Income: \$39,000

16.8%

WHO ARE WE?

Front Porches blends household types, with more young families with children or single households than average. This group is also more diverse than the US. Half of householders are renters, and many of the homes are older town homes or duplexes. Friends and family are central to Front Porches residents and help to influence household buying decisions. Residents enjoy their automobiles and like cars that are fun to drive. Income and net worth are well below the US average, and many families have taken out loans to make ends meet.

OUR NEIGHBORHOOD

- Nearly one in five homes is a duplex, triplex, or quad; half are older single-family dwellings.
- Just over half the homes are occupied by renters.
- Older, established neighborhoods; three quarters of all homes were built before 1980.
- Single-parent families or singles living alone make up almost half of the households.

SOCIOECONOMIC TRAITS

- Composed of a blue-collar work force with a strong labor force participation rate, but unemployment is high at 11%.
- Price is more important than brand names or style to these consumers.
- With limited incomes, these are not adventurous shoppers.
- They would rather cook a meal at home than dine out.
- They seek adventure and strive to have fun.



Note: The Index represents the ratio of the segment rate to the US rate multiplied by 100. Consumer preferences are estimated from data by GfK MRI.



LifeMode Group: GenXurban

Comfortable Empty Nesters

5A

Households: 2,973,000

Average Household Size: 2.50

Median Age: 46.8

Median Household Income: \$68,000

7.3%

WHO ARE WE?

Residents in this large, growing segment are older, with more than half of all householders aged 55 or older; many still live in the suburbs where they grew up. Most are professionals working in government, health care, or manufacturing. These Baby Boomers are earning a comfortable living and benefitting from years of prudent investing and saving. Their net worth is well above average (Index 363). Many are enjoying the transition from child rearing to retirement. They value their health and financial well-being.

OUR NEIGHBORHOOD

- Married couples, some with children, but most without (Index 149).
- Average household size slightly lower at 2.50.
- Found throughout the suburbs and small towns of metropolitan areas, where most residents own and live in single-family detached homes (Index 142).
- Most homes built between 1950 and 1990 (Index 129).
- Households generally have one or two vehicles.

SOCIOECONOMIC TRAITS

- Education: 34% college graduates; nearly 66% with some college education.
- Low unemployment at 7%; average labor force participation at 61%.
- Most households income from wages or salaries, but a third also draw income from investments (Index 154) and retirement (Index 166).
- *Comfortable Empty Nesters* residents physically and financially active.
- Prefer eating at home instead of dining out.
- Home maintenance a priority among these homeowners.



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Note: The Index represents the ratio of the segment rate to the US rate multiplied by 100. Consumer preferences are estimated from data by GK MRI.



LifeMode Group: Rustic Outposts Down the Road

10D

Households: 1,354,000
Average Household Size: 2.74
Median Age: 34.3
Median Household Income: \$36,000

6.9%

WHO ARE WE?

Down the Road is a mix of low-density, semirural neighborhoods in large metropolitan areas; half are located in the South, with the rest chiefly in the West and Midwest. Almost half of householders live in mobile homes; approximately two-fifths live in single-family homes. These are younger, diverse communities, with the highest proportion of American Indians of any segment. These family-oriented consumers value their traditions. Workers are in service, retail trade, manufacturing, and construction industries, with higher proportions in agriculture and mining, compared to the US. This market has higher unemployment, much lower median household income and home value, and a fifth of households with income below poverty level.

OUR NEIGHBORHOOD

- Two-thirds of households are owned.
- Family market, primarily married couples or single-parent households (Index 145).
- Close to half of all households live in mobile homes (Index 808).
- Four-fifths of households were built in 1970 or later.
- About 18% of owned homes are valued under \$50,000 (over 3 times the US percentage).

SOCIOECONOMIC TRAITS

- Education completed: 37% with a high school diploma only, 38% with some college education or a degree.
- Unemployment rate is 11.6%, higher than the US rate.
- Labor force participation rate is 59.6%, slightly lower than the US.
- Family-oriented, outgoing consumers; they place importance on preserving time-honored customs.
- They put a premium on convenience rather than health and nutrition.



Note: The Index represents the ratio of the segment rate to the US rate multiplied by 100. Consumer preferences are estimated from data by GfK MRI.



LifeMode Group: GenXurban

Midlife Constants

5E

Households: 3,043,000

Average Household Size: 2.30

Median Age: 45.9

Median Household Income: \$48,000

6.4%

WHO ARE WE?

Midlife Constants residents are seniors, at or approaching retirement, with below average labor force participation and above average net worth. Although located in predominantly metropolitan areas, they live outside the central cities, in smaller communities. Their lifestyle is more country than urban. They are generous, but not spendthrifts.

OUR NEIGHBORHOOD

- Older homes (most built before 1980) found in the suburban periphery of smaller metropolitan markets.
- Primarily married couples, with a growing share of singles.
- Settled neighborhoods with slow rates of change and residents that have lived in the same house for years.
- Single-family homes, less than half still mortgaged, with a median home value of \$141,000 (Index 80).

SOCIOECONOMIC TRAITS

- Education: 64% have a high school diploma or some college.
- Unemployment is lower in this market at 7.4% (Index 86), but so is the labor force participation rate (Index 89).
- Almost 42% of households are receiving Social Security (Index 150); 28% also receive retirement income (Index 160).
- Traditional, not trendy; opt for convenience and comfort, not cutting-edge. Technology has its uses, but the bells and whistles are a bother.
- Attentive to price, but not at the expense of quality, they prefer to buy American and natural products.
- Radio and newspapers are the media of choice (after television).



**TAPESTRY
SEGMENTATION**

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Note: The Index represents the ratio of the segment rate to the US rate multiplied by 100. Consumer preferences are estimated from data by GfK MR.

NET ABSORPTION

ASKING RENT

| BY SUBMARKET | TOTAL SF | VACANT SF | VACANT % | AVAILABLE % | CURRENT QTR | YTD ABS | UNDER CONSTRUCTION SF | ASKING RENT | |
|-----------------------|-------------------|------------------|--------------|--------------|----------------|---------------|--------------------------|----------------|----------------|
| | | | | | | | | CLASS A | CLASS B |
| DOWNTOWN | 3,158,324 | 703,314 | 22.3% | 23.7% | (1,380) | 58,538 | - | \$20.25 | \$14.96 |
| CBD TOTAL | 3,158,324 | 703,314 | 22.3% | 23.7% | (1,380) | 58,538 | - | \$20.25 | \$14.96 |
| AIRPORT | 1,291,061 | 474,492 | 36.8% | 36.3% | 1,070 | (2,205) | - | | \$13.56 |
| FAR NORTHEAST HEIGHTS | 955,774 | 109,159 | 11.4% | 12.2% | (7,694) | (111) | - | | \$14.10 |
| MESA DEL SOL | 271,052 | 43,695 | 16.1% | 16.1% | - | - | - | | - |
| NORTH I-25 | 3,346,826 | 599,581 | 17.6% | 23.0% | 37,422 | (114,874) | - | \$22.50 | \$16.87 |
| NORTHEAST HEIGHTS | 855,300 | 123,543 | 14.4% | 22.2% | 4,232 | 35,875 | - | | \$15.22 |
| RIO RANCHO | 616,578 | 35,633 | 5.8% | 20.5% | - | 33,049 | - | | \$19.30 |
| SOUTHEAST HEIGHTS | 595,167 | 103,654 | 17.4% | 11.5% | - | 8,500 | - | | \$14.01 |
| UNIVERSITY | 915,514 | 182,412 | 19.9% | 28.8% | - | 30,856 | - | | \$14.92 |
| UPTOWN | 1,790,502 | 332,338 | 18.6% | 29.0% | 7,056 | 36,989 | - | \$18.56 | \$16.26 |
| WEST MESA | 327,754 | 110,991 | 33.9% | 29.6% | 1,000 | 5,511 | - | | \$16.95 |
| SUBURBAN TOTAL | 10,965,528 | 2,105,498 | 19.2% | 24.8% | 43,086 | 33,590 | - | \$20.95 | \$15.93 |
| TOTALS | 14,123,852 | 2,808,812 | 19.9% | 24.2% | 41,706 | 92,128 | - | \$20.64 | \$15.82 |

AVAILABLE FOR SUBLEASE

| BY CLASS | TOTAL SF | VACANT SF | VACANT % | AVAILABLE % | CURRENT QTR | YTD ABS | UNDER CONSTRUCTION SF | AVAILABLE FOR SUBLEASE | |
|---------------|-------------------|------------------|--------------|--------------|---------------|---------------|--------------------------|------------------------|----------------|
| | | | | | | | | CBD | SUBURBAN |
| CLASS A | 1,386,055 | 216,454 | 15.6% | 13.3% | 26,827 | (45,726) | - | - | 53,168 |
| CLASS B | 9,675,353 | 1,958,949 | 20.2% | 26.0% | 18,670 | 125,924 | - | 2,132 | 114,457 |
| CLASS C | 3,062,444 | 633,409 | 20.7% | 23.3% | (3,791) | 11,930 | - | - | 3,755 |
| TOTALS | 14,123,852 | 2,808,812 | 19.9% | 24.2% | 41,706 | 92,128 | - | 2,132 | 171,380 |

With an average vacancy is 19.2% Albuquerque's office market is very weak, but only in particular submarkets. The north valley is relatively small submarket and not tracked.



NET ABSORPTION

ASKING RENT

| SUBMARKET | TOTAL SF | VACANT SF | VACANCY | AVAILABLE % | CURRENT QTR | YEAR TO DATE | CONSTRUCTION SF | NEIGHBORHOOD | POWER |
|-----------------------|-------------------|------------------|-------------|-------------|--------------|----------------|-----------------|----------------|----------------|
| Cottonwood | 4,116,871 | 122,448 | 3.0% | 2.6% | (14,228) | 26,881 | - | \$14.35 | \$20.00 |
| Downtown | 615,694 | 158,794 | 25.8% | 19.8% | - | (10,000) | 22,554 | - | - |
| Far Northeast Heights | 3,966,193 | 235,096 | 5.9% | 9.3% | (36,356) | (6,484) | - | \$16.13 | - |
| North I-25 | 3,273,804 | 159,911 | 4.9% | 5.0% | 2,400 | (83,510) | - | \$10.69 | - |
| North Valley | 1,000,058 | 91,100 | 9.1% | 7.6% | (2,293) | (7,190) | - | - | - |
| Northeast Heights | 4,357,565 | 293,283 | 6.7% | 4.8% | 19,979 | 106,020 | - | \$11.76 | - |
| Rio Rancho | 2,156,804 | 37,369 | 1.7% | 4.3% | (9,880) | 211,663 | 11,000 | \$13.26 | - |
| South Valley | 1,155,944 | 187,679 | 16.2% | 26.1% | 45,652 | 31,677 | 74,740 | \$13.16 | - |
| Southeast Heights | 2,943,164 | 198,038 | 6.7% | 8.7% | 2,385 | 59,383 | - | \$11.34 | - |
| University | 1,040,804 | 46,619 | 4.5% | 6.2% | (4,450) | (489) | - | \$8.55 | - |
| Uptown | 2,276,718 | 172,216 | 7.6% | 3.5% | (1,983) | 8,657 | 118,000 | - | - |
| West Mesa | 2,115,010 | 74,499 | 3.5% | 6.9% | 1,406 | 10,665 | 41,117 | \$19.90 | \$14.00 |
| Total | 29,018,629 | 1,777,052 | 6.1% | 6.9% | 2,632 | 347,273 | 267,411 | \$14.85 | \$16.20 |

ASKING RENT

| BY PROPERTY TYPE | TOTAL SF | VACANT SF | VACANCY | AVAILABLE % | CURRENT QTR | YEAR TO DATE | CONSTRUCTION SF | RENT |
|------------------|-------------------|------------------|-------------|-------------|--------------|----------------|-----------------|----------------|
| Community | 2,256,713 | 135,583 | 6.0% | 8.3% | - | (2,400) | - | \$17.90 |
| Free-standing | 8,497,186 | 190,736 | 2.2% | 3.6% | 39,923 | (3,795) | 88,117 | \$13.82 |
| Neighborhood | 7,105,232 | 824,582 | 11.6% | 10.5% | (50,173) | 79,524 | - | \$14.85 |
| Power | 1,424,623 | (60,938) | -4.3% | -5.6% | 4,050 | 234,203 | - | \$16.20 |
| Showroom | 2,043,801 | 15,938 | 0.8% | 3.7% | - | 2,272 | - | \$9.52 |
| Specialty/Theme | 219,876 | 31,556 | 14.4% | 0.0% | - | 6,958 | 118,000 | \$44.50 |
| Strip | 4,976,420 | 400,897 | 8.1% | 9.2% | 11,543 | 7,458 | 61,294 | \$12.09 |
| Super Regional | 2,190,336 | 146,767 | 6.7% | 7.8% | (2,711) | 33,053 | - | \$43.00 |
| Urban Retail | 304,442 | 91,931 | 30.2% | 34.2% | - | (10,000) | - | \$13.68 |
| Total | 29,018,629 | 1,777,052 | 6.1% | 6.8% | 2,632 | 347,273 | 267,411 | \$14.65 |

With an average vacancy is 6.1% Albuquerque's retail market is very strong, but only in particular submarkets. The north valley vacancy is 9.1% and has experience negative absorption of space.

NET ABSORPTION

ASKING RENT

| Submarket | TOTAL SF | VACANT SF | VACANT % | AVAILABLE % | ABSORPTION | YTD ABS | CONSTRUCTION | WH/DIST. | R&D/FLEX |
|-----------------------|-------------------|------------------|-------------|-------------|---------------|----------------|---------------|---------------|---------------|
| AIRPORT | 971,009 | 111,688 | 11.5% | 14.0% | - | 6,000 | - | \$4.79 | \$9.98 |
| DOWNTOWN | 3,146,956 | 398,860 | 12.7% | 12.5% | - | 90,350 | - | \$4.56 | - |
| FAR NORTHEAST HEIGHTS | 171,664 | - | - | - | - | - | - | - | - |
| MESA DEL SOL | 639,334 | 15,059 | 2.4% | 10.5% | - | - | - | - | - |
| NORTH I-25 | 16,042,507 | 845,557 | 5.3% | 8.4% | 72,583 | 122,187 | 42,510 | \$6.34 | \$8.30 |
| NORTH VALLEY | 1,583,838 | 115,749 | 7.3% | 10.3% | 989 | (30,296) | - | \$6.15 | \$8.69 |
| NORTHEAST HEIGHTS | 404,707 | 42,991 | 10.6% | 15.4% | - | 4,160 | - | \$5.48 | - |
| RIO RANCHO | 6,091,450 | 133,902 | 2.2% | 2.7% | 6,864 | (38,626) | - | \$6.10 | - |
| SOUTH VALLEY | 2,481,346 | 379,029 | 15.3% | 19.1% | 36,500 | 42,348 | - | \$2.92 | - |
| SOUTHEAST HEIGHTS | 1,552,183 | 170,001 | 11.0% | 9.8% | 1,500 | 2,429 | - | \$5.58 | \$13.97 |
| UNIVERSITY | 188,761 | 45,516 | 24.1% | 10.1% | - | - | - | - | - |
| WEST MESA | 4,112,686 | 145,462 | 3.5% | 8.2% | (23,100) | 131,736 | - | \$6.21 | \$6.19 |
| TOTALS | 37,386,940 | 2,403,814 | 6.4% | 8.9% | 95,336 | 330,288 | 42,510 | \$5.10 | \$9.24 |

ASKING RENT

BY CLASS

| | | | | | | | | |
|--------------------|-------------------|------------------|-------------|-------------|---------------|----------------|---------------|---------------|
| GENERAL INDUSTRIAL | 18,081,115 | 734,228 | 4.1% | 7.8% | 47,494 | 59,106 | 42,510 | \$6.55 |
| R&D/FLEX | 4,156,918 | 528,467 | 12.7% | 11.8% | 66,442 | 35,676 | - | \$9.24 |
| WAREHOUSE/DIST. | 15,148,907 | 1,141,119 | 7.5% | 9.4% | (18,600) | 235,506 | - | \$5.10 |
| TOTALS | 37,386,940 | 2,403,814 | 6.4% | 8.9% | 95,336 | 330,288 | 42,510 | \$6.34 |

With an average vacancy is 8.9% Albuquerque's industrial market is relatively strong, but only in particular submarkets. The north valley vacancy is 10.3% and has experience negative absorption of space.



Apartments are all about...

- People
- Ideas
- Capital



People – Albuquerque’s Math

• Demand = Population / persons per house x % of population that rents

OR



The Albuquerque MSA needs 1 apartment units for every 10 people






Based on that, we need

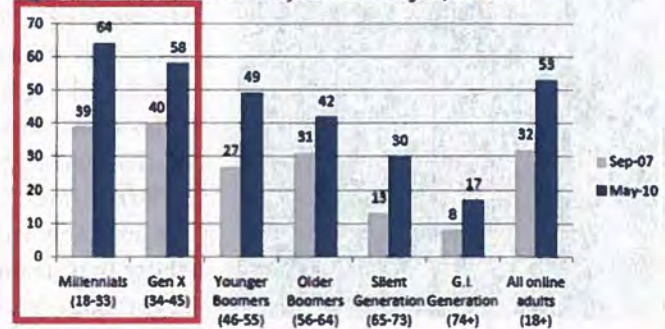
- Albuquerque – ok today, needs 1,350 units a year
- Rio Rancho – underserved by 4,600 units
- Los Lunas – underserved by 796 units



The renter of 2010

- Grandkids of the baby boomers
- Never known a world without Internet 
- Google has been their go to resource since age 10, today’s go to resource is Facebook (27% of them use FB as THE resource for recommendations 
- MTV has always been a reality TV Show channel (they used to play music videos?)
- Seeks and expects immediate feedback (think video games, ebay, etc.)
- Is likely to have 10 to 14 jobs by the age of 38 

Changes in using online classifieds, 2007-2010, by generation
% of internet users who use online classifieds such as Craigslist, over time



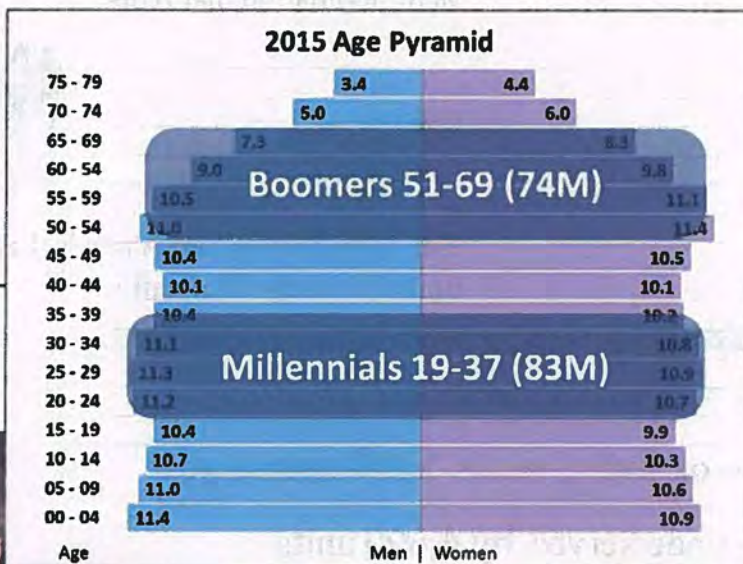
Source: Pew Research Center's Internet & American Life Project, April 29-May 30, 2010 Tracking Survey. N=2,252 adults 18 and older.





- “Me” generation
- Greatest generation of in terms of wealth
- Wealth = home
- Large “collection”
- Focused on health and longevity
- Spatial mismatch of housing
- Wants large 1 bedroom residence (no room for kids, but large enough to hold their collection)
- Active Traveler
- Was told “ask not what your country can do for you but what you can do for your country”

Baby Boomers



Gen Y' or Millennials



- The top 10 jobs in 2010 didn't exist in 2004
- 10 to 14 different jobs before 38
- 20% of their college education was irrelevant by the time they graduated

- 12%+ met their spouse online
- Lives out of a backpack
- Never knew a day without Google
- Asks Facebook friends for advice
- Pursues experiences more than “things”
- Needs constant feedback
- Multitasking (crams 28 hours into a 24 hour day)
- Has more tie to Facebook than their country
- Asks their employers “what can you do for me?”
- Marries later
- More likely to stay at home with parents
- Highly transient
- Not likely to buy homes
- Cares about global more than local

What they share



- Less is more
- More = Adventure/ Experience
- Quality of Living

- Downsizing
- Travel
- They don't want to share the same residence

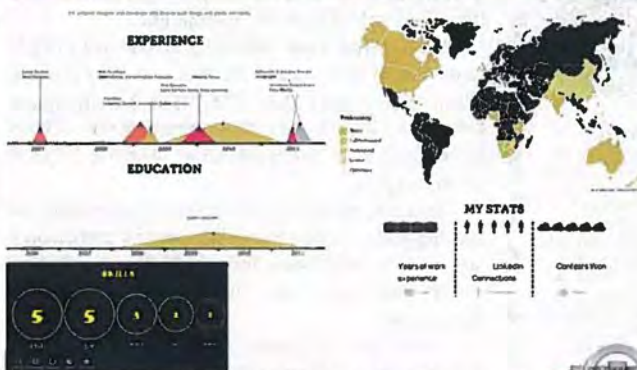
Both are the new

Creative Class

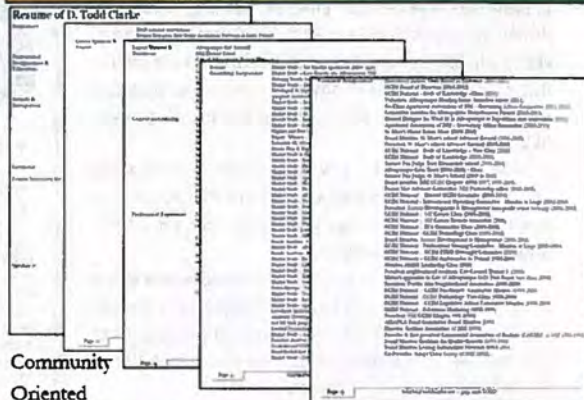


- Over a third of all jobs
- Fastest growing segment of workers
- Knowledge based workers
- Creative class looks for:
 - Talent
 - Tolerance
 - Technology

Millennial Typical Resume



Baby Boomers – typical Resume



eBay feedback rating more important than credit score



Rent
vs.
Own

Costs of Living



During the mid-2000s, Camden Property Trust's Ric Campo remembers seeing renters who were leasing \$1,000-per-month apartments moving out to buy \$400,000 homes. And he only ever wondered one thing: "How does that math work? We knew it would end badly."

Campo was right. The cost of owning a home had greatly outstripped the cost of renting, with zero-down, interest-only loans and the promise of appreciation luring renters into ownership. When everything collapsed in 2008, however, the cost to rent and own both fell off a cliff and only started to recover in 2010.

Now, rising rents, combined with low interest rates, could make homeownership look like a deal again for those who can get credit and afford the downpayment for a house.

The Case-Shiller U.S. house price index has fallen 33 percent from its peak in the first quarter of 2006 to the third quarter of 2011. "Definitely in some parts of the country, affordability is at levels we haven't seen in a while," says Reis' Severino.

Others agree. "Home prices are very cheap," says Moody's Analytics' Chen. "For anyone who has

come back to normal over the next year or two."

But historical trends only play part of the role in the cost differences between the renter and owner lifestyles. Data from Kiplinger and *The New York Times* indicate that buying a home doesn't pay for five years when up-front costs such as utilities, furniture, pest-control services, and the yard care that's incurred when

a person moves from a one-bedroom apartment to a three-bedroom house are considered.

With up-front costs like these, it will cost \$18,674 more to rent than own in the first year. That number falls to \$14,502, \$9,744, and \$4,379 in the subsequent three years. By year five, the homeowner saves \$1,646 by having bought. But it takes a lot of expenditures to get to that point.

But consumers are saving more, and the cost of owning and renting are moving closer together. So if jobs pick up and home prices stabilize, homeownership could again gain favor in the eyes of many Americans.

"We're not Pollyanna-ish about this," says the NMHC's Bibby. "If rates stay at these generational lows, housing prices stabilize, and rents rise, you will see people take another look at homeownership." —L.S.



THE WINNER: RENT

In the long term, ownership still has all the makings for giving consumers the best investment from a cost perspective. However, for the next few years, the initial costs of owning a home today still far outweigh the pocket-books and equity levels of most Americans, making rentals incredibly cost-efficient and appealing in the near term.

Value of Lifestyle

Michael Pestronk picked a funny time to begin an apartment company. "It was 2007, and every single person wanted to buy," says the president of Philadelphia-based Post Brothers, which has since built a portfolio of 1,500 rental units in and around the City of Brotherly Love. "People just wanted to own. They overlooked rational analysts. Now, people are realizing, 'Wow, if I want to own, it's going to cost more per month compared to a rental, and if I need to move in the next five years, I'm not going to make out well on the investment.'"

Call it a readjustment to rationality. Call it renter nation. But whatever you call it, consumers seem to be finding more economic value renting right now as opposed to buying. "People have begun to realize that the for-sale market [has] real risks associated with it," says Christine Aragon, president of Santa Monica, Calif.-based apartment ILS Rent.com. "I think that's the more permanent shift. Whether people will have a long-term, sustained preference for renting versus owning is going a little too far out on a limb."

When it comes to real monthly costs associated with renting versus owning, it's nearly unanimous that apartment dwellers fare much better than their single-family counterparts. According to Troy, Mich.-based housing policy advocate Community Housing Network, average ancillary costs for homeowners range between \$60 and \$110 a month for insurance, \$80 to \$150 for property taxes, \$20 to \$60 for

private mortgage insurance, \$40 to \$100 for association fees, and \$100 to \$200 a month for maintenance costs, averaged over a 10-year period. In comparison, renters pay only \$33 to \$45 per month for renter's insurance, should they elect to even place a policy. (For more on the financial costs of both lifestyles, see "Costs of Living," opposite.)

Then there are the intangibles. Consider that, according to an August 2011 Rent.com survey, 87 percent of U.S. adults no longer consider owning a home to be the most essential part of their American Dream. By analyzing entries to its "New American Dream Contest," Rent.com found the top themes that American consumers dream about when they're not dreaming about 2.5 kids and a picket fence—freedom from debt, the mobility to travel, having a greater impact on their society, financial stability, and the benefit of having a more stress-free lifestyle.

However, the real value rub between renting and owning has traditionally come down to wealth creation

through the building of equity, which exists on the owner-

ship side but not in the rental sector. In fact, it is not until year 20 that a typical homeowner pays less in interest than a renter pays for rent in a comparable dwelling, according to Tim Kane, co-founder of Seattle-based Legacy Escrow Service.

The consequent requirement that homeowners stick to their investment guns also precludes them from additional lifestyle and mobility benefits afforded to the renter—benefits that are amplified in a tough economy.

"I think the younger generation likes the mobility and flexibility of being renters. I think they like urban living with less of a commute and more of a lifestyle," says Marcus & Millichap's Nadji.

Nadji is right on the ball: According to Census data released in September 2011, Americans are taking 25.1 minutes, on average, to commute to work, but city dwellers often drive nearly 10 percentage points less than their suburban counterparts.

Still, the notion that the next generation won't buy a home is not realistic, Nadji says. "At some point, rents will go up, and home prices will stay down, and [that] should compel home buying by 2014."

Whether future homeowners create greater value by investing in hard assets remains to be seen. While owners did realize significant returns in the mid-2000s, experts suggest better earnings can be had via stocks. Since 1870, stock market real returns on investment (adjusted for inflation) have averaged 7 percent, notes *Wall Street Journal* financial analyst Jack Hough. The long-term real returns on housing investments? Zero. —C.W.



THE WINNER: RENT

When it comes to long-term flexibility, growth opportunities, and a more active lifestyle, the renter lifestyle bodes well for consumers, as developers focus on tapping into the minds of these renters. Of course, that may all change, as consumers weigh the long-term equity and wealth-building benefits—as well as the needs of starting a family—against that lifestyle.



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End
Points

Amanda Aunet, Leasing Consultant, The Buccini/Pollin Group, Wilmington, Del.

10 Things

Gen Y'ers Bring To The Industry

- 1. Cultural acceptance.** There are women and men of all different cultures and ethnicities in almost every field of residential property management now. Such acceptance has made the industry more appealing and comfortable for employees and residents of all backgrounds.
- 2. Sense of youth.** Gen Y'ers have delayed their transition from childhood to adulthood. We embody the idea of staying forever young—a mindset that is contagious in the office. It's important to feel youthful and energized on the job, regardless of age.
- 3. Healthy competition.** I am a member of "Generation Trophy." We strive to be the very best we can be—but we want our accomplishments to be acknowledged. It's always fun to have an apartment that two different prospects are interested in, bringing that "Who's going to rent it first?" mentality into play. Healthy competition is never a bad thing.
- 4. High-performance.** I'll admit it—sometimes my generation can be a little high-maintenance. But we also believe in our own self-worth, with a focus on high-performance. So long as we focus on the latter, we're improving the industry.
- 5. Multitasking abilities.** On a typical day, I am jotting down a maintenance request while inputting a rental application and answering the phone all at the same time. Generally speaking, Gen Y'ers can multitask like no other—checking e-mails on our smartphones while talking on the phone and working on a database.
- 6. Technological savvy.** I use a smartphone to access e-mails in

and out of the office and frequently reach out to residents through my community's Facebook page—both of which come quite naturally to me. I know exactly where to click.

7. Work/life balance. My work life is important—but so is my personal life. And I don't think that's a bad thing. Gen Y'ers are reaffirming a healthy sense of balance, which can improve work ethic and yield greater overall satisfaction in the industry. Who doesn't like a lunch date with a friend or family member as a nice break in the day?

8. Sense of style. There has been a shift in the idea of a business-casual dress code throughout the industry. Gen Y'ers still respect the idea of dressing professionally (well, most of us), but we've taken a business-casual dress code straight from the runway and into the workplace. I have an obsession with the latest shoe styles each season and I

always keep up-to-date with colorful jewelry and accessories—both of which make me excited to dress for work each morning!

9. Innovative ideas. We may be young, but we're not afraid to speak up. The industry is always looking for new and innovative ideas, and Gen Y'ers have a lot of insight to offer. The challenge is to know when to speak up and when to be quiet!

10. Additional perks. My generation is said to be somewhat hard to please; we expect to receive great benefits and incentives when we enter the workplace. Fortunately, the industry is starting to appease us. So for those of you Baby Boomers who are suddenly enjoying Flex Fridays, you know who to thank! 🍷

If you would like to be considered for a future *End Points* column, please contact Lauren Boston at 703/797-0678 or lauren@naahq.org.



Name: Amanda Aunet
Title: Leasing Consultant
Company: The Buccini/Pollin Group
 Wilmington, Del.

**Four commonly held assumptions about Gen Y
that are true, but maybe not in the exact
way that you think.**



1. Demographic makeup—Gen Y will not be the same as the renters of the past
2. Housing Preferences—Gen Y will rent longer
3. Urban/Suburban—Gen Y, prefer urban until they have kids
4. Communication—prefer to be online or texting than dealing person to person with leasing/management staff

Rent
vs.
Own

Demographics

When it comes to housing statistics, pinpointing actual demand, particularly when extrapolated to a specific market or asset type, can be beguiling. At the macro level, apartment owners have enjoyed a recent surge in prospects who are readily converting to leases, helping to power the multifamily industry out of a real estate recession and drive occupancies and rent levels to historic highs. In fact, vacancies are expected to hit all-time lows in 2012 of around 4.5 percent, according to the NAR, while national rent growth is pegged at anywhere from 3 percent to 7 percent (depending on the source) over the next several years.

Still, unemployment continues to remain high, and household creation is all but stagnant, so the question remains: Where are all of these new renters coming from, and will they keep on coming as rents rise in a dour employment scenario? The answers depend on one generation—Gen Y—and its job prospects and propensity to raise families.

"I think the cake is baked, and we're looking at primary rental demand over the next decade coming from Gen Y, loosely defined as people born between 1982 and 1995—and there are 45 million of them," says Ron Johnsey, president of Dallas-based apartment research firm Axiometrics. Virtually all apartment owners and operators agree and have tailored both their product type (see "Design Demands," on page 39) and marketing programs (see "Marketing Tug-of-War," on page 38) to lure apartment-hungry Gen Y consumers.

Take it while you can get it, say single-family housing experts, who expect Gen Y to cycle out of the rental market as wage growth stabilizes and mortgage lending loosens against a backdrop of expected rent increases. "Right now, our mortgage system is broken, and there are people who are renting now because they can't get

a mortgage, but they'll become more interested in buying a home over time, as they're more able to put together a downpayment," says Kent Colton, a former CEO of the NAHB and co-author of *Housing 360*, a survey of some 3,005 homeowners and renters conducted in October 2011 to measure interest in homeownership.

Data from *Housing 360* back Colton up. The survey found that despite the recession and housing crisis, 29 percent of renters—up to 2 million potential home buyers—are considering buying a home in the next two years if financing capabilities improve. In fact, the survey found that 59 percent of renters already think now is a good time to buy, with 35 percent of them naming the inability to score a mortgage or put together a downpayment as their major impediment to purchasing.

"All of the data, both anecdotal and hard fact, point to a reluctance among consumers to buy a home right now," agrees Hessam Nadji, managing director of research and advisory

services for Encino, Calif.-based multifamily investment services firm Marcus and Millichap. "You have incredibly low interest rates that are very enticing, and home prices that are at multidecade lows in terms of overall affordability, yet people are not buying homes because they can't qualify for the loan or they're afraid of further deterioration of that investment."

Johnsey warns that, should a general recovery and stabilization of the for-sale housing market occur, it could come at a time when the Gen Y demographic is cycling into another critical period affecting its purchasing decisions—that of creating a family. "Rental housing isn't built to raise a family—it's not that lifestyle. At some point, a portion of renters opt to have families and become homeowners," Johnsey explains. "The average age for having a child is 27. So while Echo Boomers (Gen Yers) are ages 18 to 27, the overall multifamily rental market, beginning with student housing and university co-located apartments, followed by traditional market-rate rentals, is expected to be very robust. But we see a single-family housing boom by 2020, as more Echo Boomers get married and start having children."

Others aren't so sure. "The country is on the cusp of fundamental changes in our housing dynamics—preferences are driving more people away from the typical suburban house and toward the type of lifestyle that rental housing offers," says the NMHC's Bibby. "Families with children made up more than half of households decades ago, but they made up only one-third of households in 2000. By 2025, they'll be closer to one-fifth. By 2025, singles and unrelated individuals living together will make up 40 percent of households." Which could spell yet another boom in the share of U.S. households that opt to rent versus own their home. —CHRIS WOOD



THE WINNER: RENT

The wave of Gen Y residents heading toward rentals will see a massive peak in the next five to 10 years, which bodes well for the apartment sector. Whether that wave continues once Gen Yers have kids and the economy sees a general stabilization remains to be seen.

Albuquerque rent hike among the highest in the country

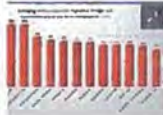
May 12, 2016, 2:53pm EDT | Updated May 12, 2016, 4:20pm EDT
 INDUSTRIES & TAGS Residential Real Estate

Deborah
 Chairman
 Reporter
 Albuquerque
 Insurance Firm



When it comes to real estate lists that look at best markets for this or that, Albuquerque isn't usually on them.

But one sector of Albuquerque recently made the top of two lists, and that's the apartment market.



ABODO ranked Albuquerque as one of 15...
 more
 HUD & BALIT RENT CARE



Albuquerque built its history...
 837940
 10/2016

Here are the two eye-popping stats:

- Albuquerque posted the eighth highest rent increase in the apartment listings website ABODO.
- 80 percent of apartment complexes built in Albuquerque last year were toward higher income centers, making it one of 15 emerging the most luxury apartments, according to Rent Cafe, another website.

This may not be surprising to those in real estate. Albuquerque prices have been climbing for months, as have occupancy rates reported in February that Albuquerque's apartment occupancy is at 95 percent.

CBRE's Albuquerque office posted local data earlier this year that regular apartment complexes, and those that offer affordable increases.

ABODO didn't provide specific dollar figures in its national report, but said Albuquerque experienced a 3 percent increase in rent from 2015, which ranked No. 8 in the entire U.S.

Seattle saw the biggest increase in rent at 11 percent, followed by Kansas City, Columbus, Las Vegas, San Jose and Raleigh.

ABODO's report stated: "Albuquerque, specifically, is following a trend that industry experts have seen in many growing U.S. markets: either can't afford to buy a home or they don't want to the hassle of owning one. With homeownership rates falling, landlords to continue to raise pricing on their rental units, especially with tighter inventory."

NATIONAL RENT REPORT

DECEMBER 2015

In what cities did 1-bedroom rent prices change the most from April 2015 - December 2015?



HOW STATES COMPARE TO EACH OTHER:

\$200-\$500 \$500-\$1000 \$1000-\$1500 \$1500-\$2000

BIGGEST RISE

- 1 Las Vegas (+37%)
- 2 Austin (+25%)
- 3 Denver (+24%)
- 4 San Diego (+11%)
- 5 Albuquerque (+10%)

BIGGEST FALL

- 1 Milwaukee (-24%)
- 2 Fort Worth (-16%)
- 3 Boston (-9%)
- 4 Fresno (-6%)
- 5 San Francisco (-6%)



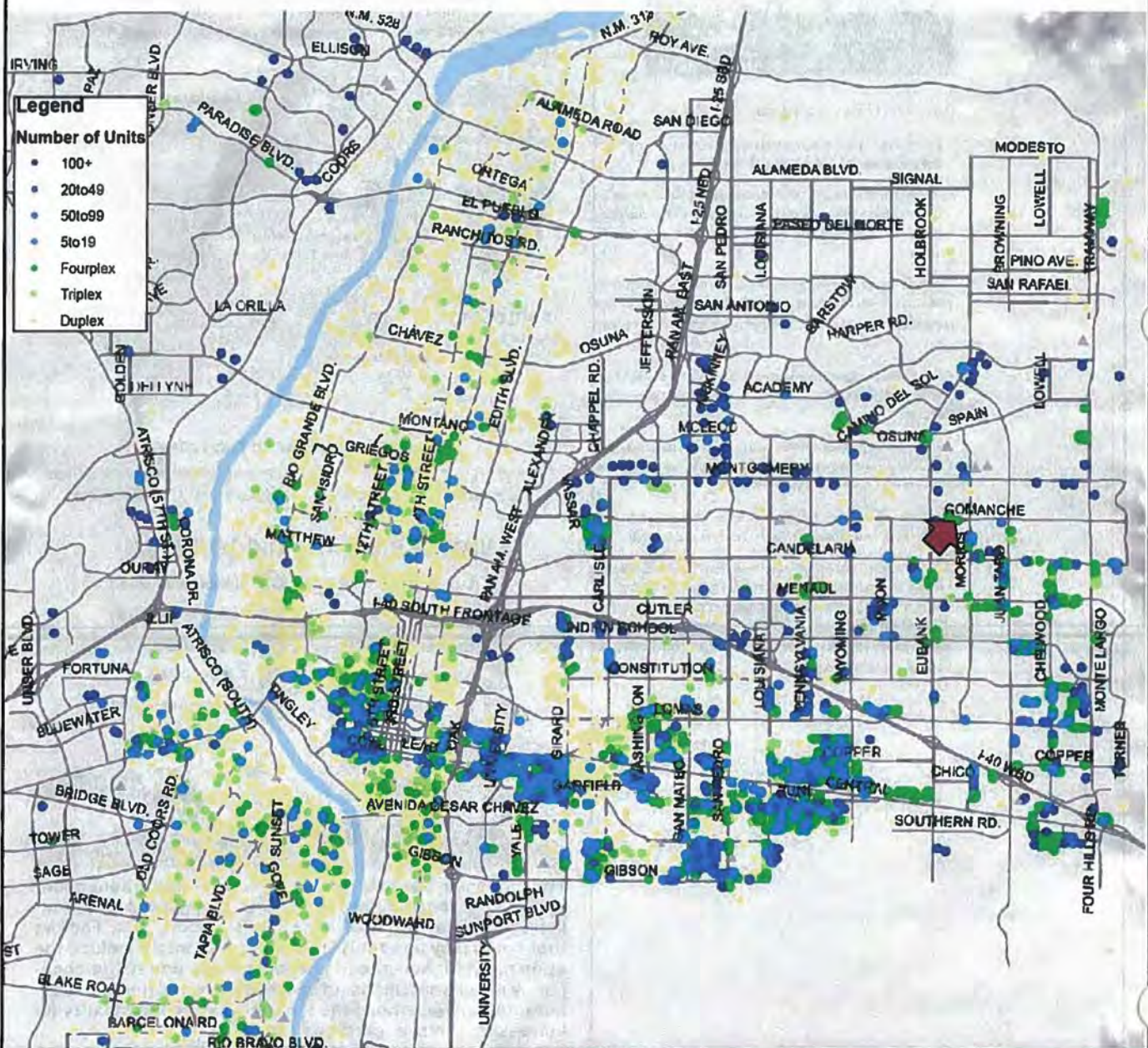
The past year has been a volatile one for apartment occupancy and rental rates, according to online apartment-listing website ABODO, based in Madison, Wis. Factors that could play into rental rate increases might include the opening of higher-priced new properties and rising occupancy rates from the rising demand for rental homes. Albuquerque ranked among the top 5 markets in the country for increasing rents, according to the site.



Metropolitan Albuquerque Market Summary

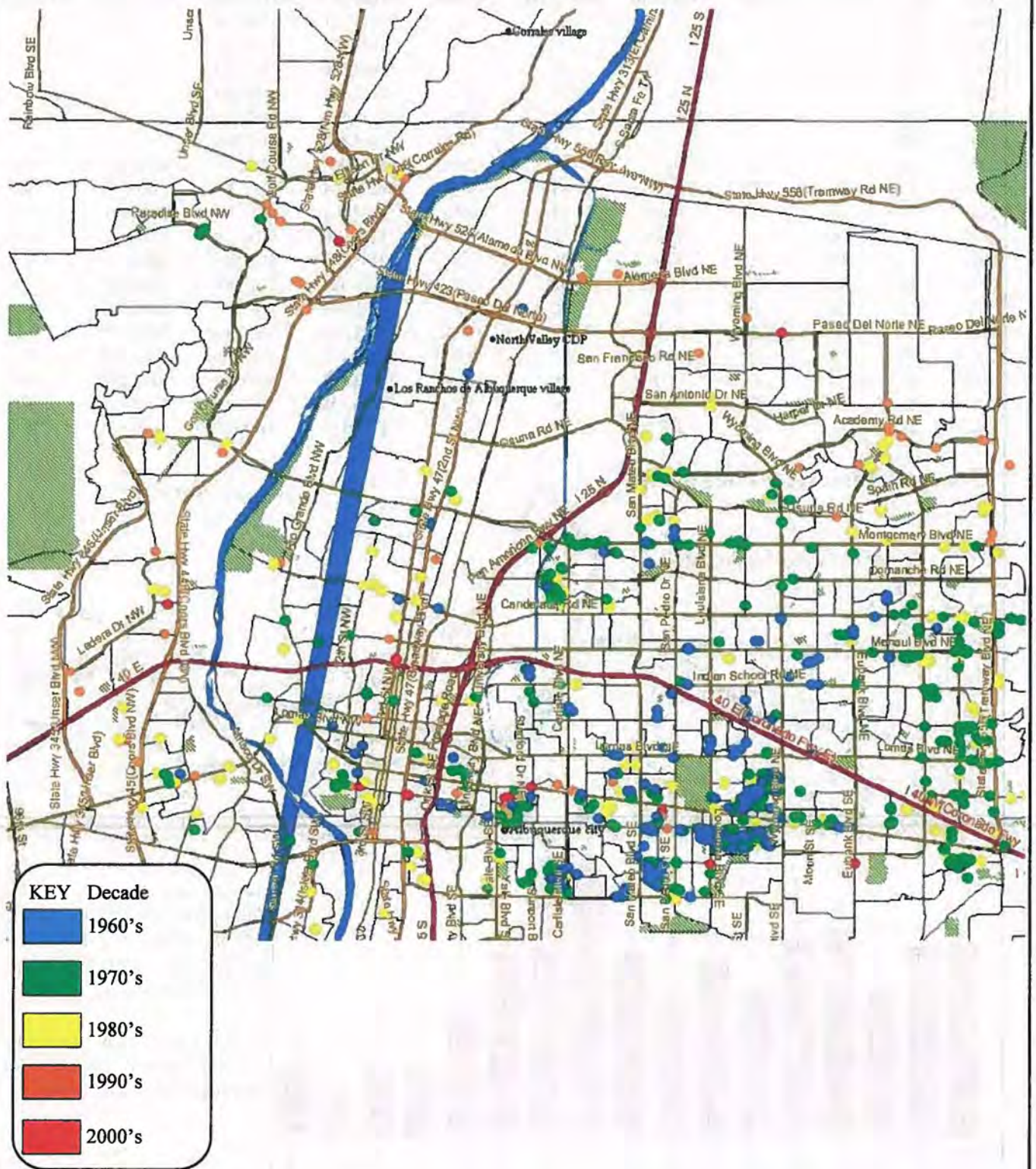
Albuquerque's apartment market offers a fertile ground for home grown investors to "ladder-up" with an abundant inventory of small and medium apartment buildings. This allows investors to move up as their equity grows. The map below shows the location and property type for all of Albuquerque's apartment buildings.

| Type | # of buildings | # of units | % of market (by unit) |
|-----------------|----------------|---------------|-----------------------|
| 100+ | 231 | 52,487 | 61% |
| 50 to 99 | 119 | 7,949 | 9% |
| 20 to 49 | 236 | 7,136 | 8% |
| 5 to 19 | 795 | 7,259 | 8% |
| Duplex-Fourplex | 3,635 | 11,724 | 14% |
| Total | 5,016 | 86,555 | 100% |



Apartment Development Cycles

This map of Albuquerque is color coded to show historical apartment development in the City of Albuquerque by decade. The 1960s-1990s were noted for a steady growth to the north and east. Most development in the 2000s-today is near central business districts or along major transportation corridors.



Summary of Investment Trends

| Year | # of sales | % of REOs or SS in sales | # that did not sell | % of fourplexes on market that sold | # of sales over \$200K | % of market >\$200k | Average SOLD price | Median SOLD Price | Avg. List Price for those that did not sell | Properties that were overpriced as a % of Avg. SOLD price |
|--------------|------------|--------------------------|---------------------|-------------------------------------|------------------------|---------------------|--------------------|-------------------|---|---|
| 2000 | 51 | | | | 1 | 2% | \$132,324 | \$129,000 | | |
| 2001 | 73 | | | | 3 | 4% | \$122,884 | \$125,000 | | |
| 2002 | 82 | | | | 3 | 4% | \$132,892 | \$133,000 | | |
| 2003 | 102 | | | | 5 | 5% | \$132,680 | \$138,250 | | |
| 2004 | 165 | | | | 21 | 13% | \$158,688 | \$152,000 | | |
| 2005 | 215 | | | | 97 | 45% | \$188,840 | \$185,000 | | |
| 2006 | 206 | | 62 | 76.9% | 44 | 21% | \$232,060 | \$212,450 | \$252,303 | 9% |
| 2007 | 96 | 0% | 275 | 25.9% | 55 | 57% | \$230,604 | \$216,500 | \$261,847 | 14% |
| 2008 | 37 | 0% | 171 | 17.8% | 18 | 49% | \$189,904 | \$205,000 | \$248,921 | 31% |
| 2009 | 31 | 16% | 91 | 25.4% | 6 | 19% | \$167,680 | \$176,750 | \$248,592 | 48% |
| 2010 | 19 | 47% | 72 | 20.9% | 8 | 42% | \$185,197 | \$163,000 | \$224,664 | 21% |
| 2011 | 25 | 56% | 39 | 39.1% | 6 | 24% | \$171,427 | \$168,000 | \$216,921 | 27% |
| 2012 | 26 | 19% | 44 | 37.1% | 12 | 46% | \$195,644 | \$185,500 | \$211,600 | 8% |
| 2013 | 21 | 5% | 20 | 51.2% | 12 | 57% | \$201,648 | \$224,000 | \$221,345 | 10% |
| 2014 | 76 | 16% | 60 | 55.9% | 26 | 34% | \$171,473 | \$166,250 | \$255,849 | 49% |
| 2015 | 64 | 9% | 41 | 61.0% | 28 | 44% | \$192,912 | \$183,250 | \$223,237 | 16% |
| 2016 (Q1-20) | 92 | 4% | 15 | 60.5% | 10 | 43% | \$194,158 | \$181,300 | \$213,487 | 10% |
| Q1-20 | 23 | 4% | 15 | 60.5% | 10 | 43% | \$194,158 | \$181,300 | \$213,487 | 10% |

Fourplex historical sales trends



Albuquerque's fourplex market has the volume of sales to be statically meaningful for long term trend analysis.

This 15 year review shows increasing volume and prices for this segment of the market.



Social Media

PART OF THE NEXT WEB FAMILY

We all know that Generation Y uses technology to connect with the world around them in more diverse ways and in greater numbers than any other age group. But how can marketers tap into this gadget-savvy, brand-aware demographic? The following statistics, taken from four recent reports listed below, provide an insight into the complex world of 13-24 year-olds.

Brand awareness

- 66% would look up a store after learning their friend had checked in. (Mr Y)
- 43% have liked more than 20 brands on Facebook. (Mr Y)
- 65% report researching the next model for their current product, immediately after making a purchase (Mr Y)
- 71% report having liked a brand on Facebook just to receive an offer (Mr Y)

Social Media

- 91% make their Facebook Places and Foursquare check-ins public. (Mr Y)
- 52% have over 300 friends on Facebook. Top 10%, over 1,000. (Mr Y)
- 58% use Twitter “all the time” (Mr Y)
- 40% visit Facebook more than 10 times per day. (Mr Y)
- 73% only consider someone a “friend” if they have hung out in person. (Mr Y)
- 76% spend over an hour on Facebook every day (Mr Y)

Gadget Ownership

- 89% own a laptop (Mr Y)
- 96% of undergraduates owned a cell phone in 2010, vs. 82% of the adult population. The vast majority of undergrads possessed a laptop and an iPod or MP3 player, too, at 88% and 84%, respectively. (PI)

Adults younger than age 30 are more likely than those age 30 and older to own a cell phone—93% of young adults own cell phones compared with 80% of their older counterparts. (PI)

- Nearly seven in ten (69%) teens ages 12-17 have a computer (PI)

The Top 51 Stats for Generation Y Marketers

- Nearly four in five teens (79%) have an iPod or other mp3 player (PI)
- 80% of teens between the ages of 12 and 17 have a game console like a Wii, an Xbox or a PlayStation. (PI)
- Over one-quarter of students listed their laptop as the most important item in their bag—almost three times the number of students who chose textbooks. (CS)
- Among student tablet owners, 86% believe tablets help them study more efficiently, and 76% said tablets help students perform better in class. (CS)
- 62.7% of US undergraduates surveyed had an internet-capable handheld device. (CS)
- Technology usage
 - 67% access Facebook from their smart phone (Mr Y)
 - 59% visit Facebook during class (Mr Y)
 - 40% use Pandora (Mr Y)
 - 73% earn virtual currency (Facebook Credits (36%), Farmville Cash (25%) and Microsoft Points (17%) rank among the most popular.) (Mr Y)
 - 75% upload photos via mobile (Mr Y)
 - 80% use 2 or more devices simultaneously while watching TV (Mr Y)
 - 93% of teens with a desktop or laptop computer use the device to go online (PI)
 - 21% of teens who do not otherwise go online say they access the internet on their cell phone. 41% of teens from households earning less than \$30,000 annually say they go online with their cell phone. Only 70% of teens in this income category have a computer in the home, compared with 92% of families from households that earn more. (PI)
 - Only 5% plan on buying a PC, 1% use Gowalla, 12% use foursquare, and only 13% of incoming freshmen plan on getting a cable TV package.
 - 38% of students surveyed said they could not go more than 10 minutes without checking their digital device—about the time it takes to



Urban Land Institute Capital

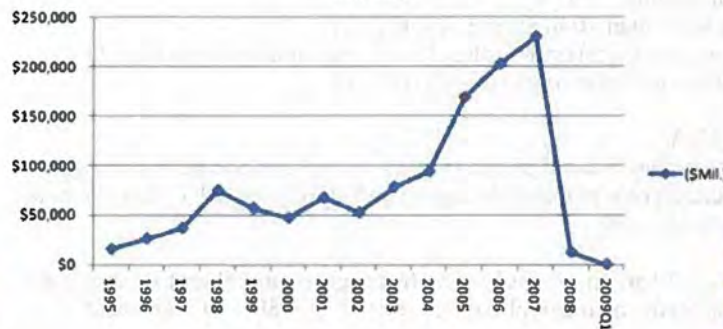


Urban Land Institute Capital

\$250B in 2007 to \$12B in 2008



US - CMBS Issuance
in (\$Mil.)



Urban Land Institute What is

Annual percentage of total apartment inventory sold 1990-2010



There is a direct correlation between the capital markets move from excess liquidity to no liquidity (above) and the decrease in apartment investment sales (left).





iDeas (like iPod)



Ideas

- **idea communities = ideal communities**
 - Live / Work
 - Live / Leave / Green
 - Live / Shop
 - Live / Learn
- **idea communities = niche**
- **unfortunately the herd mentality of lenders encourages SAMENESS**



Urban Land Institute Idea #2: Live / Learn



Unique design and location, top rents



Today's most successful apartments are breaking the stereotypical model that lender's prefer.

Their uniqueness translates to higher rents.

Urban Land Institute Idea #1: Live / Leave / Green

SILVER GARDENS



"Leased ahead of schedule - market rate and under 30% of income units leased first" - Developer/Owner

Green Rental Apartments



Urban Land Institute Idea #3: Live / Shop



"this property out performed the market by \$0.50/sf and the consultant's proforma by 20%"

Superior design and location, top rents, top sales price



Urban Land Institute Idea #4: Live / Work



"I think we could Build these all Day long" - Mark Allison

Superior design, focus on resident base and location top rents



Urban Land Institute What isn't working...

- Warmed over 1980's vintage design
- Larger unit size vs. quality/design
- Any location, at the end of the day, the small difference in land price is mostly irrelevant vs. the cost of picking a poor fringe area location



Urban Land Institute Build into the niche, find the GAP

- Lenders don't want to hear this
- The niche product is outperforming the market product by 2 to 1
- Any location is not always the best location – focus on walkability, activity, internet, and access to transportation (V4H)



Urban Land Institute What about apartment sites?

- 1980's - hundreds
- 1990's - dozens
- 2000's – a handful
- 2010's – thanks to TOD zoning, MRA plans, and Rio Rancho – back up to two dozen



Urban Land Institute Forecast

- Double Digit Rent increases 2011-2013
- Values will begin to recover when capital is abundant
- Niche Play's (i.e. idea communities) will continue to outperform the marketplace, and will continue to confound lenders "cookie cutter mold"



From an operations and efficiency standpoint, the sweet spot for an ideal size for an apartment community is between 250 to 300 apartment units. A community of that size typically will use a majority of its staff capacity at full employment.

From a lending standpoint, particularly for a 221 (d)4 loan from HUD, the loan had less regulatory hurdles to overcome. In fact, the March/April 2011 issue of *Housing Finance* identified:

Four New Principles

"In addition to the new underwriting requirements, there are other changes under way that may make it a little more difficult for market-rate developers going forward. For instance, the FHA is now emphasizing four principles—sustainability, green development, urban, and affordable—in its Sec. 221(d)(4) program.

When the agency began broadcasting these principles, many lenders feared that it pointed to a greater shift—that a nongreen, suburban market-rate deal would now be dead in the water. But Galante says that's not true. Those four requirements are merely strategic goals for HUD—a management action plan, and not a prism through which all deals will be judged.

"It's not at all saying that FHA isn't interested in financing a plain-vanilla, two-story walk-up apartment in a suburban community," Galante says. "It's our strategic goal to expand our business and make our products available to projects with those four principles. But if you don't have those four things, you're not going to be lower in priority for processing."

The FHA will also propose some rules this year regarding large loans, some of which it is already testing to lay the groundwork. The agency is concerned about the risks posed by larger transactions—in February, it had about 80 projects of more than \$50 million in its pipeline.

One rule already in place that's affecting large loans is the 18-month absorption requirement for (d)(4) deals. In the past, developers had two years to stabilize. Many developers are now re-considering the size of their projects in light of the new requirement, sometimes proposing two 150-unit phases instead of a single 300-unit deal, for instance.

Slower Processing

Further complicating the process for market-rate developers is the FHA's new

National Loan Committee (NLC), which reviews deals from regional offices before giving them

the final seal of approval, started last September. Through its first four months, the committee reviewed 41 applications, rejecting only one deal outright. Any market-rate (d)(4) deal that's more than 150 units—or more than \$15 million—must go to the NLC."

For instance, the FHA is now emphasizing four principles—sustainability, green development, urban, and affordable—in its Sec. 221(d)(4) program.

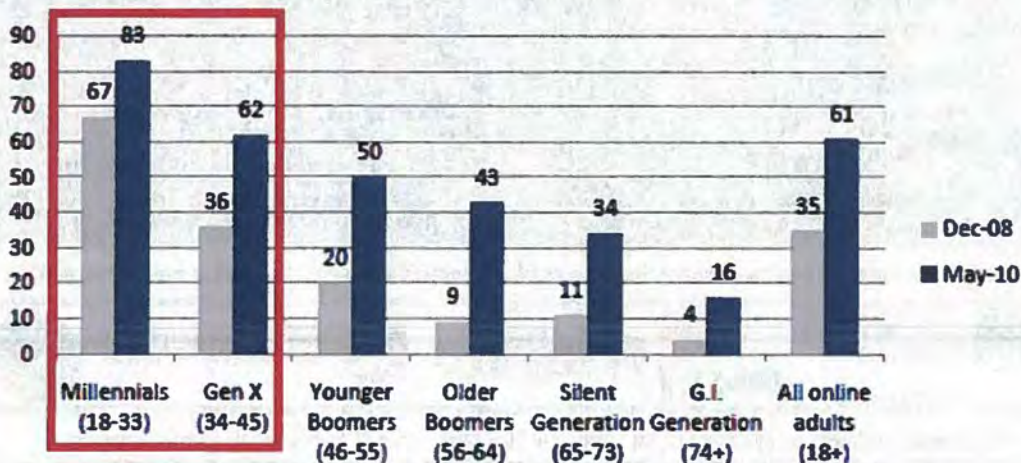
Generations online: Activities



Activities that are most popular with teens and/or Millennials

| Activity | Teens Ages 12-17 | Millennials Ages 18-33 | Gen X Ages 34-45 | Younger Boomers Ages 46-55 | Older Boomers Ages 56-64 | Silent Generation Ages 65-73 | G.I. Generation Age 74+ | All online adults Age 18+ |
|---|---------------------|---------------------------|---------------------|-------------------------------|-----------------------------|---------------------------------|----------------------------|------------------------------|
| Go online | 93% | 95% | 86% | 81% | 76% | 58% | 30% | 79% |
| Teens and/or Millennials are more likely to engage in the following activities compared with older users: | | | | | | | | |
| Watch a video | 57 | 80 | 66 | 62 | 55 | 44 | 20 | 66 |
| Use social network sites | 73 | 83 | 62 | 50 | 43 | 34 | 16 | 61 |
| Send instant messages | 67 | 66 | 52 | 35 | 30 | 29 | 4 | 47 |
| Play online games | 78 | 50 [^] | 38 [^] | 26 [^] | 28 [^] | 25 [^] | 18 [^] | 35 [^] |
| Read blogs | 49 [^] | 43 | 34 | 27 | 25 | 23 | 15 | 32 |
| Visit a virtual world | 8 | 4 | 4 | 4 | 3 | 3 | 1 | 4 |

Changes in social network site use, 2008-2010, by generation
 % of internet users who use social network sites, over time



Source: Pew Research Center's Internet & American Life Project, April 29-May 30, 2010 Tracking Survey. N=2,252 adults 18 and older.

Millennial impact on transportation trends

The infographic below is one that the millennial generation understands instinctually. It demonstrates how much space 40 people take up when they are (on the left) in 40 cars, (in the middle) on 40 bicycles, and (on the right) on a bus.

Many millennials are the first American generation who does not associate freedom with the American car, but rather views it as a financial trap that impacts their ability to be mobile in this gig-based economy.



NM Transportation Comparison



These photographs illustrate how much space the same number of people take up on the road in cars, bikes, and bus.



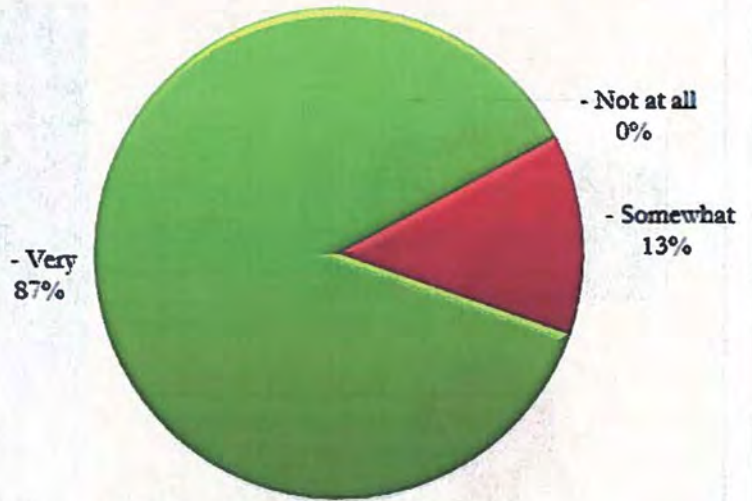
Photographed in Downtown Albuquerque, NM Summer of 2014 (Walk Score 91, Bike Score 91, Transit Score 58)



Millennial impact on transportation trends

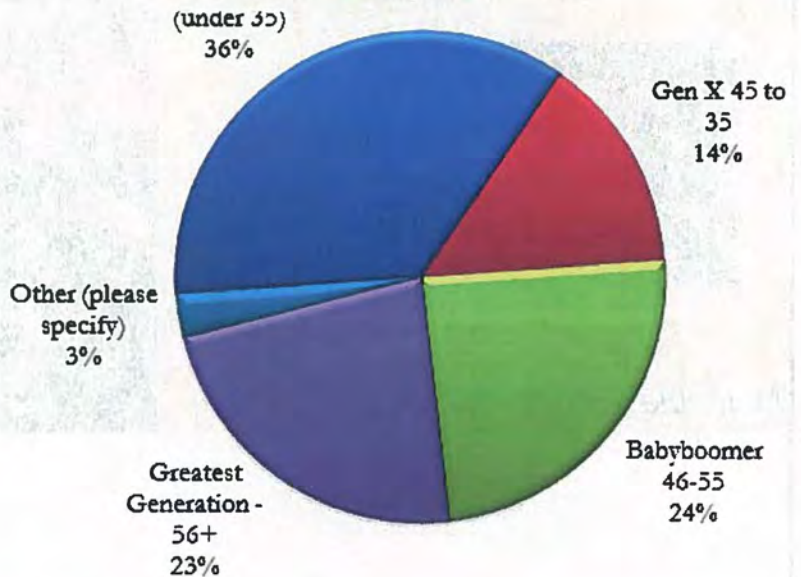
How important is non-automobile (i.e. walk, bike, mass transit) transportation to you

| | |
|--------------|----|
| - Not at all | 0 |
| - Somewhat | 8 |
| - Very | 53 |



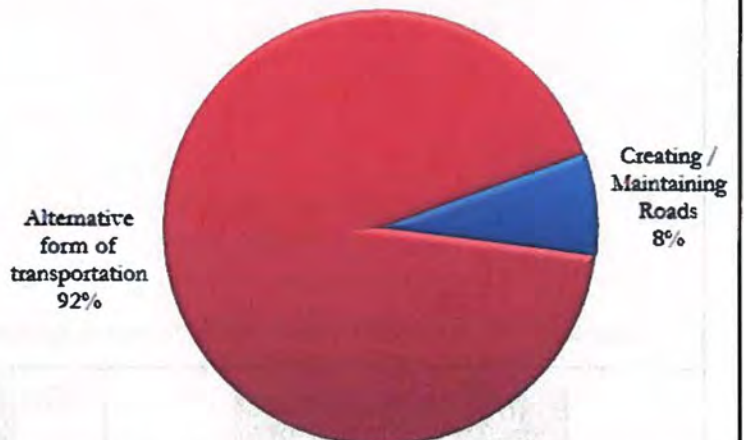
Demographics

| | |
|---------------------------|----|
| Millennial (under 35) | 25 |
| Gen X 45 to 35 | 10 |
| Babyboomer 46-55 | 17 |
| Greatest Generation - 56+ | 16 |
| Other (please specify) | 2 |



Dollar for Dollar, would you rather spend more money creating new roads and updating current roads, OR investing in alternative forms of transportation?

| | |
|------------------------------------|----|
| Creating / Maintaining Roads | 5 |
| Alternative form of transportation | 61 |



NEW MRCOG + ULI NM REPORT



TAKING THE WHEEL

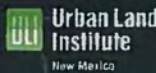
Getting ABQ from here ... to there

Trends in Housing and Transportation in the Albuquerque Metropolitan Area



June 2016

A publication of the MTA Region Council of Governments and the Urban Land Institute New Mexico



Available at www.mrcog-nm.gov

Source: MRCOG - AANM 2016 presentation on growth, transportation and housing

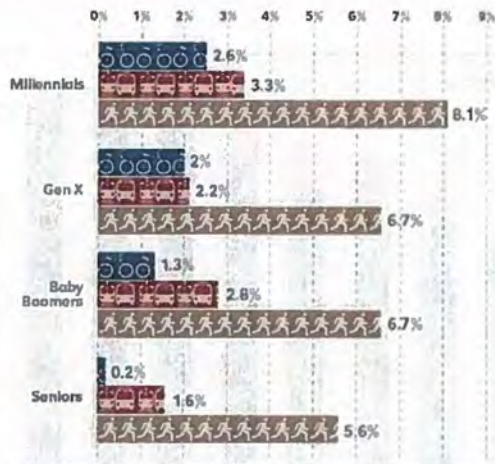


100



North Fourth Street

Millennials use alternative modes at higher rates

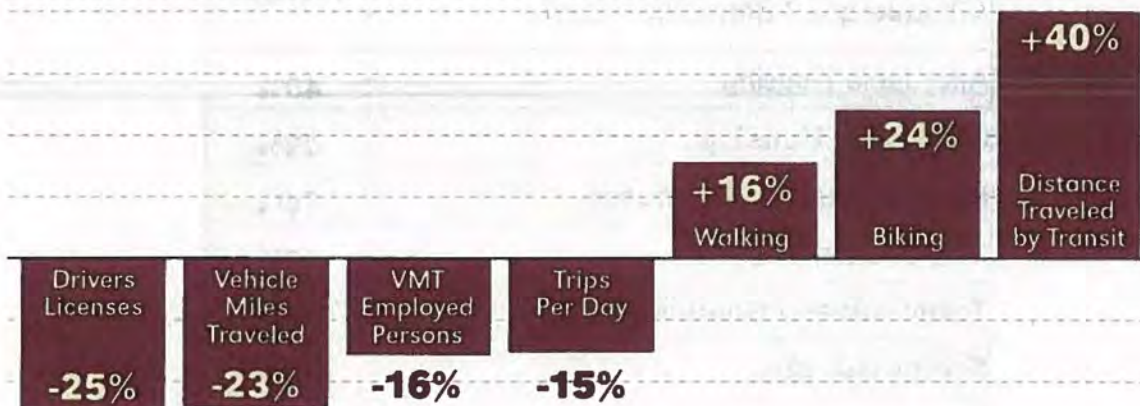


Source: Mid-Region Travel Survey, MRCOG, 2014

Nationally, Millennials are over 4 times more likely to use transit than Gen-X

A change in values is at play...

Change in behavior of 18 – 34 Year Olds, 2001 & 2009

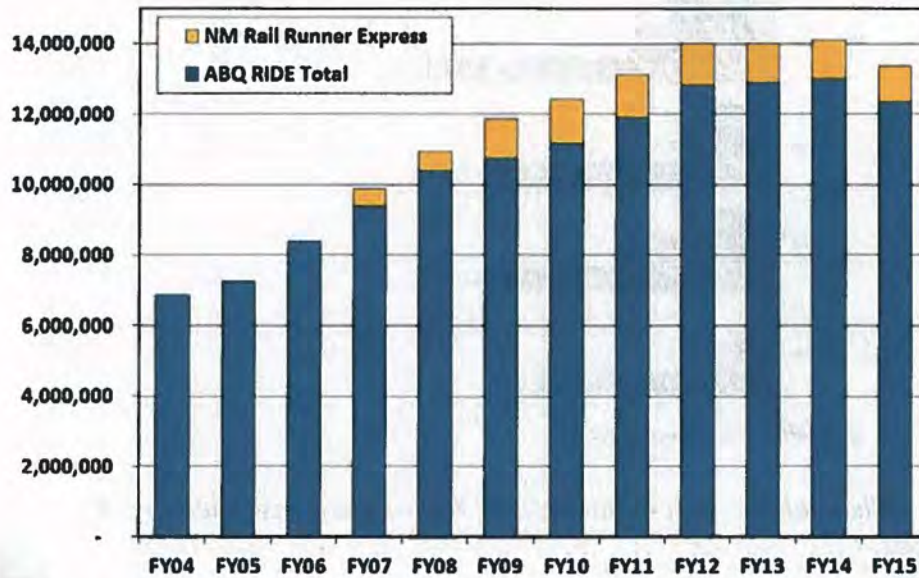


Source: National Household Travel Survey, 2001 and 2009, U.S. Department of Transportation

Source: MRCOG - AANM 2016 presentation on growth, transportation and housing

We are using transit more

Annual ABQ RIDE and NM Rail Runner Express Ridership



People express a desire for more housing choices...

| Types of Housing Most Needed in Albuquerque / Bernalillo County | Percent |
|---|---------|
| Affordable Housing | 40% |
| Mixed-use Housing | 32% |
| Family / Multi-generational | 20% |
| Single-family Homes | 19% |
| Townhouses / Condos | 16% |
| Senior Housing | 14% |
| Transitional / Group housing | 9% |
| Apartments | 6% |

Source: MRCOG - AANM 2016 presentation on growth, transportation and housing

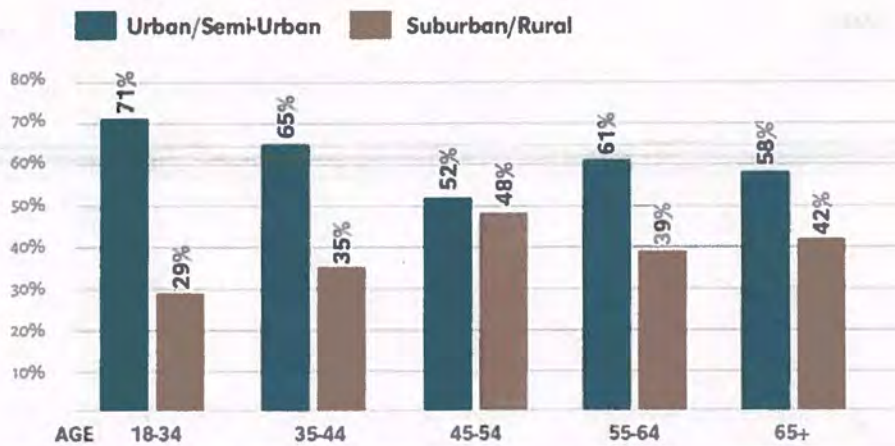
We desire urban areas



Source: 2040 MTP Questionnaire, MRCOG, 2014

* 29 percent in US desire to live in the city

This is true across all age groups



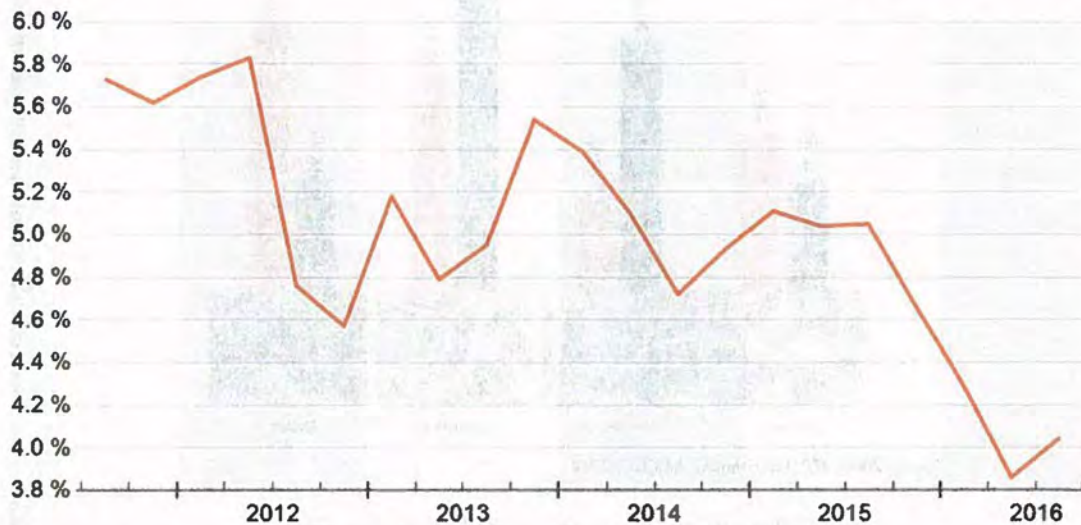
Source: 2040 MTP Questionnaire, MRCOG, 2014



Source: MRCOG - AANM 2016 presentation on growth, transportation and housing

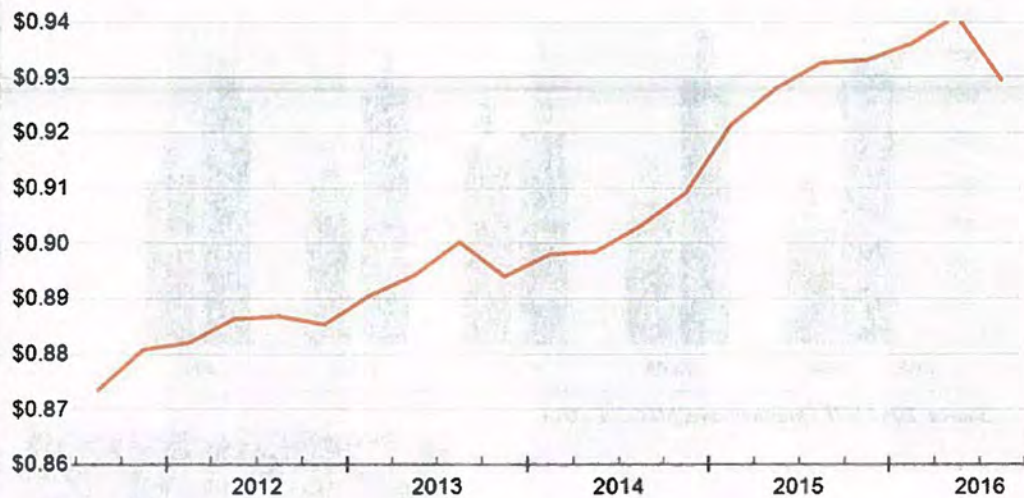
MF Vacancies Extremely Low

Vacancy Rate



MF Rents Extremely High

Asking Rent Per SF



Source: MRCOG - AANM 2016 presentation on growth, transportation and housing

Have you heard? Walking is in

Walk Score Find Apartments Get Scores My Favorites Log In

Find Your Neighborhood

Go

helsea, New York

100% rentals available
Average rentable in NYC
\$3,900/mo & drinking choices

Results by Walk Score – 24% premium for walkability

| Walk Score Group | # Properties Scored | # Units Scored | Occupancy | Avg Rent | Avg SqFt | Avg Rent/SqFt |
|------------------|---------------------|----------------|-----------|----------|----------|---------------|
| 0 - 9 | 1 | 85 | 92.94% | \$722 | 904 | \$0.80 |
| 10 - 19 | 3 | 488 | 94.47% | \$803 | 969 | \$0.83 |
| 20 - 29 | 9 | 918 | 94.55% | \$752 | 885 | \$0.85 |
| 30 - 39 | 27 | 3,908 | 93.91% | \$782 | 852 | \$0.92 |
| 40 - 49 | 53 | 9,794 | 95.40% | \$706 | 814 | \$0.87 |
| 50 - 59 | 57 | 7,458 | 95.15% | \$715 | 831 | \$0.86 |
| 60 - 69 | 42 | 5,268 | 96.51% | \$672 | 750 | \$0.90 |
| 70 - 79 | 15 | 1,921 | 94.64% | \$791 | 796 | \$0.99 |
| 80 - 89 | 5 | 516 | 87.79% | \$740 | 710 | \$1.04 |
| 90 - 100 | 4 | 342 | 93.27% | \$788 | 715 | \$1.10 |
| All | 216 | 30,698 | 95.09% | \$722 | 813 | \$0.89 |

Source: MRCOG - AANM 2016 presentation on growth, transportation and housing

Millennial impact on transportation trends translates to higher rents

Results by Bike Score – 24% premium

| Bike Score Group | # Properties Scored | # Units Scored | Occupancy | Avg Rent | Avg SqFt | Avg Rent/SqFt |
|------------------|---------------------|----------------|-----------|----------|----------|---------------|
| 0 - 9 | 0 | 0 | | | | |
| 10 - 19 | 0 | 0 | | | | |
| 20 - 29 | 0 | 0 | | | | |
| 30 - 39 | 3 | 665 | 96.69% | \$793 | 905 | \$0.88 |
| 40 - 49 | 11 | 1,760 | 96.14% | \$725 | 811 | \$0.89 |
| 50 - 59 | 30 | 6,922 | 95.80% | \$708 | 804 | \$0.88 |
| 60 - 69 | 55 | 9,248 | 94.49% | \$719 | 835 | \$0.86 |
| 70 - 79 | 27 | 3,119 | 96.02% | \$709 | 792 | \$0.90 |
| 80 - 89 | 20 | 1,983 | 95.06% | \$716 | 780 | \$0.92 |
| 90 - 100 | 24 | 1,397 | 94.63% | \$789 | 720 | \$1.10 |
| No Score | 46 | 5,604 | 94.31% | \$727 | 823 | \$0.88 |
| ALL | 216 | 30,698 | 95.09% | \$722 | 813 | \$0.89 |



IREM Institute of Real Estate Management
New Mexico Chapter No. 46



Results by Transit Score – 26% premium in rents per sf

| Transit Score Group | # Properties Scored | # Units Scored | Occupancy | Avg Rent | Avg SqFt | Avg Rent/SqFt |
|---------------------|---------------------|----------------|-----------|----------|----------|---------------|
| 0 - 9 | 0 | 0 | | | | |
| 10 - 19 | 1 | 264 | 95.08% | \$789 | 975 | \$0.81 |
| 20 - 29 | 40 | 7,120 | 96.01% | \$761 | 841 | \$0.91 |
| 30 - 39 | 85 | 14,640 | 95.38% | \$703 | 807 | \$0.87 |
| 40 - 49 | 38 | 2,620 | 92.40% | \$704 | 773 | \$0.91 |
| 50 - 59 | 7 | 574 | 94.43% | \$705 | 630 | \$1.12 |
| 60 - 69 | 0 | 0 | | | | |
| 70 - 79 | 0 | 0 | | | | |
| 80 - 89 | 0 | 0 | | | | |
| 90 - 100 | 0 | 0 | | | | |
| No Score | 45 | 5,480 | 94.47% | \$726 | 822 | \$0.88 |
| ALL | 216 | 30,698 | 95.09% | \$722 | 813 | \$0.89 |



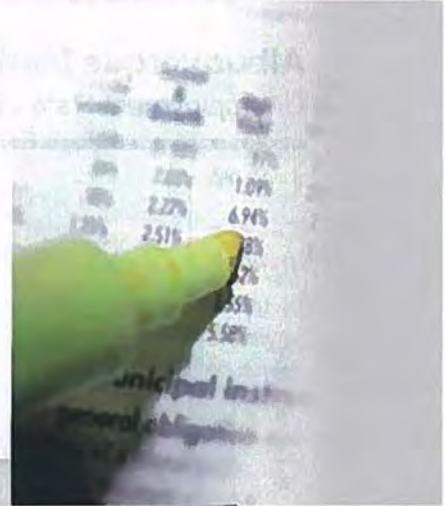
IREM Institute of Real Estate Management
New Mexico Chapter No. 46



Source: AANM 2014 Market Outlook



5 GAP Analysis



8 Limiting Conditions Consultant Resume



The findings of this report/market study are limited by the following conditions:

1. No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. No representation can be made by the consultant as to the quality of data provided by third party vendors.
3. Responsible ownership and competent property management are assumed.
4. The information furnished by others is believed to be reliable. However, no warranty is given as to its accuracy or lack of.
5. All engineering is assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
7. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.
8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in the report.
9. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
10. It is assumed that the utilization of the site and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
11. Possession of this report, or a copy thereof, does not carry with it the right of publication.
12. The consultants, by reason of this study, are not required to give further consultation or testimony, or be in attendance in court, with reference to the property in question unless arrangements have been previously made.
13. The forecasts, projections, or operating estimates contained herein are based upon current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes in future conditions.
14. Information is deemed to be complete as of the date of this report - the addition of new apartments not currently identified in this report is a possibility.



Information in this report was collected by an affiliated company—NM Apartment Advisors Inc. as part of its quarterly surveys.



Resume of D. Todd Clarke

Businesses

Owner/Qualifying Broker, American | NM Apartment Advisors Inc. (2003-Today)
Owner/Consultant, Cantera Consultants & Advisors Inc. (2003-Today)
Member, Casitas Clarke LLC (apartment investments)
Broker at Grubb & Ellis | Lewinger Hamilton (1989-2003)
Property manager at Westwind Builders/Developers (1987-1989)
Owner Zephyr Communications & Services (1985-1990)

Professional Designations & Education

2nd Generation CCIM #5728 (Certified Commercial Investment Member)
4th Generation Commercial Realtor
Licensed NM Real Estate Broker (#13711)
Native New Mexican
UNM on Sterling Scholarship (1987-1990)
Eldorado High School (1983-1987)
Dale Carnegie Sales Course Graduate
Fluent in Cobol, Fortran, Pascal, Basic, Logo and Assembly language

Awards & Recognition

Apartment Association of NM Industry Champion Award (2015)
CCIM NM Marketing Deal of the Year over \$1M (2014)
Realtors Association of NM – Peggy Comeau Leadership Award (2013)
RANM/NAR – Omega Tau Rho honoree (2013)
CCIM NM Marketing Deal of the Year (2012)
CCIM Institute - Instructor of the Year (2011)
IREM Academy of Authors (2011)
Published App in iTunes store
CCIM San Diego Chapter - CCIM Partner of the year (2007)
Top 10 Largest Commercial Real Estate Transaction (2007)
CCIM 102 Instructor of the Year (2005)
CCIM NM Marketing Deal of the Year (2004)
Top 25 Commercial Real Estate Firm (2004-2008)
CCIM NM Marketing Deal of the Year (2003)
CCIM NM Marketing Deal of the Year (1998)
Commercial Realtor of the Year (1996)
1st class of NM Business Weekly's "Top 40 under 40"

Instructor

CCIM Instructor since 1997
NM Real Estate Commission Approved Instructor

Course Instructor for

CCIM 101 – Financial Analysis
CCIM 102 – Market Analysis
CCIM 103 – User Decision Analysis
CCIM 104 – Advanced Financial Analysis
CCIM Course Concepts Review Course
CCIM Introductory Course
CCIM Advanced Market Analysis / CCIM Advanced Acquisitions Strategies
CCIM Advanced Negotiations
Confessions of a Commercial Real Estate Consultant (author)
Understanding NM Property Taxes (co-author)
Perfecting your Presentations (co-author)
Paperless Office & High Tech Toolbox & Web Based Marketing (author)
Aggressive Accelerated Apartment Marketing (co-author)
Site to do Business



Speaker at

Adams State University - Board of Regents Strategic Retreat (2016)
Albuquerque Tech Fiesta (2014)
Apartment Association of NM Market outlook (2011-2015)
Association of College and University Housing Officers
Association of Commerce and Industry (NM)
Albuquerque Metropolitan Board of Realtors
CCIM Live!
CCIM national conventions
Catholic Consultors/Archdiocese of Santa Fe
Central European Real Estate Association Network in Lodz, Poland
Coldwell Banker National convention
Commercial Association of Realtors in NM
CREW NM
Federal Reserve Bank (Kansas)
Greater Albuquerque Association of Realtors
Housing Trust of Santa Fe Board
International Economic Development Council
MIPIM/LGPP/IREM Conference in Poland
Kansai International Airport Rotary Chapter, Japan
Keynote speaker - San Antonio CCIM Chapter
MFA Housing Summit 2013 & 2014
Middle Rio Grande Council of Governments
NM NAIOP Chapter
NM State Planning Conference
NMMFA Board
NM Housing Summit
Paving Symposium (51st) - UNM
NAR national conventions (3)
Realtors Association of NM
RealComm 2005 Conference
Rio Rancho Roundtable (2016)
Risk Management Association
Santa Fe Association of Realtors
Urban Land Institute (NM)
VAR State Association convention
Washington State Commercial Association

**Course Sponsors &
Venues**

Adams State University
Albuquerque Metropolitan Board of Realtors
Apartment Association of NM (IROs)
Appraisal Institutes Tax Panel (2004)
Arizona State University – Masters of Real Estate Development program
Association of College and University Housing Officers
Bank of American national headquarters
CCIM institute
CCIM national conventions
CCIM Partner meetings
Central European Real Estate Association Network in Lodz, Poland
Century 21 Realtors
City of Albuquerque
Coldwell Banker Commercial Realtors
Commercial Association of Realtors in NM
COREfac



Denver University
Federal Reserve Bank
Greater Albuquerque Association of Realtors
Greater Nashville Association of Realtors
Greater Albuquerque Association of Realtors
Guangzhou Realtors Association
Institute of Real Estate Management
International Economic Development Council
Japan IREM chapter #110
Johnson County Community College (Kansas)
Kansai International Airport Rotary Chapter, Japan
Keynote speaker - San Antonio CCIM Chapter
LGPP/IREM Conference in Poland
Leiden Business Academy (Shanghai)
Lincoln Harris national headquarters
MIPIM (International)
Mount Royal College (Calgary)
Moscow, Russia, Ministry of Agriculture (and ice cream)
NAR national conventions
New Mexico Mortgage Finance Authority Board Retreat
New Mexico Mortgage Finance Authority Housing Summit
New Mexico Real Estate Commission
NM IREM Chapter
NM NAIOP Chapter
NM State Planners Association
Polish Real Estate Federation
Realtors Association of NM
Real Share Conference on Technology in Commercial Real Estate (Anaheim)
RealComm Conference (2005)
Risk Management Association
Russian Guild of Real Estate
Sacramento Association of Realtors
Santa Fe Association of Realtors
SIGGRAPH – Santa Fe, NM
San Diego State University – Joan Kroc Institute for Peace & Justice
The Jacksonville Association of Realtors
Tong Ji University of Shanghai
University of International Business and Economic in Beijing
University of Southern California
Urban Land Institute Emerging Trends in NM for 2011 & 2012
US Agency for International Development
Virginia Association of Realtors state convention 2011

Volunteer Assignments

Chairman, Co-Founder and executive director of the Ventana Fund (2014-2016)
Program Chair, Urban Land Institute NM Chapter (2014-2016)
Board member, Faith & Justice (2015-2016)
Ad-hoc Committee of Immaculate Conception Church for St. Mary's rest home (2014)
Vice Chair, Albuquerque Housing Authority Board of Commissioners (2015-2016)
RANM Building Presidential Advisory Group (2015-2016)
Auctioneer for St. Mary's "Pastabilities" Dinner (2014 & 2015)
CCIM co-chair, CCIM International task Force (2013-2014)
Chair Downtown Action Team (2014)
CCIM Curriculum Subcommittee as Technology Focus (2014)
Vice Chair CCIM Marketing Committee as Vice Chair (2014)
RANM Technology Presidential Advisory Group (2013-2014)
Commissioner, Albuquerque Housing Authority (2013-2017)
CCIM Board of Directors (2011-2014)
Course Chair CCIM intro (2013)
CCIM Technology Curriculum committee member (2013)
Chair ULI Rapid Bus Transit development focus groups at MRCOG (2013)
Chair -Bylaws rewrite committee for Downtown Action Team (2012)
Master of Ceremonies/Auctioneer for St. Mary's "Pastabilities" Dinner (2008-2012)
Board Member Urban Land Institute of NM (2012-2016)
Board Member Apartment Association of NM (2012-2014)
Co-Chair - Bylaws rewrite committee for NM Apartment Association (2012)
CCIM National - Strategic Planning Committee (2011-2012)
CCIM National - CIRE Journal editorial review committee (2011-2012)
Vice Chair, Downtown Action Team Board of Directors (2011-2013)
Review Board, Commercial Investment Real Estate magazine (2012-2014)
Vice Chair - CCIM Course Chairs (2011-2012)
CCIM National - Body of Knowledge -Chair (2011)
Volunteer, Albuquerque Heading home, homeless survey (2011)
Co-Chair Apartment Association of NM - Governing Affairs Committee (2011-2012)
Committee member for Metropolitan Homelessness Project (2010-2011)
Elected Delegate for Ward 11 in Albuquerque to Republican state convention (2010)
Apartment Association of NM - Governing Affairs Committee (2010-2011)
St. Mary's Home Room Mom (2009-2010 & 2015-2016)
Board Member, St. Mary's school Advisory Council (2006-2010)
President, St. Mary's school Advisory Council (2007-2008)
CCIM National - Body of Knowledge - Vice Chair (2010)
CCIM National - Body of Knowledge (2005-2008)
Science Fair Judge, Inez Elementary school (2005-2011)
Albuquerque Civic Trust (2006-2008) - Chair
Science Fair Judge, St. Mary's School (2009-2016)
RANM International Presidential Advisory Group (2006)
Board member, NM CCIM Chapter (1993-1997, 1999-2005)
Fannie Mae Advisory Committee, NM Partnership office (2000-2005)
CCIM National - Elected CCIM Councilor (2000-2003)
CCIM National - International Operating Committee - Member at Large (2002-2003)
President, Encino Development & Management (non-profit senior housing) (2001-2002)
CCIM National - 102 Course Chair (2001-2002)
CCIM National - 102 Course Rewrite committee (2001)
CCIM National - ITA Committee Chair (2001-2002)
CCIM National - CCIM Technology Chair (2001-2002)
Board Member - Encino Development & Management (2000-2003)
CCIM National - Professional Steering Committee - Member at Large (2000-2001)



CCIM National - CCIM-STDB Oversight Committee (2000)
CCIM National - CCIM Ambassador to Poland (1998-2001)
Member AMBR Leadership Class (2000)
President neighborhood coalition, City Council District 5 (2000)
Mayor's appointee to City of Albuquerque Infill Task Force, vice chair (2000)
President, Pueblo Alto Neighborhood Association (1999-2000)
CCIM National - CCIM Pro-Society Committee Member (1999-2000)
CCIM National - CCIM Technology Vice-Chair (1999-2000)
CCIM National - CCIM Legislative Affairs Committee Member (1999-2000)
CCIM National - Education Marketing (1998-1999)
President, NM CCIM Chapter #10 (1996)
AMAFCA Bond Committee Board Member (1996)
Director, Realtors Association of NM (1996)
Founder & first President Commercial Association of Realtors (CARNM) in NM 1995-1996
Board Member Coalition for Quality Growth (1995-1996)
Board Member Leasing Information Network (1993-1994)
Co-Founder, Amiga Users Group of NM (1986)

**Expert Witness &
Testimony**

Albuquerque City Council
Albuquerque Housing & Neighborhood Economic Development Fund (UDAG)
NM District Court
NM Mortgage Finance Authority
City of Albuquerque Zoning Hearing
City of Albuquerque Design Review Board
City of Albuquerque Development Commission
City of Albuquerque Council Finance Committee
Bernalillo County Commission
State of NM Tax Protest Board
State of NM Department of Transportation Condemnation proceedings
Governor's finance board (NM)
Rio Rancho City Council
Las Cruces City Council

Current membership

Member Urban Land Institute
Member CCIM institute
Member Lambda Alpha Institute of Land Economics
Member National Association of Realtors
Member National Low Income Housing Coalition
Member NM CCIM Chapter
Member Apartment Association of NM
Member Greater Albuquerque Association of Realtors
Member NM Council of Exchangers
NM Rotary Club of Albuquerque
Commercial Association of Realtors in NM
Realtors Association of NM

Professional Experience

NM Real Estate Broker's License #13711 since 1996
NM Real Estate Salesperson's License #28636 since 1989
NM Appraisal License 1992-1993

Participated in the marketing and/or sale of 11,013 apartment units, in some 459 transactions totaling \$415,844,969. Participated in the protesting of property tax values in excess of \$2B in 1,000+ cases winning 97% of the cases with an average reduction of 24%. Auctioned off hundreds of properties for RTC/FDIC and local banks in the late 1980s/early 1990s. Owner and manager of private real estate portfolio since 1990.

Recent Consulting Assignments

Consulting – Brown apartment site for the City of Albuquerque
Consulting – Inca apartment analysis for the City of Albuquerque
Consulting – hired by the NM Real Estate Commission to create a bootcamp for new CORE Course instructors
Consulting – hired by NM Real Estate Commission to review Mandatory Course, survey 8,667 licensees and make recommendations for new course curriculum
Expert Witness – Property tax protest case - \$39M golf resort community in Quay County
Market Study – Uptown Transit Center (200+ units)
Expert Witness – commercial real estate case involving multiple transactions including ABQ's first skyscraper
Market Study – Rio Rancho apartments near new downtown city center (200+ units)
Market Study – Rio Rancho apartments near Highway 528/Highway 550 (100+ units)
Market Study – Casa Grande site, Albuquerque, NM
Housing Needs Assessment – Rail yard facility, South Broadway/Barelas Neighborhoods.
Market Study – Mariposa Master Planned Community Apartment site, Rio Rancho NM
Developed & implemented marketing strategy for Village at Four Hills-120 unit community (property increased occupancy from 60% to 84% in 120 days)
Market Study – Broadstone Andalucia Luxury Apartments Coors/Montano, Albuquerque NM
Market Study – San Pedro/Alameda Luxury Apartment site, Albuquerque NM
Market Study – El Vado Motel - Route 66, Albuquerque NM
Coauthored – Understanding NM's property tax system – 400 page textbook and course
Market Study - Renovation of Old Albuquerque High School, Albuquerque NM
Market Study - Luxury Housing, Montano/Coors, Albuquerque, NM
Highest and Best Use Analysis –city block in downtown Albuquerque
Expert Witness – Eminent Domain case for freeway off ramp at San Mateo Blvd. & Interstate 40, Albuquerque, NM
Master Plan & Highest Best Use Analysis – 1,000 acres, Tulsa, OK
Market Study & Highest Best Use Analysis – ABQ Uptown Phase III
Market Study - Retail/Office site across from IKEA in Agave Business Park, Tempe, AZ
Market Study - Housing needs for Hobbs, NM

Market Study - Office Condos, Plaza Maya, downtown Albuquerque
 Market Study - Apartment site Tempe, AZ
 Market Study - Housing assessment for Angel Fire, NM
 Market Study - Downtown Restaurants, Albuquerque, NM
 Market Study - APS/Education GAP analysis for Longford Homes, Albuquerque, NM
 Market Study - Two square blocks downtown for 975 condo/apartment units, Tampa, FL
 Market Study - Focus Groups – Sawmill Lofts / LIHTC Albuquerque, NM
 Market Study - Downtown Apartment Site (Hyder) , Albuquerque, NM
 Market Study - Downtown Apartment Site (Silver Court) , Albuquerque, NM
 Market Study - Work Force Housing/SRO, Albuquerque, NM
 Market Study -Luxury Housing, Montano Plaza, Albuquerque, NM
 Market Study - MR plan Near Heights – City of Albuquerque, NM
 Condo Analysis - Cherry Creek Apartments, Denver, CO
 Market Study - ABQ Uptown Apartments (Phase II) Albuquerque, NM
 Condo Analysis - Kaiser Building, downtown Oakland, CA
 Market Study - De Anza Historic Hotel, Albuquerque, NM
 Market Study - LIHTC – Villa de San Felipe apartments Albuquerque, NM
 Market Study - Downtown Action Team, Albuquerque, NM
 Market Study - Retirement apartments, Albuquerque, NM
 Market Study - Intel Site Apartments, Rio Rancho, NM
 Focus Groups - NextGen Artisan Cluster, New Mexico
 Market Study - North Fourth Street Corridor, Albuquerque, NM
 Market Study - Louisiana Apartments/LIHTC for Lovelace, Albuquerque, NM
 Market Study - Apartments, Dallas, TX
 Leasehold Analysis - Towne Park HOA, Albuquerque, NM
 Analyzed/Developed system and programming for Towne Park HOA Water submetering and bill back program
 Created Forecasting Tools and course for Colliers International
 Market Study – Arrowhead LIHTC Apartments for AMREP, Rio Rancho, NM
 Financial Analysis – City of Albuquerque Multifamily Refinance/Acquisition
 Co-Authored CCIM 102 Market Analysis Course
 Hand Coded first Multiple List Service and CDROM for CARNM
 Market Study –Townhouse market for AMREP, Rio Rancho, NM

**Recently Published
Articles**

Technology journalist for the IREM institutes Magazine, *Journal of Property Management* (2009-2013)
Review of Aerotropolis – city of the future – CCIM Magazine – September/October 2011
The Benefits of a Paperless Office – Commercial Real Estate Journal – March 2008
Capital Markets Credit Crunch – NM Business Weekly – January 2008
Technology Blog in commercial real estate: www.canteraconsultants.com/tech
Confessions of a Commercial Real Estate Consultant Blog: www.toddclarke.com

Clients

Private Investors
Pension Fund Advisors
Regional Developers
Local Developers
REITs
Non Profit Corporations
Tenant in Common (TICs)
City Governments
Bankruptcy Trustees
NM Bankruptcy Court
NM Real Estate Commission
California Probate Court
Home Owners Associations
Trade Associations
Fannie Mae
RTC
FDIC
NM Banks
NM Savings & Loans

Coursework

Completed all course work for CCIM education and awarded designation 1995 (#5728)
Completed all course work for Certified Investment Property Specialist (CIPS) designation

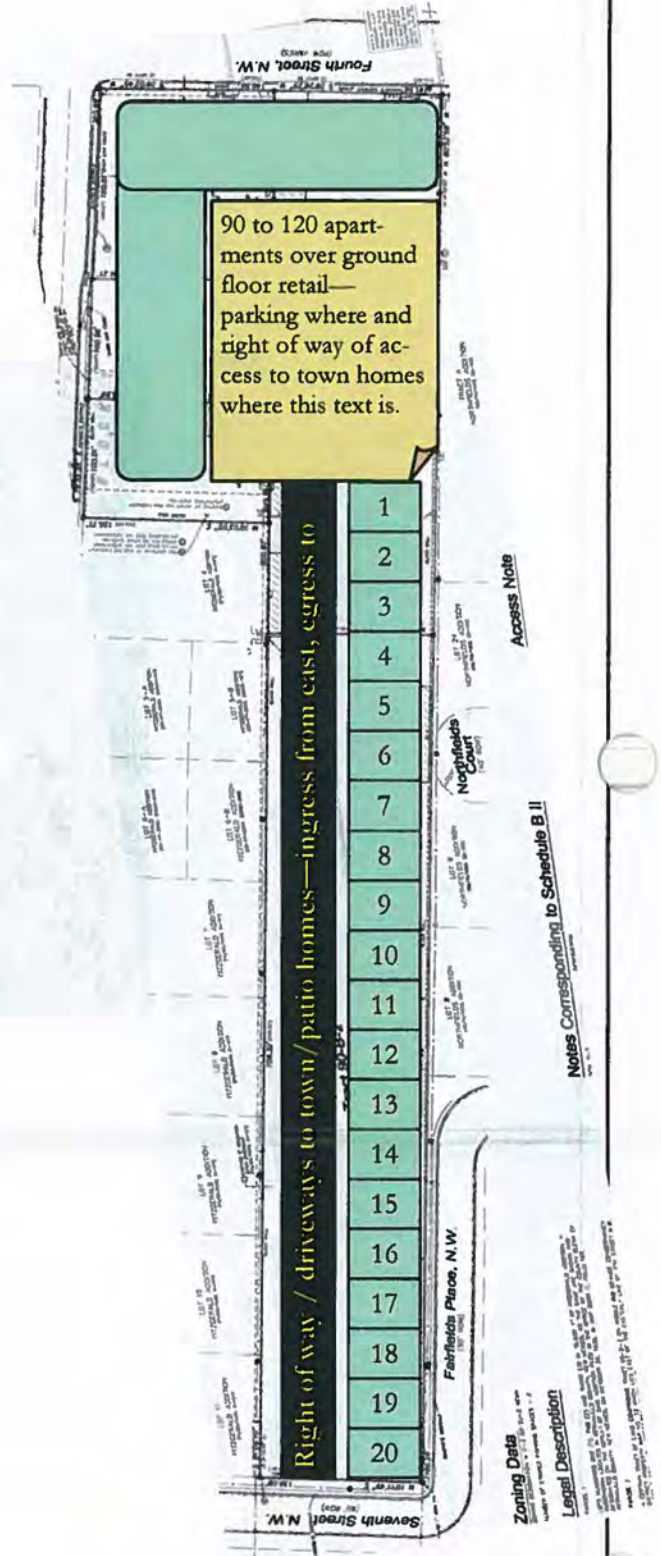
7

Product Recommendations

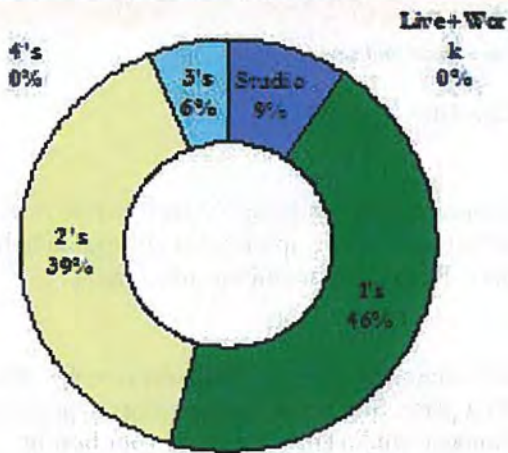


Based on the research generated in this report, the consultant believes an ideal and likely feasible development would include:

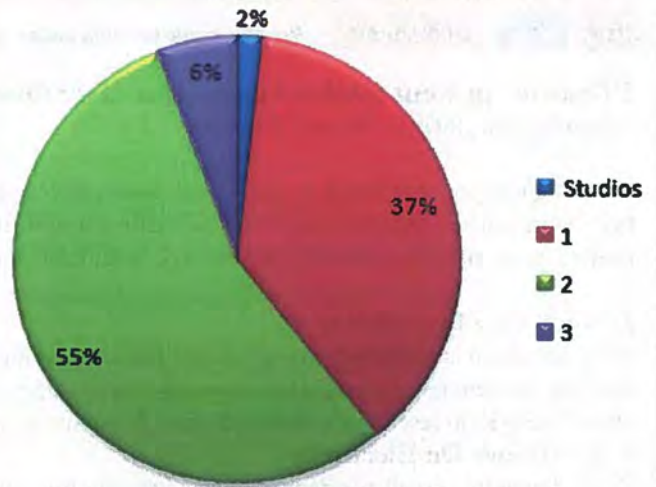
- for the portion of the property that faces Fourth Street and Fitzgerald Road NW - a square portion of land approximately 2.383 acres - three floors of housing over the top of one floor of retail. This could easily support a site of 90 to 120 apartment units.
- For the portion of the property that backs up to the Northfields addition (a predominantly residential subdivisions) - this site contains a portion of land that is approximately 139' x 800' = 2.55 acres. Site should contain no more than 2 story town homes/patio homes on 40' width lots and as deep as the right of way would allow. Ideally, the right of way through the property would be one way with ingress from Fourth Street or Fitzgerald and egress on Seventh Street NW. This would mostly likely be a 20 unit development.
- The two properties would need to be both rental product, or both for sale product with a common area component that has professional management.



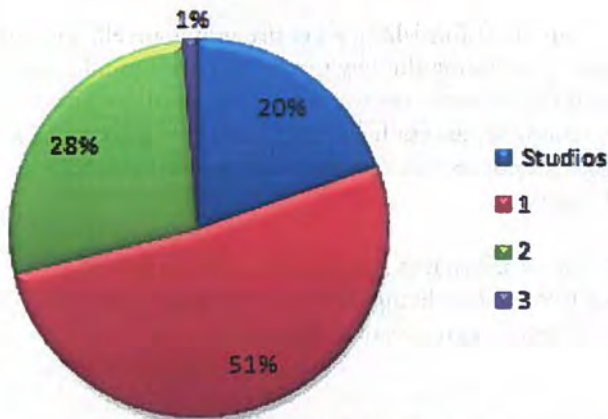
ABQ MSA Unit Mix



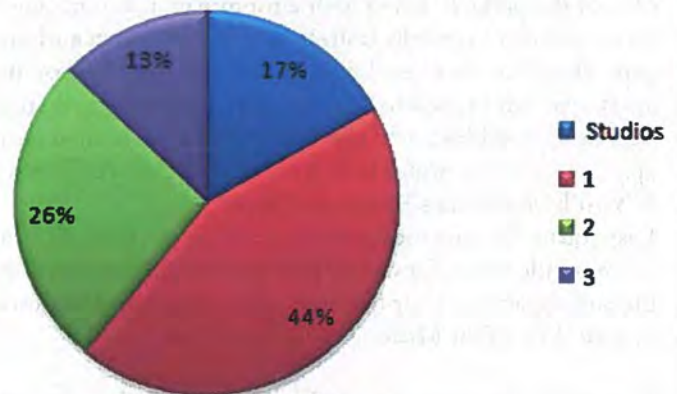
Existing Rio Rancho Unit Mix



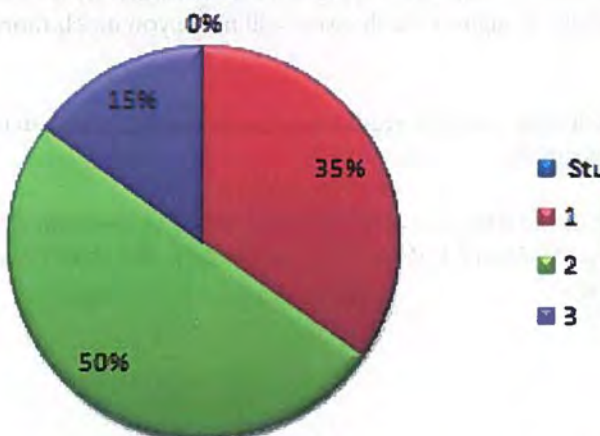
Urban ABQ Unit Mix



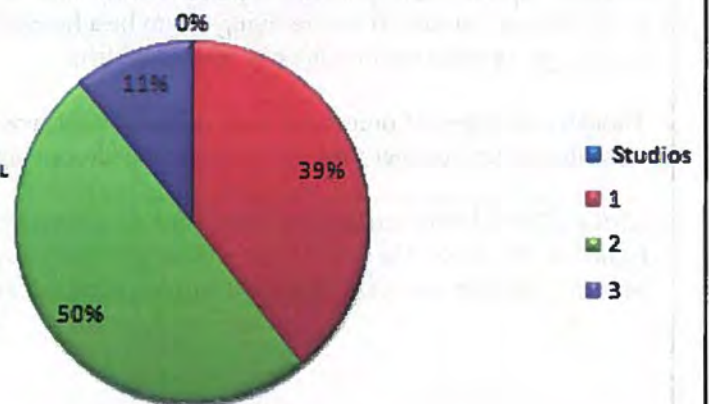
Downtown ABQ Unit Mix



Luxury Unit Mix



"New" Unit Mix





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Apartment

Renters guide to living better, solving problems and saving money.

5 Reasons to Rent Studio Apartments Over One-Bedrooms

September 10th, 2009 by Rachael Weiner

As a single apartment dweller, you'll find there are very good reasons to rent studio apartments versus one-bedroom units. Though living in a one bedroom unit has its advantages, studio apartments are appealing because they're much more economical in terms of both money and space. Read on to see all the advantages.

1. You'll Save Rent Money

A studio rental is obviously going to cost less than a one bedroom rental, and undoubtedly the money savings is the number one reason you'd lean toward a studio unit in the first place. Studios, at the very least, typically run about \$150-\$200 less than a one bedroom. If you're on a tight budget, studio apartments are your best bet.

2. You'll Save On Electricity

When living in a small condensed space, keeping the unit cool in the summer and warm in the winter is going to take less energy than doing the same to a one-bedroom apartment. Not only will your rent be lower, so will your electricity bill. If you search hard enough, you can even find efficiency studio apartments where all utilities are included. Budgeting becomes much easier when you only have to write one check each month for living expenses.

3. You'll Have Less Space to Furnish

One of the perks to living with a roommate is not having the burden of furnishing an entire unit yourself. You and your roommate typically both bring what you own and merge it, purchasing the few pieces you need to fill in any gaps. If you live in a one bedroom unit by yourself, you have to fill the space on your own, and furnishing an apartment can be expensive. In a studio apartment, there isn't room for excess furniture. A few key pieces, like a bed, desk, small love seat and table, will be more than enough. Sometimes you can even find furnished studio apartments if you prefer to forgo furnishing on your own all together.

4. You'll Have Less Space to Clean

Less square footage means fewer surfaces to clean. Not only that, small spaces require you to be organized. There's little room for clutter in a studio. Studios are great for minimalistic living. If you're looking to simplify your life and streamline your belongings, moving into a studio apartment is a great way to do so.

5. You'll Get Out More

One of the downfalls to a studio apartment is that they can feel claustrophobic if you spend too much time inside. However, this can also be a perk for someone who is constantly on the go or wants to be. If you're basically only renting an apartment so you have a place to store your belongings and sleep at night, there is absolutely no reason to not to rent a studio. If you're trying not to be a homebody, living in a small space will make you much more likely to get out and explore the city where you live.

Though both types of units have their pros and cons, you'll find renting a studio apartment can be more suitable to your lifestyle and budget than living in a one-bedroom apartment.

Rachael Weiner: I'm a communications professional for a non-profit, which financially necessitates my status as an apartment dweller. Constantly "on-the-go," I've resided in five different apartments across the United States over the past five years. Roommate issues, budgeting, organizing and handling problem neighbors are my specialty.



June 2012

units

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SIZE MATTERS

(But Not The Way You Think)

Square Footage Is So Last Year

“Young Renters need to be able to change the design and function of their apartment—just as they do their gadgets—to reflect their personality and needs”

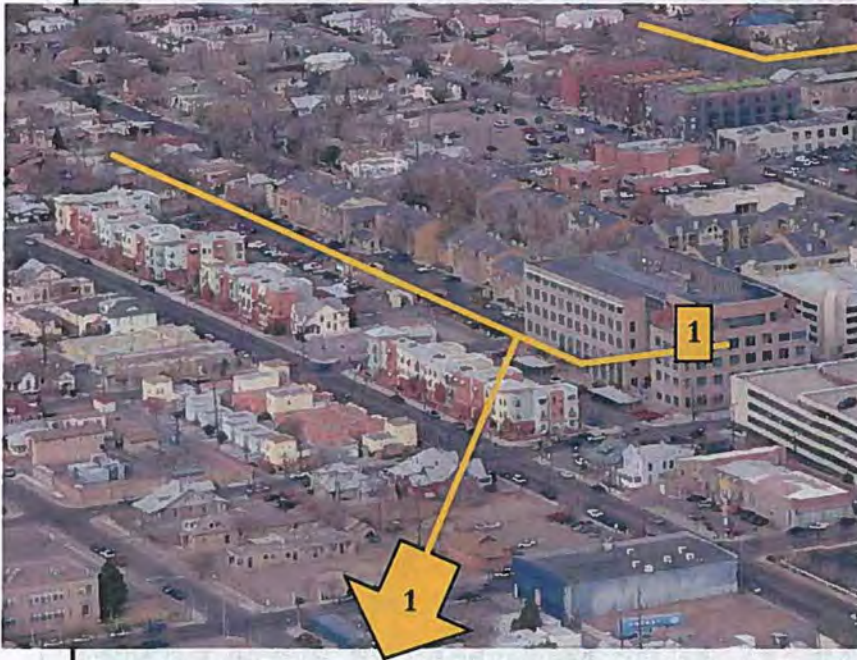
- Daniel Gehman, Harley Ellis Deveraux



“With many young renters eating out several nights each week, full kitchens are giving away to compact refrigerator and moveable islands”



Urban feel to Site plan



As part of bringing a new product to Albuquerque, the design and massing of the buildings was done in such a way as to make the apartment community feel urban and demand notice from the nearby high traffic corridors.

- providing a better street presence
- make the exterior more walkable from street side
- in similar existing apartments, the current common area
- Added security for parked vehicles
- Fulfills CPTED goal - eyes on the street and on the parking areas
- increases the overall presence of the building
- minimizes asphalt areas

Additionally, up lighting of the perimeter of the structures should make for a highly visible, unique and marketable community.



Recommended Amenities

The following amenity recommendations were drawn from touring communities in and outside of the trade area for this apartment community.

Suggested ideas are based on the resident demographic with a focus on Generation Y.

Community Amenities

- Swimming Pool
- Lagoon pool & surrounded by plush outdoor lounge (think CSI: Miami)
- Invitation only privileges to Pool/Gym club and weekly parties
- Premier fitness club w/onsite trainer
- 2nd level entertaining area with grille and with outdoor fireplaces
- Community Garden areas
- An interactive community website that allows for maintenance requests and payments online
- Business Center w/three computers
- Clubhouse that is conducive to congregation

Given generational background, residents Will most likely need multiple stimulation (think bike

Unit Amenities

- Counter next to exterior door for place to hold groceries, purse, briefcase why resident fishes for their keys
- Ideally the same area (above) would allow resident the ability to “personify” their door (photos, emergency contact info, daily messages, etc.)
- Built in bookshelves
- Said counter could sit above a package locker
- Package drop off
- Wired for internet (wifi and plugged) - very important for live/work and LAN parties
- Washer/Dryer in units
- package heat/air units (not swamp coolers)
- 9’ ceilings
- Include Large (42”) flat screen TV’s
- Upgraded finishes—tenant picked



lockers and trail maps and activity director)

Clubhouse

Open areas like the Hyatt Place
A place to “check in” and hang out
Staff conference rooms double as guest areas
Physically, Albuquerque’s less draconian landscaping ordinance provides a competitive advantage to Albuquerque apartments that can offer lush green areas and trees, which increase the amenities and curb appeal of the property

- Key-free cipher locks throughout
- High speed internet connections and Wi-Fi throughout the property

Resident Survey

In January of 2004, Cantera Consultants & Advisors conducted an online survey by target mailing to five residential communities in Albuquerque that are considered by residents to be luxury oriented.

Primary respondents to the survey were those who made more than \$60,000 per year, 76% of whom had college educations or better.

“Other” was listed as the primary reason for living in an apartment, followed by “transition to permanent housing”, “lack of maintenance”, “expense” and “divorce”.

49% of residents believed their current luxury community offered a “good value”, 24% a “great value” and 24% a fair value, only 4% stated their residence was a “poor value”. Based on this, there is an indication that 74% of luxury residents could and would withstand a rental increase.

Residents indicated the maximum (average) rent they would be willing to pay on a monthly basis is \$1,345, almost twice their current average of \$792.

The following were listed as important items to have in their community (scale was 1 to 10, 10 being very important)

- Safety—7.67
- Private backyard or balcony—7.74
- Gated community—6.92
- Close proximity to grocery store—7.63
- Access to shopping—7.51
- Close proximity to work—5.85
- A pet friendly community—6.08

The average tenure was 2 years, the longest was 13.

Average commute time is 21 minutes, longest was 75 minutes—this project needs to sell the “1 minute commute” (what would you do with 133 extra hours every year?)

Top reasons residents selected their community included: location, lack of maintenance, quiet, pet friendly, full size washer/dryer, beautiful area.

75% of participants indicated they are currently reading a book .

Many of the residents responded that they were most happy when “they were successful and achieving their goals” and least happy when “stressed or their job was consuming too much time”

Under the category “what would you pay for an amenity” - the #1 choice amongst resident was a washer/dryer and it was worth \$30 to \$100, followed by a hot tub \$3 to \$100, and unlimited maintenance \$100 (indication of need for unparalleled service plan)

Luxury: 1. Something inessential but conducive to pleasure and comfort.
2. Something expensive or hard to obtain.
3. Sumptuous living or surroundings: *lives in luxury.*

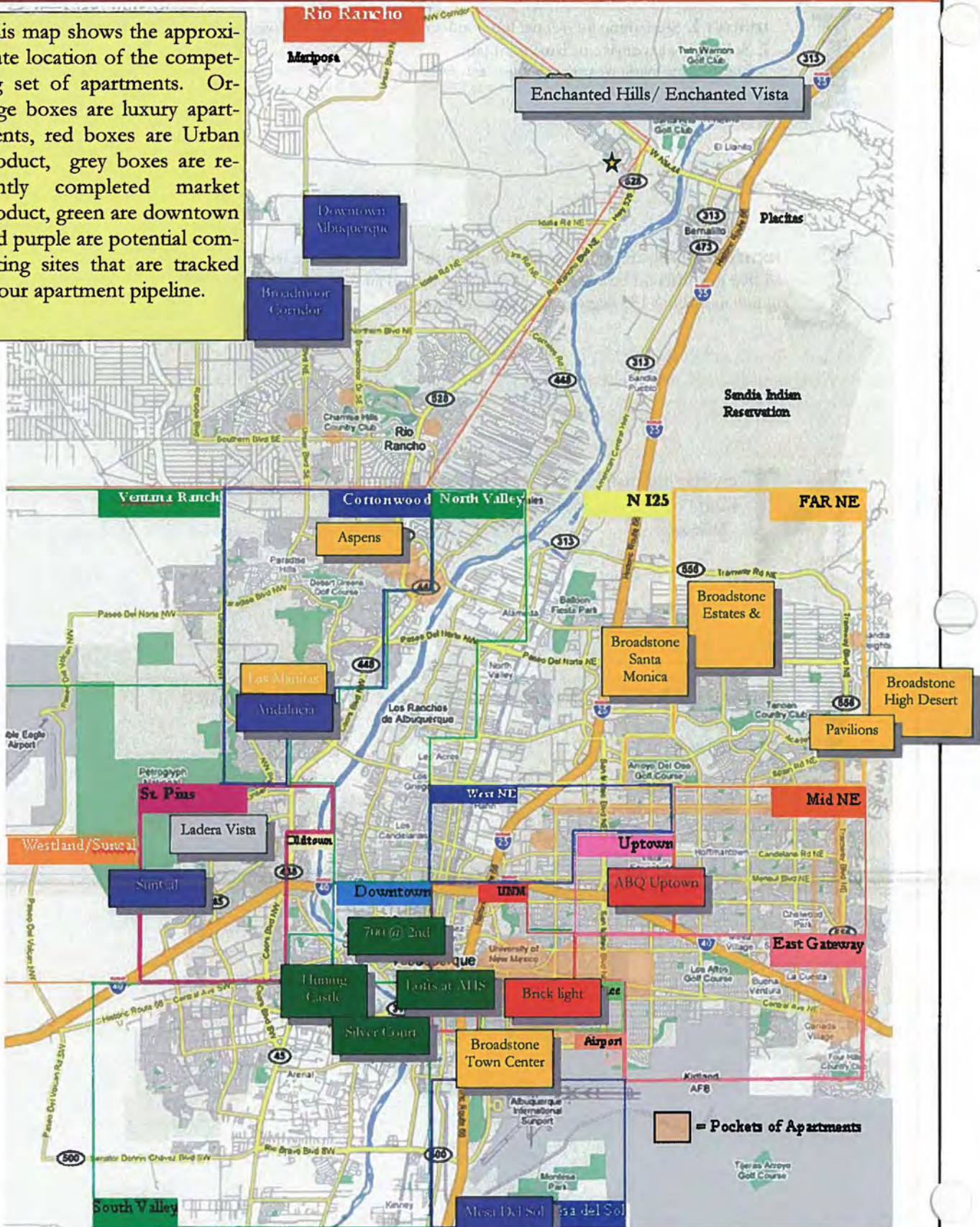
Luxury: Probably the most overused term in the apartment arena today—so much so that the different between an “A” community and an “A+” community is 30% in rent and about 180 degrees in design and location.
-Todd Clarke CCIM

New having just (or relatively recently) come into being or been made or acquired or discovered
- Dictionary

Urban—relating to or concerned with a city or densely populated area
- Dictionary

Submarket Map

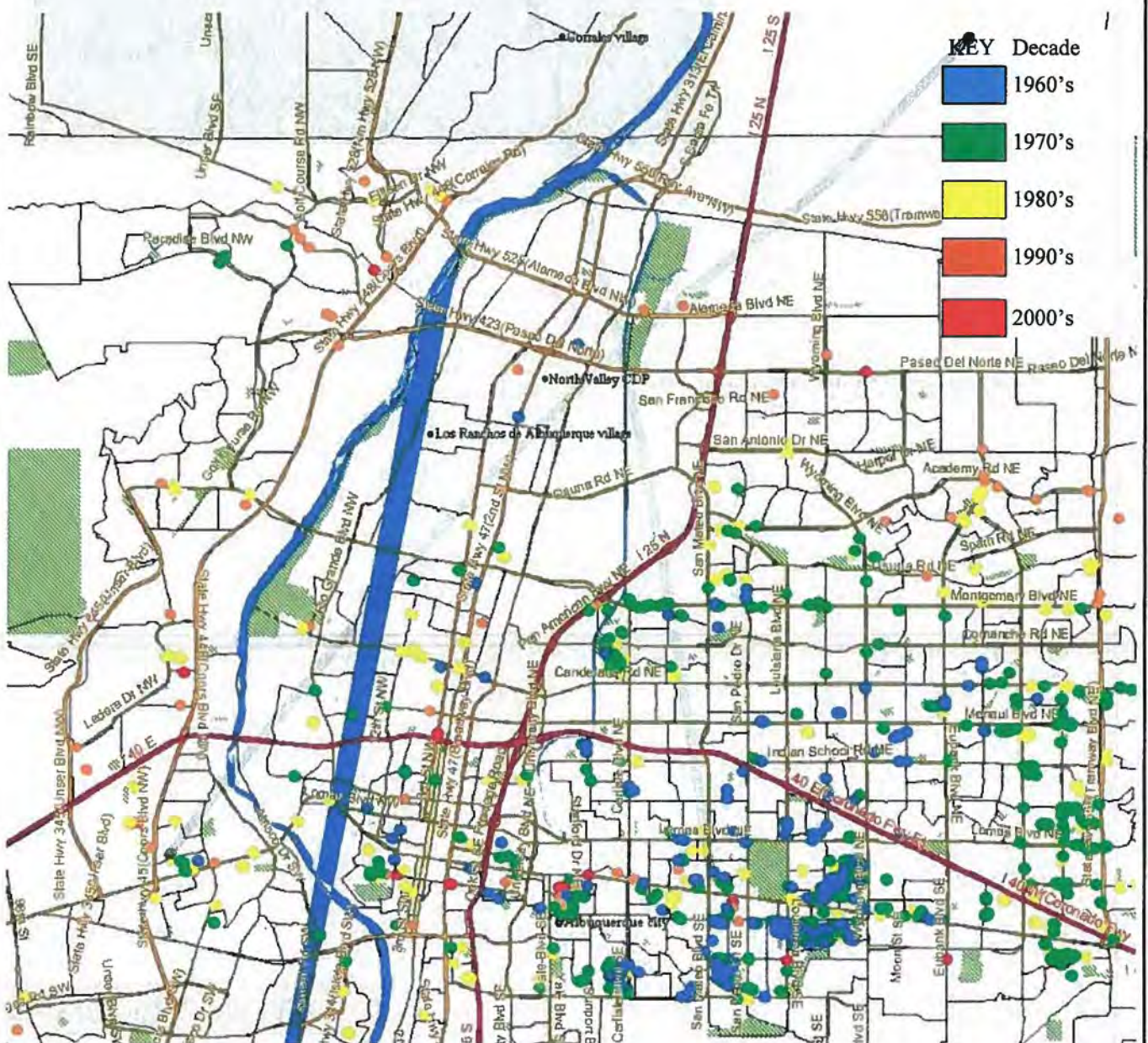
This map shows the approximate location of the competing set of apartments. Orange boxes are luxury apartments, red boxes are Urban product, grey boxes are recently completed market product, green are downtown and purple are potential competing sites that are tracked in our apartment pipeline.



Apartment Development Cycles

This map of Albuquerque is color coded to show historical apartment development in the City since the 1960's. The apartments highlighted in yellow boxes are the communities used in the comparison set that are currently stabilized.

Each of these communities was selected as a comparison set as the most likely communities to be viewed as competition for the subject property as viewed by prospective residents. Senior apartments were not used as comparable to subject property.



SAN CLEMENTE APARTMENTS



| | # | Bed/Bath | Size | Price | \$/sf | Tenant Pays |
|------------|-----|----------|-------|-------|--------|-------------|
| Acoma | 28 | 1/1 | 540 | \$679 | \$1.26 | G,E |
| Bandelier | 30 | 2/2 | 565 | \$689 | \$1.18 | G,E |
| Cimarron | 30 | 1/1 | 655 | \$699 | \$1.07 | G,E |
| Diego | 66 | 2/1 | 870 | \$769 | \$0.88 | G,E |
| Enchanted | 156 | 2/2 | 910 | \$789 | \$0.87 | G,E |
| Franciscan | 38 | 3/2 | 1,260 | \$905 | \$0.72 | G,E |

Quoted rents are for "market" units, and does not include LIHTC units



YOC: 2010-2013

SAN CLEMENTE APARTMENTS 200-210 SAN CLEMENTE NW



| # | Bed/Bath | Size | Price | \$/sf | Tenant Pays |
|----|----------|-------|---------|--------|-------------|
| 36 | 3/2 | 1,200 | \$1,025 | \$0.81 | G,E |



YOC: 2010-2013



134



North Fourth Street

NORTH FOURTH VILLAGE



| | # | Bed/Bath | Size | Price | \$/sf | Tenant Pays |
|------------|----|----------|-------|-------|--------|-------------|
| Commercial | 4 | | 950 | \$929 | \$0.98 | G,E |
| | 4 | 2/1 | 800 | \$819 | \$1.02 | G,E |
| | 12 | 2/2 M | 900 | \$823 | \$0.91 | G,E |
| | 4 | 2/2 L | 1,100 | \$875 | \$0.80 | G,E |



YOC: 2014



135



North Fourth Street

NORTH FOURTH VILLAGE



Under Construction—76 units in two phases, commercial on the ground floor, residential on top



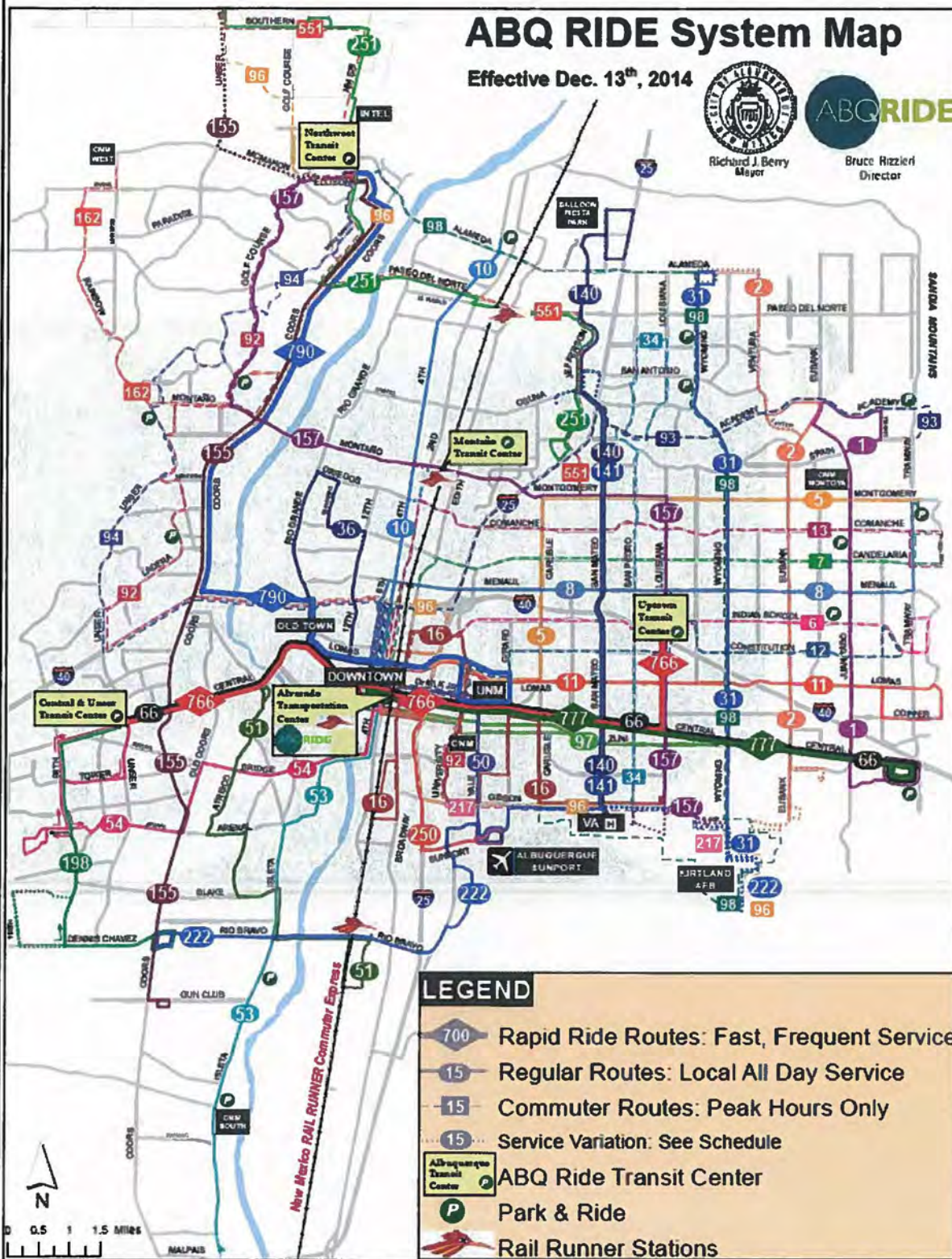
YOC: 2016

6

Linkages



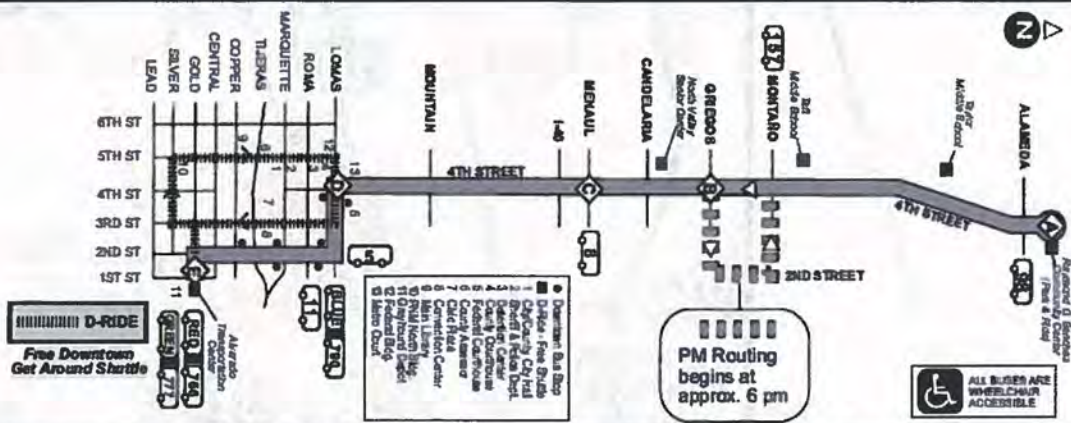
The subject site is centrally located



The subject site is centrally located

**Route 10 / Ruta 10
North 4th Street**

Effective: January 2015



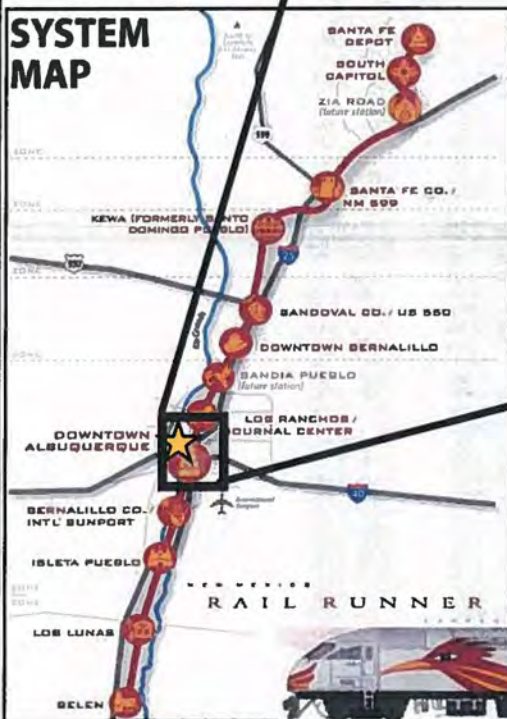
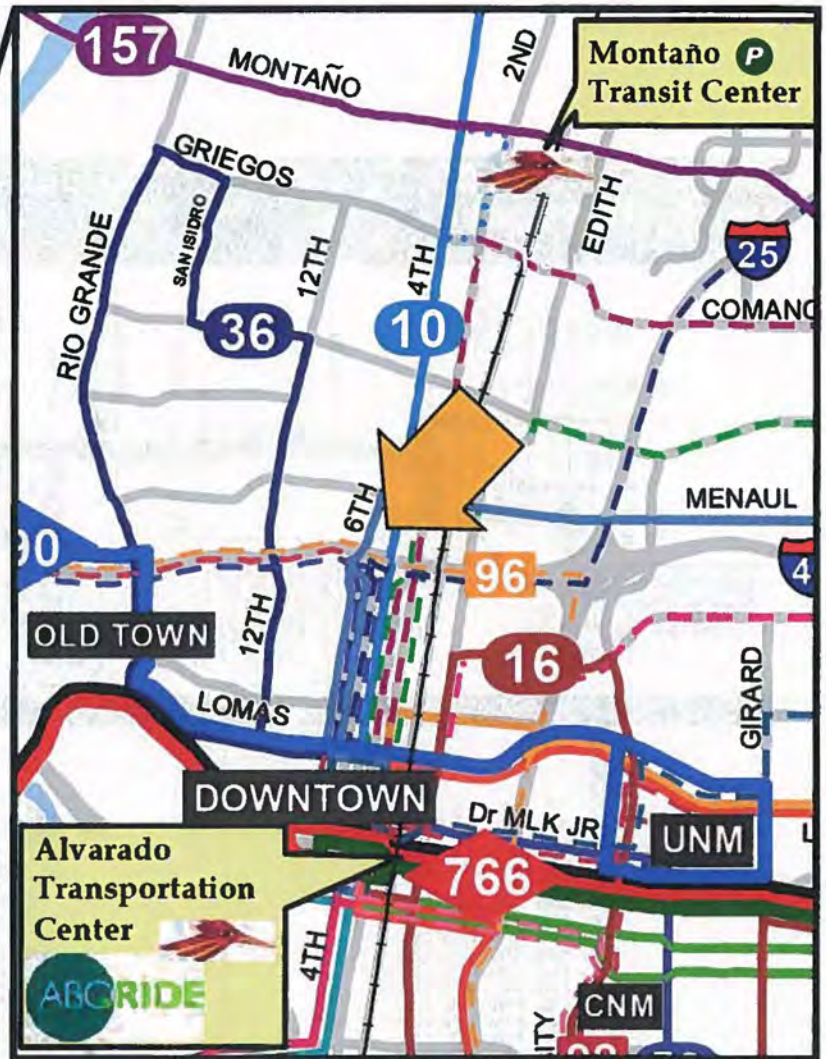
Route 10 - Weekday Southbound

Route 10 - Weekday Northbound

| ALAMEDA STATION | STANFORD STATION | NORTH 4TH & ALAMEDA | NORTH 4TH & MARQUETTE | NORTH 4TH & COPPER | NORTH 4TH & CENTRAL | NORTH 4TH & GOLD | NORTH 4TH & SILVER | NORTH 4TH & LEAD |
|-----------------|------------------|---------------------|-----------------------|--------------------|---------------------|------------------|--------------------|------------------|
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| 6:38a | 6:52a | 6:58a | 7:12a | 7:28a | 7:37a | 7:57a | 8:17a | 8:42a |
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| 29:57a | 30:12a | 30:18a | 30:32a | 30:48a | 30:57a | 31:17a | 31:37a | 32:02a |
| 30:17a | 30:32a | 30:38a | 30:52a | 31:08a | 31:17a | 31:37a | 31:57a | 32:22a |
| 30:37a | 30:52a | 30:58a | 31:12a | 31:28a | 31:37a | 31:57a | 32:17a | 32:42a |
| 30:57a | 31:12a | 31:18a | 31:32a | 31:48a | 31:57a | 32:17a | 32:37a | 33:02a |
| 31:17a | 31:32a | 31:38a | 31:52a | 32:08a | 32:17a | 32:37a | 32:57a | 33:22a |
| 31:37a | 31:52a | 31:58a | 32:12a | 32:28a | 32:37a | 32:57a | 33:17a | 33:42a |
| 31:57a | 32:12a | 32:18a | 32:32a | 32:48a | 32:57a | 33:17a | 33:37a | 34:02a |
| 32:17a | 32:32a | 32:38a | 32:52a | 33:08a | 33:17a | 33:37a | 33:57a | 34:22a |
| 32:37a | 32:52a | 32:58a | 33:12a | 33:28a | 33:37a | 33:57a | 34:17a | 34:42a |
| 32:57a | 33:12a | 33:18a | 33:32a | 33:48a | 33:57a | 34:17a | 34:37a | 35:02a |
| 33:17a | 33:32a | 33:38a | 33:52a | 34:08a | 34:17a | 34:37a | 34:57a | 35:22a |
| 33: | | | | | | | | |

Transportation Linkages

The subject site has reasonably good transportation access, being located equidistant between the Montañero and Downtown rail runner stops and on Route 10 for the City's bus system.



Site Linkage Scoring (Developer/Resident)

The subject site is located in close proximity to Albuquerque's four major central business districts.

| Downtown | |
|---------------------------------------|----------|
| Jobs | 27,275 |
| Businesses | 1,930 |
| Residents | 13,204 |
| Job/Resident Ratio: | 2.07 |
| # of jobs per acre | 14 |
| # of grocery stores | 1 |
| # of movie theater screens | 14 |
| # of growers markets | 2 |
| # of museums, zoos, bio parks, etc. | 16 |
| # of B.I.D.s | 1 |
| Avg. Income = | \$21,323 |
| Total employment + total population = | 40,479 |

| Uptown | |
|-------------------------------------|--------------|
| Jobs | 14,465 |
| Businesses | 1,815 |
| Residents | 13,974 |
| Job/Resident Ratio: | 1.04 |
| # of jobs per acre | 7 |
| # of grocery stores | 1 |
| # of movie theater screens | 16 |
| # of growers markets | 1 |
| # of museums, zoos, bio parks, etc. | 5 |
| # of B.I.D.s | in the works |
| Avg. Income = | \$26,115 |
| Total employment | 28,439 |

| North I-25 | |
|---------------------------------------|----------|
| Jobs | 18,078 |
| Businesses | 953 |
| Residents | 4,943 |
| Job/Resident Ratio: | 3.66 |
| # of jobs per acre | 9 |
| # of grocery stores | 1 |
| # of movie theater screens | 0 |
| # of growers markets | 0 |
| # of museums, zoos, bio parks, etc. | 1 |
| # of B.I.D.s | 0 |
| Avg. Income = | \$23,511 |
| Total employment + total population = | 23,021 |

| Nob Hill | |
|-------------------------------------|--------------|
| Jobs | 8,332 |
| Businesses | 1,593 |
| Residents | 15,543 |
| Job/Resident Ratio: | 0.54 |
| # of jobs per acre | 4 |
| # of grocery stores | 1 |
| # of movie theater screens | 1 |
| # of growers markets | 1 |
| # of museums, zoos, bio parks, etc. | 8 |
| # of B.I.D.s | in the works |
| Avg. Income = | \$31,333 |
| Total employment | 23,875 |

*Average Income quoted is per capita 2012

Location Analysis for competing real estate uses

The subject location was scored for the main commercial and residential property types—residential uses scored significantly higher than the next high use, retail.

Location Analysis

Clear Input Cells

Scale: 0 = Not Applicable, 10 = Highest

Weight: On a scale of 0 to 10 Rate the importance of each criterion for the respective use at any location.

Subject: On a scale of 0 to 10 rate the subject location for each criterion.

Note: The subject location should have the same rating for all *General Criteria* for all uses.

| Input Cells | | | Office | | Industrial | | Retail | | Residential | |
|---|----|----|--------|---------|------------|---------|--------|---------|-------------|---------|
| No Input Cells | | | Weight | Subject | Weight | Subject | Weight | Subject | Weight | Subject |
| General Criteria | | | | | | | | | | |
| Road System | 10 | 4 | 10 | 4 | 10 | 4 | 10 | 4 | 10 | 4 |
| Public Transportation | 6 | 4 | 3 | 4 | 3 | 4 | 4 | 4 | 8 | 4 |
| Retail Centers | 4 | 4 | 2 | 4 | 2 | 4 | 7 | 4 | 7 | 4 |
| Municipal Services | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Educational Facilities | 5 | 4 | 2 | 4 | 2 | 4 | 5 | 4 | 9 | 4 |
| Recreational Facilities | 4 | 4 | 2 | 4 | 2 | 4 | 8 | 4 | 9 | 4 |
| Health Services | 8 | 4 | 2 | 4 | 2 | 4 | 2 | 4 | 8 | 4 |
| Cultural Amenities | 4 | 7 | 2 | 7 | 2 | 7 | 8 | 7 | 9 | 7 |
| Population Density | 8 | 4 | 2 | 4 | 2 | 4 | 10 | 4 | 10 | 4 |
| Employment Centers | 10 | 4 | 0 | 4 | 0 | 4 | 10 | 4 | 10 | 4 |
| Growth Vectors | 10 | 4 | 0 | 4 | 0 | 4 | 10 | 4 | 10 | 4 |
| Disposable Income | 6 | 4 | 0 | 4 | 0 | 4 | 10 | 4 | 10 | 4 |
| Crime Rating | 4 | 4 | 0 | 4 | 0 | 4 | 4 | 4 | 8 | 4 |
| Use Specific Criteria | | | | | | | | | | |
| Customer Base | 0 | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Labor Pool | 0 | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Suppliers | 0 | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Competing Uses (Existing and Zoned Sites) | 0 | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Land Use Trends | 0 | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Location Weighted Rating by Use

3.29

2.29

3.66

4.30

Site Analysis for competing real estate uses

The subject site was scored for the main commercial and residential property types—residential uses scored significantly higher than the next high use, retail.

Site Analysis

Clear Input Cells

Scale: 0 = Not Applicable, 10 = Highest

Weight: On a scale of 0 to 10 Rate the importance of each criterion for the respective use for any site.

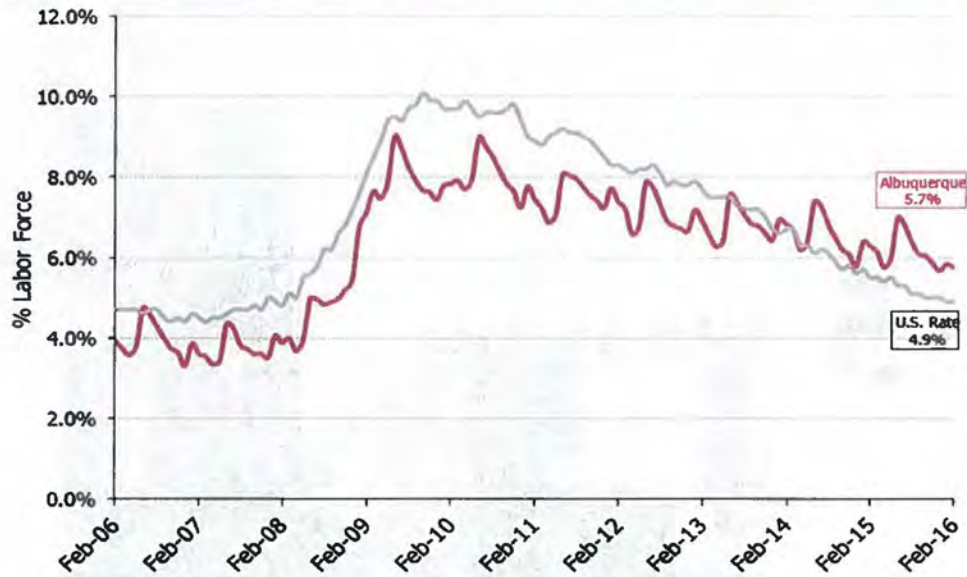
Subject: On a scale of 0 to 10 rate the subject site for each criterion.

Note: The subject site should have the same rating for all **General Criteria** for all uses.

| Input Cells | | Office | | Industrial | | Retail | | Residential | |
|------------------------------------|--|--------------|---------|-------------|---------|--------------|---------|--------------|---------|
| No Input Cells | | Weight | Subject | Weight | Subject | Weight | Subject | Weight | Subject |
| General Criteria | | | | | | | | | |
| Traffic Count | | 6 | 4 | 3 | 4 | 9 | 4 | 7 | 4 |
| Easy Access | | 8 | 4 | 4 | 4 | 8 | 4 | 7 | 4 |
| High Visibility | | 8 | 5 | 1 | 5 | 8 | 5 | 7 | 5 |
| Major Intersection | | 9 | 4 | 1 | 4 | 9 | 4 | 6 | 4 |
| Curb Cuts | | 7 | 7 | 1 | 7 | 7 | 7 | 5 | 7 |
| Frontage | | 6 | 6 | 1 | 6 | 6 | 6 | 4 | 6 |
| Traffic Signal | | 8 | 4 | 2 | 4 | 8 | 4 | 5 | 4 |
| Turn Lanes | | 5 | 4 | 3 | 4 | 5 | 4 | 4 | 4 |
| Walk Score | | 63 | 8 | 63 | 3 | 63 | 9 | 63 | 10 |
| Transit Score | | 29 | 8 | 29 | 3 | 29 | 9 | 29 | 10 |
| Bike Score | | 66 | 8 | 66 | 3 | 66 | 9 | 66 | 10 |
| | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Use Specific Criteria | | | | | | | | | |
| Configuration | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Topography | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Floor Area Ratio | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Side of Street | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Traffic Patterns | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Neighboring Uses | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Site Weighted Rating by Use | | 13.94 | | 4.95 | | 15.48 | | 16.27 | |

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Albuquerque Market Unemployment Rate - February



hw Source: Bureau of Labor Statistics

Albuquerque Job Growth

Market Experienced Y-O-Y Increase of +5,900 jobs = 1.6% Growth Rate



hw Source: Bureau of Labor Statistics

Source: MRCOG - AANM 2016 presentation on growth, transportation and housing

2040 Forecast



460,000 new people



190,000 new homes



185,000 new jobs

County Population Projection

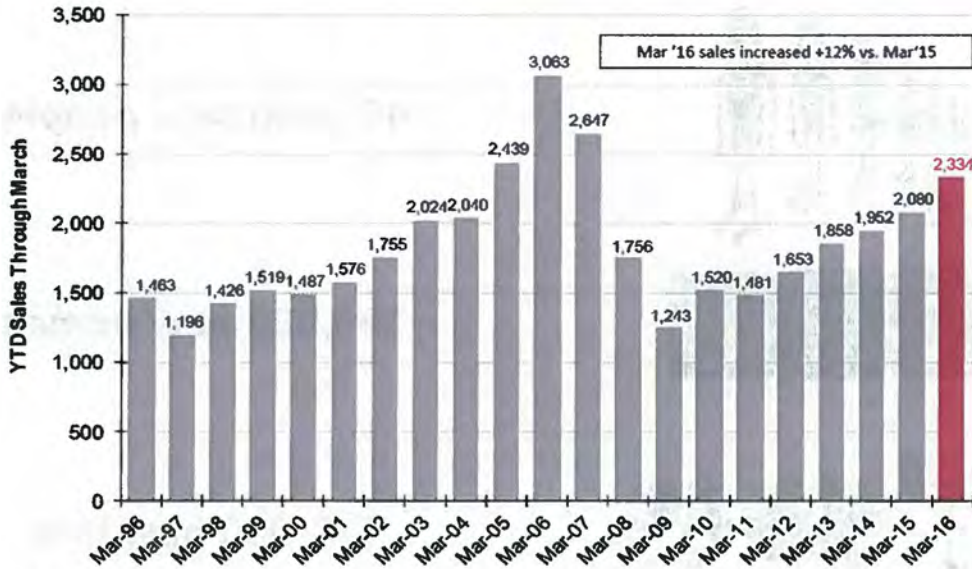
| MRCOG Region | 2012 Population | 2040 Population | Numeric Growth | Pace of Growth |
|--------------------|-----------------|-----------------|----------------|----------------|
| BERNALILLO COUNTY | 675,548 | 987,080 | 311,532 | 46.1% |
| SANDOVAL COUNTY | 135,950 | 220,881 | 84,931 | 62.5% |
| *SOUTHERN SANTA FE | 10,268 | 17,661 | 7,393 | 72.0% |
| TORRANCE COUNTY | 16,187 | 21,788 | 5,601 | 34.6% |
| VALENCIA COUNTY | 77,363 | 127,981 | 50,618 | 65.4% |
| TOTAL | 915,316 | 1,375,391 | 460,075 | 50.3% |

*Southern Santa Fe includes the greater Edgewood area

Source: MRCOG, UNM-GPS 2040 population projection by county aggregated to the regional level

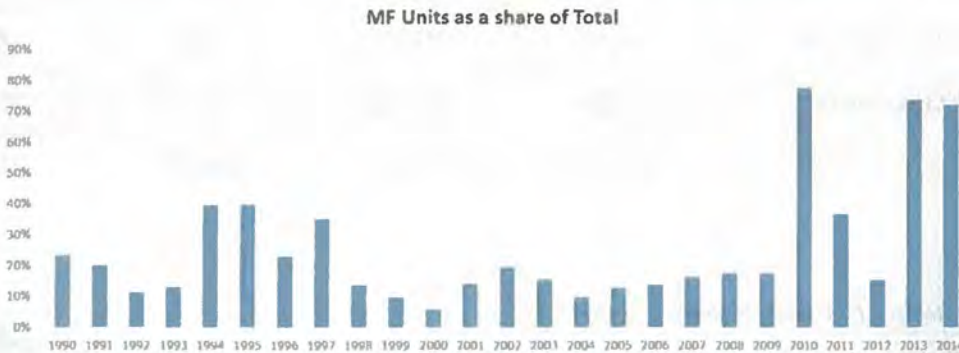
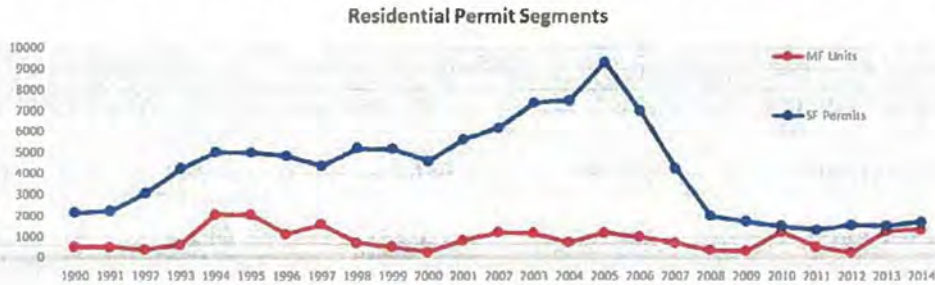
Source: MRCOG - AANM 2016 presentation on growth, transportation and housing

Albuquerque Market MLS YTD Sales Through March – All Housing



Source: Greater Albuquerque Association of Realtors

New Residential Construction



Source: MRCOG - AANM 2016 presentation on growth, transportation and housing



110



North Fourth Street

The rental market is being met by Single Family Homes

*Over the past 10 years we gained **2 new renters for every 1 new homeowner**, but just 1 multi-family unit built for every 4 single family homes.*

Tenure & Housing Type, Albuquerque, MSA: 2005 - 2014

| | | | |
|----------------|--------|-------------------------|--------|
| New Homeowners | 7,372 | New Single Family Homes | 32,000 |
| New Renters | 15,503 | New Multi-Family Units | 8,200 |

Multi-Family Demand

“In order to align with national averages an additional 30,000 multi-family units will need to be built.”

Source: MRCOG - AANM 2016 presentation on growth, transportation and housing



2010 Census Profile

Albuquerque City, NM
Geography: Place

Prepared by Esri

| | 2000* | 2010 | 2000-2010 Annual Rate |
|--|---------|---------|-----------------------|
| Population | 451,874 | 546,019 | 1.91% |
| Households | 184,648 | 224,379 | 1.97% |
| Housing Units | 199,909 | 239,216 | 1.81% |
| # of Persons per Housing Unit | 2.45 | 2.45 | |
| Population by Race | | | |
| Total | | 546,019 | 100.0% |
| Population Reporting One Race | | | |
| White | | 520,851 | 95.4% |
| Black | | 380,679 | 69.7% |
| Black | | 17,938 | 3.3% |
| American Indian | | 25,092 | 4.6% |
| Asian | | 14,455 | 2.6% |
| Pacific Islander | | 612 | 0.1% |
| Some Other Race | | 82,075 | 15.0% |
| Population Reporting Two or More Races | | 25,168 | 4.6% |
| Total Hispanic Population | | 255,130 | 46.7% |
| Population by Sex | | | |
| Male | | 265,186 | 48.6% |
| Female | | 280,833 | 51.4% |
| Population by Age | | | |
| Total | | 546,019 | 100.0% |
| Age 0 - 4 | | 38,930 | 7.1% |
| Age 5 - 9 | | 38,930 | 7.1% |
| Age 10 - 14 | | 38,930 | 7.1% |
| Age 15 - 19 | | 38,930 | 7.1% |
| Age 20 - 24 | | 38,930 | 7.1% |
| Age 25 - 29 | | 38,930 | 7.1% |
| Age 30 - 34 | | 38,930 | 7.1% |
| Age 35 - 39 | | 38,930 | 7.1% |
| Age 40 - 44 | | 38,930 | 7.1% |
| Age 45 - 49 | | 38,930 | 7.1% |
| Age 50 - 54 | | 38,930 | 7.1% |
| Age 55 - 59 | | 38,930 | 7.1% |
| Age 60 - 64 | | 38,930 | 7.1% |
| Age 65 - 69 | | 38,930 | 7.1% |
| Age 70 - 74 | | 38,930 | 7.1% |
| Age 75 - 79 | | 38,930 | 7.1% |
| Age 80 - 84 | | 38,930 | 7.1% |
| Age 85+ | | 38,930 | 7.1% |
| Age 18+ | | 38,930 | 7.1% |
| Age 65+ | | 38,930 | 7.1% |



Housing Profile

87107 (Albuquerque)
Geography: ZIP Code

Prepared by Esri

| Population | | Households | |
|-----------------------|--------|------------------------------|----------|
| 2010 Total Population | 31,100 | 2016 Median Household Income | \$41,764 |
| 2016 Total Population | 31,491 | 2021 Median Household Income | \$44,853 |
| 2021 Total Population | 31,778 | 2016-2021 Annual Rate | 1.44% |
| 2016-2021 Annual Rate | 0.18% | | |

| Housing Units by Occupancy Status and Tenure | Census 2010 | | 2016 | | 2021 | |
|--|-------------|---------|--------|---------|--------|---------|
| | Number | Percent | Number | Percent | Number | Percent |
| Total Housing Units | 14,084 | 100.0% | 14,296 | 100.0% | 14,503 | 100.0% |
| Occupied | 13,109 | 93.1% | 13,232 | 92.6% | 13,335 | 91.9% |
| Owner | 8,444 | 60.0% | 8,158 | 57.1% | 8,214 | 56.6% |
| Renter | 4,665 | 33.1% | 5,074 | 35.5% | 5,121 | 35.3% |
| Vacant | 975 | 6.9% | 1,064 | 7.4% | 1,168 | 8.1% |

| Owner Occupied Housing Units by Value | 2016 | | 2021 | |
|---------------------------------------|--------|---------|--------|---------|
| | Number | Percent | Number | Percent |
| Total | 8,158 | 100.0% | 8,214 | 100.0% |
| <\$50,000 | 645 | 7.9% | 456 | 5.6% |
| \$50,000-\$99,999 | 569 | 7.0% | 408 | 5.0% |
| \$100,000-\$149,999 | 1,379 | 16.9% | 611 | 7.4% |
| \$150,000-\$199,999 | 1,279 | 15.7% | 1,039 | 12.6% |
| \$200,000-\$249,999 | 1,039 | 12.7% | 1,487 | 18.1% |
| \$250,000-\$299,999 | 733 | 9.0% | 1,129 | 13.7% |
| \$300,000-\$399,999 | 756 | 9.3% | 1,014 | 12.3% |
| \$400,000-\$499,999 | 605 | 7.4% | 727 | 8.9% |
| \$500,000-\$749,999 | 580 | 7.1% | 744 | 9.1% |
| \$750,000-\$999,999 | 283 | 3.5% | 315 | 3.8% |
| \$1,000,000+ | 290 | 3.6% | 284 | 3.5% |

| | | |
|---------------|-----------|-----------|
| Median Value | \$209,962 | \$254,694 |
| Average Value | \$294,168 | \$331,498 |

| Census 2010 Housing Units | Number | Percent |
|---------------------------|--------|---------|
| Total | 14,084 | 100.0% |
| In Urbanized Areas | 14,084 | 100.0% |
| In Urban Clusters | 0 | 0.0% |
| Rural Housing Units | 0 | 0.0% |



Apartment Forecasting Tool

| Albuquerque CBSA | | | | | | | | | | | | | MRCOG Forecast 2040 |
|---|----------------------|-------|---------|---------|---------|---------|---------|----------|-----------|-----------|-----------|-----------|---------------------------|
| | Historical Source | 2002 | 2011 | 2012 | 2013 | 2014 | 2015 | Forecast | | | | | |
| Total Population | | | 907,015 | 922,434 | 938,116 | 954,064 | 970,283 | 986,778 | 1,004,540 | 1,022,622 | 1,041,029 | 1,059,767 | 1,375,391 |
| Growth Rate | A | | 1.9% | 1.7% | 1.7% | 1.7% | 1.7% | 1.7% | 1.8% | 1.8% | 1.8% | 1.8% | |
| Est. New Population | | | | 15,419 | 15,682 | 15,948 | 16,219 | 16,495 | 17,762 | 18,082 | 18,407 | 18,739 | |
| # of person per household | B | | 2.45 | 6,293 | 6,401 | 6,509 | 6,620 | 6,733 | 7,250 | 7,380 | 7,513 | 7,648 | |
| Est. of new households | C | | | | | | | | | | | | |
| % of renters | | 32.0% | 33.5% | 33.2% | 34.2% | 34.4% | 34.5% | 35.0% | 36.0% | 37.0% | 38.0% | 39.0% | |
| Est of new renter households | | | | 2,088 | 2,191 | 2,239 | 2,284 | 2,356 | 2,610 | 2,731 | 2,855 | 2,983 | |
| Renters | | | | | | | | | | | | | |
| Estimate of Rental Demand, based on population growth | | | | 2,088 | 2,191 | 2,239 | 2,284 | 2,356 | 2,610 | 2,731 | 2,855 | 2,983 | |
| Estimated Pipeline Supply | D | | | 251 | 1,276 | 1,347 | 850 * | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | |
| GAP - surplus or shortage | | | | 1,837 | 915 | 892 | 1,434 | 1,356 | 1,610 | 1,731 | 1,855 | 1,983 | |
| Cumulative Surplus or shortage | | | | 1,837 | 2,752 | 3,644 | 5,078 | 6,435 | 8,045 | 9,775 | 11,630 | 13,613 | |

| Primary Trade Area | | | | | | | | | | | | | MRCOG Forecast 2040 |
|---|----------------------|-------|--------|--------|--------|--------|--------|----------|--------|--------|--------|--------|---------------------------|
| | Historical Source | 2002 | 2011 | 2012 | 2013 | 2014 | 2015 | Forecast | | | | | |
| Total Population | | | 29,442 | 29,942 | 30,451 | 30,969 | 31,495 | 32,031 | 32,607 | 33,194 | 33,792 | 34,400 | 44,645 |
| Growth Rate | A | | 1.9% | 1.7% | 1.7% | 1.7% | 1.7% | 1.7% | 1.8% | 1.8% | 1.8% | 1.8% | |
| Est. New Population | | | | 501 | 509 | 518 | 526 | 535 | 577 | 587 | 597 | 608 | |
| # of person per household | B | | 2.45 | 204 | 208 | 211 | 215 | 219 | 235 | 240 | 244 | 248 | |
| Est. of new households | C | | | | | | | | | | | | |
| % of renters | G | 32.0% | 33.5% | 35.5% | 35.5% | 35.5% | 35.5% | 35.0% | 36.0% | 37.0% | 38.0% | 39.0% | |
| Est of new renting households | | | | 73 | 74 | 75 | 76 | 76 | 85 | 89 | 93 | 97 | |
| Renters | | | | | | | | | | | | | |
| Estimate of Rental Demand, based on population growth | | | | 73 | 74 | 75 | 76 | 76 | 85 | 89 | 93 | 97 | |
| Estimated Pipeline Supply | F | | | 12 | 24 | 20 | 35 ** | 36 | 40 | 60 | 60 | 60 | |
| GAP - surplus or shortage | | | | 61 | 50 | 55 | 41 | 40 | 45 | 29 | 33 | 37 | |
| Cumulative Surplus or shortage | | | | 61 | 110 | 165 | 207 | 247 | 292 | 320 | 353 | 390 | |

A - BLS.gov and MRCOG, Clantas
 B - deptofnumbers.com/rent/new-mexico/albuquerque
 C -
 D - MRCOG
 E -
 F - NMAA database - 1 year after Permit (allows time for construction, leasing)
 G - Site to do Business demographic report
 * Estimate
 **20 unit apartment in 2014 was part of a 24 unit mixed use - 4 were commercial

CANTERA

113

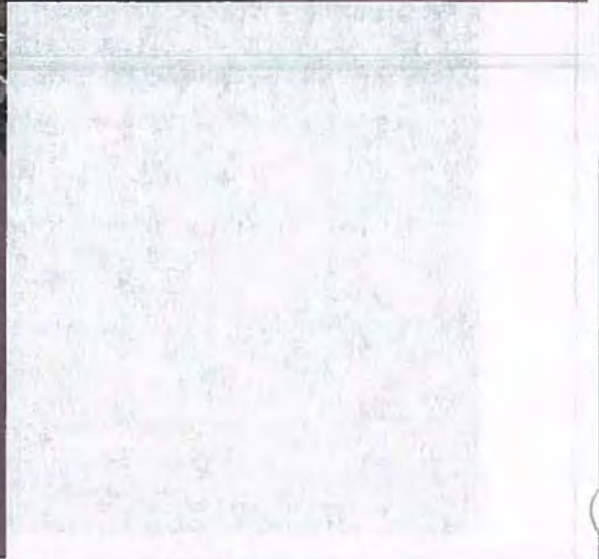
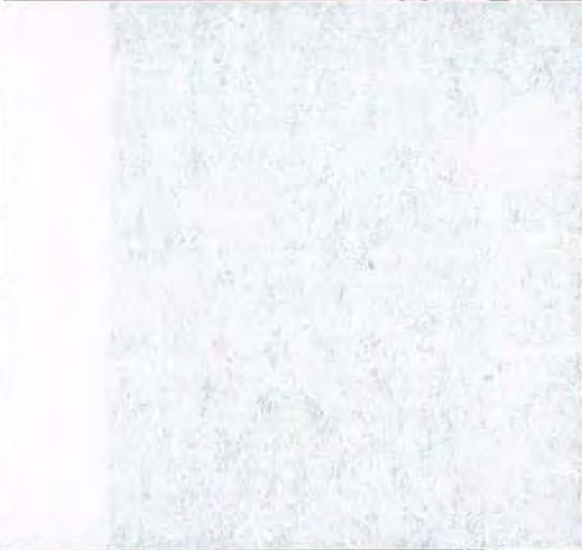


North Fourth Street

GAP analysis - City of Albuquerque

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ORIGINAL

**INTERGOVERNMENTAL AGREEMENT BETWEEN
THE CITY OF ALBUQUERQUE AND BERNALILLO COUNTY**

THIS INTERGOVERNMENTAL AGREEMENT (the "Agreement") is made and entered into this 7th day of August, 2014, (the "Effective Date") by and between the Bernalillo County, New Mexico, a political subdivision of the State of New Mexico (the "County") and the City of Albuquerque, New Mexico, a municipal corporation (the "City") (the City and County are each a "Party" and together they are the "Parties").

RECITALS

WHEREAS, the City and the County have entered into numerous Joint Powers Agreements, Intergovernmental Agreements and Memoranda of Understanding to coordinate services; and

WHEREAS, the City and the County are desirous of developing affordable housing and promoting economic development opportunities for its residents; and

WHEREAS, land suitable for these purposes located 3525 4th Street NW containing approximately 4.3 acres, as more specifically described in Exhibit 1 attached hereto (the "Property") is presently available for sale; and

WHEREAS, by Resolution number R-13-266 the City has reserved \$1,200,000 in Workforce Housing Trust Funds for acquisition of the Property, for reasonable closing costs associated with the acquisition, and for the demolition of existing structures on the Property; and

WHEREAS, the County shall provide \$200,000 to the City for these same purposes; and

WHEREAS, the City shall purchase the Property for the purpose of developing mixed use and Workforce Housing on the Property; and

WHEREAS, the purpose of this Agreement is to facilitate the cooperation of the Parties and identify the specific financial obligations and other duties and responsibilities of each Party in the acquisition and development of the Property; and

NOW, THEREFORE in consideration of the promises and covenants contained herein, the Parties agree by mutual consent to the following:

AGREEMENT

ARTICLE I - INCORPORATION OF RECITALS

A. The Recitals are incorporated herein.

ARTICLE II - RESPONSIBILITIES

IGA - CITY OF ALBUQUERQUE & BERNALILLO COUNTY
FUNDING FOR PROPERTY ACQUISITION

1 of 6



City and County Memorandum of Understanding

A. Both Parties

a. Shall be responsible for ensuring the Property is developed as a mixed use project consisting of Workforce Housing and economic development activities. Prior to any development or construction on any portion of the Property, representatives from, including but not limited to, the City Council Office, the City Family and Community Services Department, the City Legal Department, the County Commission, and the County Economic Development Office (the "Ad Hoc Workgroup") shall work together to develop a mutually acceptable plan for a mixed-use project that includes Workforce Housing and commercial, employment, and/or retail uses (the "Development Plan"). The Director of Family and Community Services will approve the composition of the Ad Hoc Workgroup. Requests for proposals for implementation of the Development Plan, shall be developed and approved by the Ad Hoc Workgroup and issued by the City Family and Community Services Department. The Ad Hoc Workgroup shall review the proposals and recommend a development team(s) for approval by the Director of Family and Community Services, who shall prepare and submit a development agreement to the City Council for approval.

B. City

- a. Shall exercise all due diligence to ensure that the Property has no unreasonable encumbrances upon it at the time of closing.
- b. Shall, acting through the City's Department of Family and Community Services acquire the Property, through fee simple purchase, demolish any existing structures and secure the Property.
- c. Shall issue the Request for Proposals ("RFP") as approved by the Ad Hoc Workgroup.
- d. Shall comply with the requirements of the City's Workforce Housing Opportunity Act (§19-9-1 et. Seq. ROA 1974 as amended), for the development of the Property.
- e. Shall comply with the requirements of the North Fourth Street Rank III Corridor Plan and any other applicable plans or policies in the development of the Property.
- f. Shall facilitate in collaboration with the developer of the Property input and participation of the businesses and neighborhoods adjacent to and surrounding the Property in the formulation of any plan, designs and development.

C. County

ARTICLE III - TERM OF THIS AGREEMENT

This Agreement shall commence on the Effective Date and shall expire upon the selection and approval of the development team(s) for the Property by the City.

ARTICLE IV - PROJECT FUNDING

- A. The maximum fiscal obligation of the City under this Agreement is one million two hundred thousand dollars (\$1,200,000.00) of the Workforce Housing Trust Funds reserved for acquisition of the property, for reasonable closing costs associated with the acquisition, and for the demolition of existing structures on the Property.
- B. The maximum fiscal obligation of the County under this Agreement is two hundred thousand dollars (\$200,000.00).
- C. It is understood and agreed that should any portion of the funds made available hereunder by the City for the purpose designated herein remain unexpended after all conditions of this Agreement have been satisfied, such funds are immediately unreserved and may be used by the City for any other purpose authorized by law.
- D. The City shall maintain accurate and detailed records which memorialize all the expenditures incurred for the acquisition and closing on the Property, and for the demolition of existing structures. A true and correct accounting shall be rendered of all costs and expenses and all accounts, vouchers, records, and data related to the same. These records shall be subject to inspection by the County at reasonable times during normal business hours. The County shall, at its own expense, have the right to audit all documents and billings at any reasonable time upon request.

ARTICLE V - TERMINATION

Prior to the closing on the acquisition of the Property, this Agreement may be terminated by either Party without cause upon written notice delivered to the other Party by at least thirty (30) days prior to the intended date of termination. By such termination, neither Party may nullify obligations already incurred for the performance or failure to perform to the date of termination.

ARTICLE VI - THIRD PARTY BENEFICIARIES

None of the provisions contained within this Agreement are intended to create in the public or any member thereof a third Party beneficiary or to authorize anyone not a Party to the Agreement to maintain a suit(s) for wrongful death(s), bodily and/or personal injury(ies) to person(s), damage(s) to property(ies) and/or any other claims(s) whatsoever, pursuant to the provisions of this Agreement.

City and County Memorandum of Understanding

ARTICLE VII – AMENDMENT

This Agreement shall not be altered, changed, or amended except in writing as executed by the City's Chief Administrative Officer and the Bernalillo County Manager.

ARTICLE VIII – APPROPRIATIONS

The terms of this Agreement are contingent upon sufficient appropriations and authorizations being made by the City and the County for the performance of this Agreement. If sufficient appropriations and authorizations are not made, this Agreement shall terminate upon written notice being given by the City to the County or the County to the City. The decision as to whether sufficient appropriations are available shall be final and shall be accepted by both Parties.

ARTICLE IX – RELEASE

Final payment of all amounts due under this Agreement shall release the County and its officers and employees from all liabilities, claims and obligations whatsoever arising from this Agreement. Final selection of a development team(s) shall release the City its officers and employees from all liabilities, claims and obligations whatsoever arising from this Agreement. Each Party shall not be bound to any obligation not expressly assumed herein, without express written authority from the other Party, and then only within the strict limits of that written authority.

ARTICLE X – APPLICABLE LAW

This Agreement shall be governed by the laws of the State of New Mexico. The venue shall be Bernalillo County, New Mexico. Neither Party is responsible for liability incurred as a result of the other Party's acts or omissions in connection with this Agreement. Any liability incurred in connection with this Agreement is subject to the immunities and limitations of the New Mexico Tort Claims Act, §41-4-1, et seq., NMSA 1978, as amended

ARTICLE XI – LIABILITY

Each Party will be solely responsible for liability arising from personal injury or damage to persons or property proximately caused by its employees, agents, and contractors acting within the scope of this Agreement. The liability of the Parties shall be subject in all cases to the immunities and limitations of the New Mexico Tort Claims Act §41-4-1 et seq. NMSA 1978 as amended. No provision of this Agreement establishes any waiver of immunity for alleged tortious conduct of any employee of any Party arising from the performance of this Agreement apart from that set forth in the New Mexico Tort Claims Act, NMSA 1978, §41-4-1, et seq.

City and County Memorandum of Understanding

ARTICLE XII - EFFECTIVE DATE

The Effective Date of this Agreement shall be the date of the last signature of the Parties.

IN WITNESS WHEREOF, the Parties have executed this agreement to become effective as of the Effective Date.

[SIGNATURES FOLLOW ON PAGE 5]

[REMAINDER OF PAGE INTENTIONALLY BLANK]

City and County Memorandum of Understanding

CITY OF ALBUQUERQUE

BERNALILLO COUNTY

RJC
B
Robert J. Perry
Chief Administrative Officer

Date: *7/30/14*

Tom
Tom Zdzunek
Tom Zdzunek
County Manager

Date: *8/7/14*

Approved as to form:
David Tourek
David Tourek
City Attorney

Date: *7/28/14*

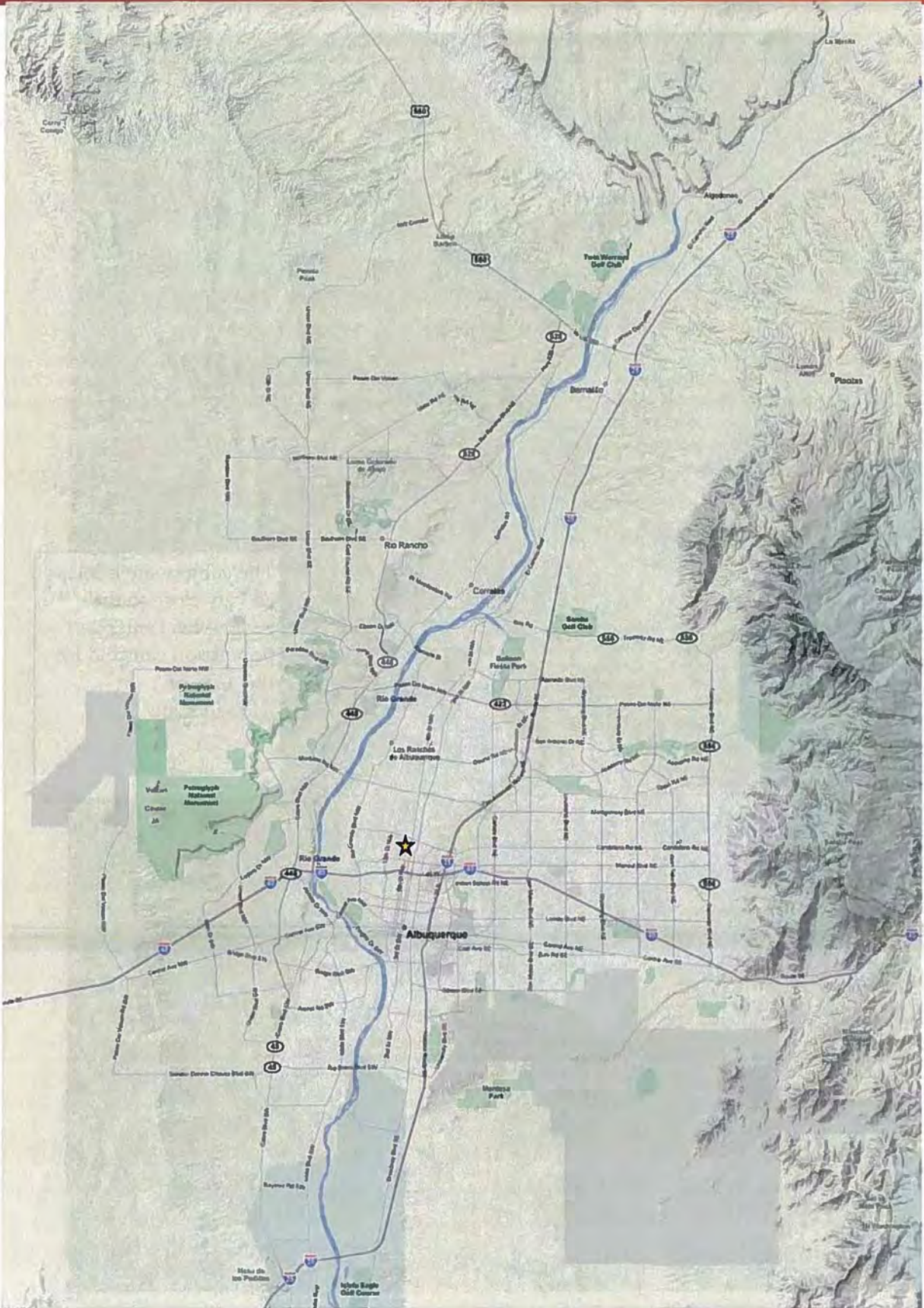
Approved as to form:
Randy Autio
for Randy Autio
County Attorney

Date: *8/5/14*



The subject site is located very close to the geographic center and population centroid for the City of Albuquerque.

Location Map



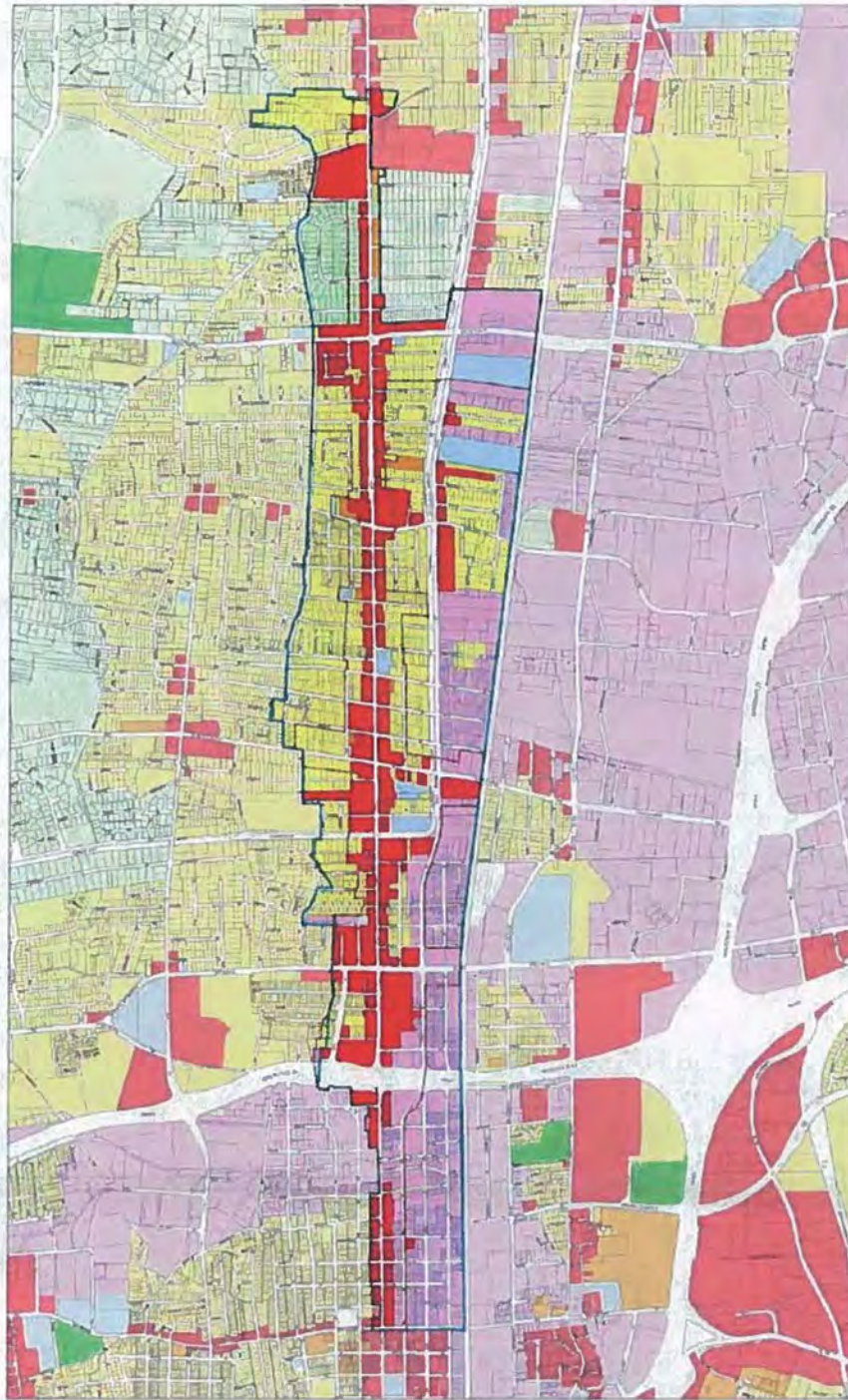
North Fourth Street Rank III Corridor Plan



**Albuquerque Metropolitan Redevelopment Agency -
City of Albuquerque Planning Department**



Existing Zoning - 4th street corridor



NORTH FOURTH STREET CORRIDOR & STUDY BOUNDARY WITH EXISTING ZONING CATEGORIES



- Corridor Boundary
- Study Boundary
- RESIDENTIAL
- COMMERCIAL
- OFFICE
- INDUSTRIAL / WHOLESALE / MANUFACTURING
- INSTITUTIONAL / GOVERNMENT
- UTILITIES / TRANSPORTATION
- OPEN SPACE / RECREATION / AGRICULTURAL
- RESIDENTIAL / AGRICULTURAL
- NOT CLASSIFIED

FIGURE 3-2 MAP OF EXISTING ZONING





[Home](#) [Events](#) [Project](#) [Contact Us](#)

[Home](#)

IDO Zoning Conversion Map

The City of Albuquerque is proposing a new set of zoning categories in an Integrated Development Ordinance (IDO).

The maps below compare existing and proposed zoning districts. You can type in an address to jump directly to a certain location. Hover over each map to see the definitions and information for a given zoning district. Click either map where you want to leave a comment, and scroll down to enter your comment in the box below the map. You can continue to add new comments by clicking and submitting the form again. Please add general comments in the comment box below the comment boxes for the individual maps.

If the new IDO is passed by the city, the site would have a mixed use medium zoning which would support residential and commercial uses.

3525 4th St NW, Albuquerque, NM 87107, USA



Existing Zoning District Categories

| | | |
|--|---|--|
| ■ COMMERCIAL | ■ OFFICE | ■ RESIDENTIAL / AGRICULTURAL |
| ■ INDUSTRIAL / WHOLESALE / MANUFACTURING | ■ RESIDENTIAL | ■ UTILITIES / TRANSPORTATION |
| ■ INSTITUTIONAL / GOVERNMENT | ■ OPEN SPACE / RECREATION / AGRICULTURAL | ■ NOT CLASSIFIED |

IDO Zoning Districts

| | | |
|--|--|--|
| ■ MX-M MIXED USE - MEDIUM INTENSITY | ■ R-1 RESIDENTIAL SINGLE-FAMILY | ■ UNCL UNCLASSIFIED |
| ■ C-3 COMMERCIAL GENERAL | ■ R-1B RESIDENTIAL SINGLE-FAMILY - LOW DENSITY | ■ SU-1 SINGLE-UNIT RESIDENTIAL |
| ■ R-1 RESIDENTIAL SINGLE-FAMILY | ■ SU-2 SINGLE-UNIT RESIDENTIAL - MEDIUM DENSITY | ■ SU-3 SINGLE-UNIT RESIDENTIAL - HIGH DENSITY |
| ■ SU-1 SINGLE-UNIT RESIDENTIAL | ■ SU-4 SINGLE-UNIT RESIDENTIAL - VERY HIGH DENSITY | ■ SU-5 SINGLE-UNIT RESIDENTIAL - EXTREME DENSITY |
| ■ SU-2 SINGLE-UNIT RESIDENTIAL - MEDIUM DENSITY | ■ SU-6 SINGLE-UNIT RESIDENTIAL - EXTREME DENSITY | ■ SU-7 SINGLE-UNIT RESIDENTIAL - EXTREME DENSITY |
| ■ SU-3 SINGLE-UNIT RESIDENTIAL - HIGH DENSITY | ■ SU-8 SINGLE-UNIT RESIDENTIAL - EXTREME DENSITY | ■ SU-9 SINGLE-UNIT RESIDENTIAL - EXTREME DENSITY |
| ■ SU-4 SINGLE-UNIT RESIDENTIAL - VERY HIGH DENSITY | ■ SU-10 SINGLE-UNIT RESIDENTIAL - EXTREME DENSITY | ■ SU-11 SINGLE-UNIT RESIDENTIAL - EXTREME DENSITY |
| ■ SU-5 SINGLE-UNIT RESIDENTIAL - HIGH DENSITY | ■ SU-12 SINGLE-UNIT RESIDENTIAL - EXTREME DENSITY | ■ SU-13 SINGLE-UNIT RESIDENTIAL - EXTREME DENSITY |
| ■ SU-6 SINGLE-UNIT RESIDENTIAL - MEDIUM DENSITY | ■ SU-14 SINGLE-UNIT RESIDENTIAL - EXTREME DENSITY | ■ SU-15 SINGLE-UNIT RESIDENTIAL - EXTREME DENSITY |
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| ■ SU-9 SINGLE-UNIT RESIDENTIAL - HIGH DENSITY | ■ SU-20 SINGLE-UNIT RESIDENTIAL - EXTREME DENSITY | ■ SU-21 SINGLE-UNIT RESIDENTIAL - EXTREME DENSITY |
| ■ SU-10 SINGLE-UNIT RESIDENTIAL - MEDIUM DENSITY | ■ SU-22 SINGLE-UNIT RESIDENTIAL - EXTREME DENSITY | ■ SU-23 SINGLE-UNIT RESIDENTIAL - EXTREME DENSITY |
| ■ SU-11 SINGLE-UNIT RESIDENTIAL - HIGH DENSITY | ■ SU-24 SINGLE-UNIT RESIDENTIAL - EXTREME DENSITY | ■ SU-25 SINGLE-UNIT RESIDENTIAL - EXTREME DENSITY |
| ■ SU-12 SINGLE-UNIT RESIDENTIAL - MEDIUM DENSITY | ■ SU-26 SINGLE-UNIT RESIDENTIAL - EXTREME DENSITY | ■ SU-27 SINGLE-UNIT RESIDENTIAL - EXTREME DENSITY |
| ■ SU-13 SINGLE-UNIT RESIDENTIAL - HIGH DENSITY | ■ SU-28 SINGLE-UNIT RESIDENTIAL - EXTREME DENSITY | ■ SU-29 SINGLE-UNIT RESIDENTIAL - EXTREME DENSITY |
| ■ SU-14 SINGLE-UNIT RESIDENTIAL - MEDIUM DENSITY | ■ SU-30 SINGLE-UNIT RESIDENTIAL - EXTREME DENSITY | ■ SU-31 SINGLE-UNIT RESIDENTIAL - EXTREME DENSITY |
| ■ SU-15 SINGLE-UNIT RESIDENTIAL - HIGH DENSITY | ■ SU-32 SINGLE-UNIT RESIDENTIAL - EXTREME DENSITY | ■ SU-33 SINGLE-UNIT RESIDENTIAL - EXTREME DENSITY |
| ■ SU-16 SINGLE-UNIT RESIDENTIAL - MEDIUM DENSITY | ■ SU-34 SINGLE-UNIT RESIDENTIAL - EXTREME DENSITY | ■ SU-35 SINGLE-UNIT RESIDENTIAL - EXTREME DENSITY |
| ■ SU-17 SINGLE-UNIT RESIDENTIAL - HIGH DENSITY | ■ SU-36 SINGLE-UNIT RESIDENTIAL - EXTREME DENSITY | ■ SU-37 SINGLE-UNIT RESIDENTIAL - EXTREME DENSITY |
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| ■ SU-34 SINGLE-UNIT RESIDENTIAL - MEDIUM DENSITY | ■ SU-70 SINGLE-UNIT RESIDENTIAL - EXTREME DENSITY | ■ SU-71 SINGLE-UNIT RESIDENTIAL - EXTREME DENSITY |
| ■ SU-35 SINGLE-UNIT RESIDENTIAL - HIGH DENSITY | ■ SU-72 SINGLE-UNIT RESIDENTIAL - EXTREME DENSITY | ■ SU-73 SINGLE-UNIT RESIDENTIAL - EXTREME DENSITY |
| ■ SU-36 SINGLE-UNIT RESIDENTIAL - MEDIUM DENSITY | ■ SU-74 SINGLE-UNIT RESIDENTIAL - EXTREME DENSITY | ■ SU-75 SINGLE-UNIT RESIDENTIAL - EXTREME DENSITY |
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| ■ SU-40 SINGLE-UNIT RESIDENTIAL - MEDIUM DENSITY | ■ SU-82 SINGLE-UNIT RESIDENTIAL - EXTREME DENSITY | ■ SU-83 SINGLE-UNIT RESIDENTIAL - EXTREME DENSITY |
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| ■ SU-47 SINGLE-UNIT RESIDENTIAL - HIGH DENSITY | ■ SU-96 SINGLE-UNIT RESIDENTIAL - EXTREME DENSITY | ■ SU-97 SINGLE-UNIT RESIDENTIAL - EXTREME DENSITY |
| ■ SU-48 SINGLE-UNIT RESIDENTIAL - MEDIUM DENSITY | ■ SU-98 SINGLE-UNIT RESIDENTIAL - EXTREME DENSITY | ■ SU-99 SINGLE-UNIT RESIDENTIAL - EXTREME DENSITY |
| ■ SU-49 SINGLE-UNIT RESIDENTIAL - HIGH DENSITY | ■ SU-100 SINGLE-UNIT RESIDENTIAL - EXTREME DENSITY | ■ SU-101 SINGLE-UNIT RESIDENTIAL - EXTREME DENSITY |

Please enter comments about EXISTING zoning on a specific parcel or zoning district below.

Please enter comments about the IDO zoning on a specific parcel or zoning district below.



Section 3 Regulatory Plan

| NFFBOZ Building Forms | Districts | | | |
|---|-----------|-------|------|--------|
| | NFTOD | NFMXD | NFID | LAAHAD |
| p= permitted by right | | | | |
| RESIDENTIAL BUILDING FORMS | | | | |
| Detached Single-Family Dwelling | | | p | N/A |
| Side-yard Dwelling | | | p | N/A |
| Townhouse, Rowhouse, and Courtyard Townhouse | p | p | p | N/A |
| Accessory Unit / Carriage House | p | p | p | N/A |
| Duplex, Triplex and Fourplex | p | p | p | N/A |
| Terrace Apartment | p | p | p | N/A |
| Courtyard Apartments | p | p | | N/A |
| COMMERCIAL OR MIXED USE BUILDING FORMS | | | | |
| Flex Building | p | p | p | N/A |
| Live-Work Unit | p | p | p | N/A |
| Liner Building | p | p | | N/A |
| UTILITARIAN BUILDING FORMS | | | | |
| Auto Accessed | p | p | | N/A |
| Standalone Commercial | p | p | | N/A |
| Civic or Institutional Building | p | p | p | N/A |
| Structured Parking | p | p | | N/A |

TABLE 9-3 PERMITTED BUILDING FORMS

Section 3 Regulatory Plan

3.4.M GENERAL PARKING STANDARDS

The standards in this section apply to all development and parcels controlled by the Overlay Zone. In addition to the parking location standards prescribed for each of the Building Forms, the following general standards apply:

- 1) Within the NFTOD, NFMXD and NFID Districts, off street parking shall be primarily located behind or under the principal structure. A common parking area may be located interior to the block.
- 2) Within the LAAHA District, all off street parking shall be located in front, or on the side of the principal structure. No auto uses, including alleys, parking, and drive aisles shall be located between the principal building and abutting residential properties.
- 3) Teaser parking and side parking with visibility and frontage on Fourth St could be utilized with screening by a building or combination of 3' high minimum wall and landscaping elements.

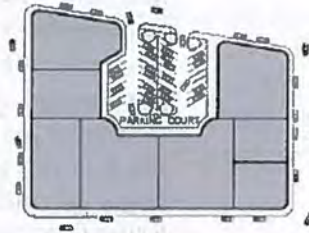


FIGURE 3-3 EXAMPLE OF "TEASER PARKING"

- 4) Teaser Parking is permitted for commercial or mixed use building forms with at least 200 ft frontage. Teaser parking is a small parking court located in front of the building, and enclosed on three sides by the building, to provide visible parking to retail uses without impacting pedestrian comfort. Maximum 30% of total parking requirement can be met in a teaser parking area. Building forms frontage minimums can be reduced by 50% along the public street. Permitted Frontage types include shop fronts, portals and forecourts.
- 5) Existing alleys in the NFTOD, NFMXD, and NFID Districts shall remain and where possible extended to provide access for parking, loading and trash collection.
- 6) New alleys or access easements shall be required where possible and shall follow regulations in Chapter 23 Traffic & Street Standards section 2-1A.
- 7) On street parallel parking is permitted and encouraged along all street frontages except at transit stops. Diagonal on-street parking is only permitted on "Side" streets. On-street parking provisions will be defined by the 30% Fourth Street Corridor Design.

Section 3 Regulatory Plan

| Use of Building Form | Peak Demand |
|---|---|
| Amusement enterprises | 1 space per 4 occupants |
| Banquet halls | 1 space per 4 seats |
| Cultural facilities | 1 space per 3 seats |
| Cinemas, theaters & auditoriums | 1 space per 3 seats |
| Community & Recreation Facilities | 1 space per employee plus 1 space per 1000 square feet, plus curbside drop-off |
| Office | 3 spaces per 1,000 square feet (net leasable area) |
| Retail liner building, less than 30 feet deep and one story in height | Exempt from parking requirements |
| Liner building, more than 30 feet deep or more than one story | 3 spaces per 1,000 square feet (net leasable area) |
| Personal services | 3 spaces per 1,000 square feet (net leasable area) |
| Professional services | 3 spaces per 1,000 square feet (net leasable area) |
| Residential and Live-Work | 1.5 spaces per 1 bedroom & studio 1.5 spaces per 2 bedrooms 1.5 spaces per 3+ bedrooms |
| Residential Accessory Units | 1 space per unit |
| Restaurant | Per § 14-16-3-1 ROA 1994 "Restaurant; bar": one space for each four seats for establishments without a full service liquor license; otherwise one space per three persons of permitted fire occupancy load. |
| Retail trades | 3 spaces per 1,000 square feet (net leasable area) |
| Warehouse | 1 space per 2,000 square feet (net leasable area) |

TABLE 3-4 PARKING PROJECTED DEMAND

2) Reduction Factors:

Parking reductions from § 14-16-3(1) (a) apply, along with the following:

- a. Uses within the NFTODD may factor a 10% reduction in parking.
- b. Uses within 650 feet of Bus Rapid Transit Stops, the Rail Runner platform or Streetcar stations may factor a 20% reduction in parking requirements.

Reduction factors may be added together but the total shall not exceed 40% reduction.

3) Calculating Supply

Parking requirements shall be met by considering the sum of all:

- a. on-site parking (at surface and in structures), plus
- b. on-street parking contained within or immediately abutting the project, plus
- c. contributions made by off-site parking facilities available to uses of the building within 660' (including joint use facilities).

4) Shared Parking

The required minimum parking requirement may be reduced where parking is shared between uses that have different peak parking periods, as calculated below:

Locate the shared parking reduction ratio for the shared parking use in the table below. Calculate the adjusted minimum parking requirement by dividing the required combined minimum parking for the individual uses for which there is shared parking (from subsections A and B above), by the shared parking reduction ratio in the Table 3-5 below.

| Type of Use | Residential | Lodging | Office | Retail |
|-------------|-------------|---------|--------|--------|
| Residential | | 1.1 | 1.4 | 1.2 |
| Lodging | 1.1 | | 1.7 | 1.3 |
| Office | 1.4 | 1.7 | | 1.2 |
| Retail | 1.2 | 1.3 | 1.2 | |

TABLE 3-5 SHARED PARKING

3.4.O SCREENING REQUIREMENTS

The following screening standard applies to parcels that front Fourth Street north of Douglas MacArthur Road to the city limits. The intent is to provide adequate separation between commercial and residential areas by requiring screening walls between commercial uses along Fourth Street and abutting residential properties.

- 1. Screening walls shall be at least 6 feet high from the highest grade/ elevation and constructed from permitted material.

3.6 NORTH FOURTH MIXED USE DEVELOPMENT (NFMXD) DISTRICT

All uses are allowed with the exception of the prohibited uses listed on page 25 of this plan. The NFMXD District is designed for locations within walking or biking distance of residential areas and connected to them by pedestrian and biking paths. This district establishes commercial and mixed uses that serve residential neighborhoods, and can be used to redevelop existing shopping areas and centers. The standards are intended to provide pedestrian scale streetscapes and buildings oriented to the public realm. It generally covers parcels in the corridor located along Fourth Street and fronting major cross streets from the mid-block south of Candelaria Road to Solar Road. For location see Overlay Zone Map page 17.

3.6.A PERMITTED BUILDING FORMS

The following Building Forms as described beginning on page 53, are allowed in the NFMXD District:

- 1) Residential Building Forms
 - a. Townhouse, Rowhouse, and Courtyard Townhouse
 - b. Accessory Unit / Carriage House
 - c. Duplex, Triplex & Fourplex
 - d. Terrace Apartment
 - e. Courtyard apartments

- 2) Commercial or Mixed Use Building Forms
 - a. Flex Building
 - b. Live-Work Unit
 - c. Liner Building

- 3) Utilitarian Building Forms
 - a. Auto Accessed
 - b. Standalone commercial
 - c. Civic or Institutional Building
 - d. Structured Parking

3.6.B PERMITTED FRONTAGE TYPES

All six Frontage Types as described on beginning page 73, are permitted as prescribed by Building Form.

3.6.C DENSITIES, INTENSITIES AND HEIGHT

1) The following minimums are encouraged but not mandatory:

| | |
|--|---|
| a. Minimum Average Residential Density | General : 12 dwelling units per acre Within 75 feet of the property line of a developed single family residential area: 10 dwelling units per acre |
| b. Minimum FAR | .5 |
| c. Minimum Height | 2 stories or 26 feet on at least 60% of the block face |

TABLE 3-10

2) Maximum height in the NFMXDD is limited to the following:

| | |
|-------------------|--|
| a. Maximum height | <p>4 stories with a maximum of 52 feet with 3 stories with a maximum of 40 feet on at least 20% of any block face. A 5th story with a maximum of 66 feet is allowed with a 20 feet minimum set back with the following exceptions:</p> <p>Building area within 75 feet of the property line of a single family residential zoned parcel: 2 stories with a maximum of 26 feet</p> <p>For all parcels in the NFMXD north of Douglas MacArthur Road: 3 stories with a maximum height of 40 feet with the following exception:</p> <p>Building area within 75 feet of the property line of a developed single family residential zoned property.</p> |
|-------------------|--|

TABLE 3-11

Section 3 Regulatory Plan

3.6.D BUILDING FRONTAGE AND ARTICULATION

| | |
|-------------------------------------|--|
| 1) Glazing of ground floor frontage | 40%-90%; Retail uses fronting "Pedestrian/ Transit Oriented streets are required to have a 75% minimum glazing of ground floor width to a height of at least 8 feet above the floor level. |
| 2) Ground story clear height | A ground floor story shall include a minimum 10 foot clear height. |
| 3) Building entryways on streets | 40 feet on center minimum or as provided in the Building Form regulations. |
| 4) Articulation on streets | 40 feet on center minimum or as provided in the Building Form regulations. |

TABLE 3-12

3.6.E BUILDING PLACEMENT

| | |
|---|--|
| 1) Front setback | Maximum 10 feet Minimum 0 feet Premises with less than 75 feet of frontage: Maximum 60 feet Minimum 0 feet |
| 2) Side street setback | Maximum 10 feet Minimum 0 feet |
| 3) Side yard setback | Minimum 0 feet From abutting existing single family development: minimum 5 feet |
| 4) Rear setback (shall include rear alley widths) | Minimum 5 feet From abutting existing single family development : minimum 10 feet |

TABLE 3-13

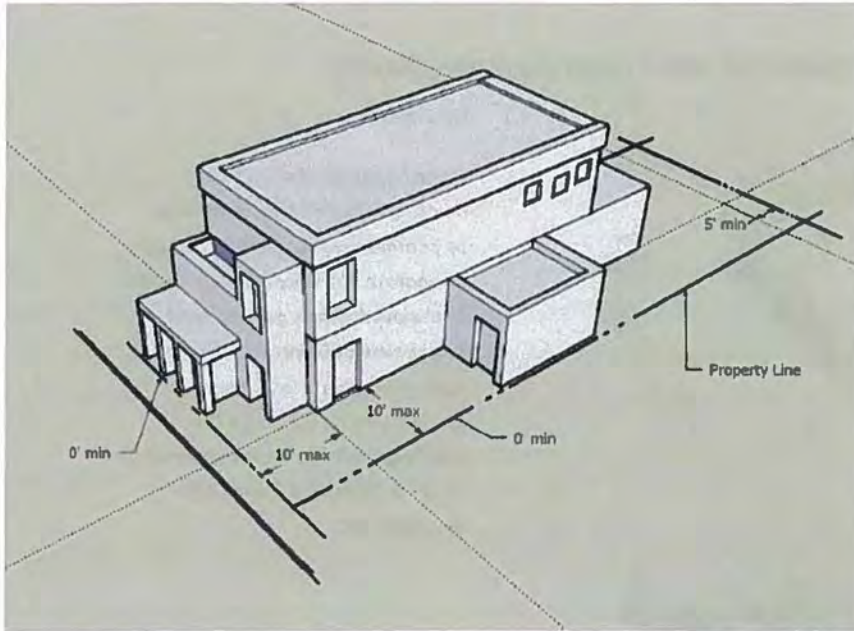
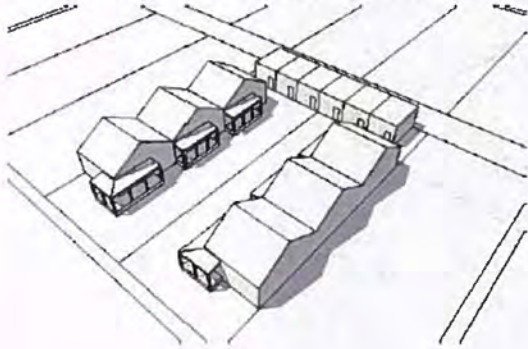


FIGURE 3-5 NFMXDD BUILDING PLACEMENT

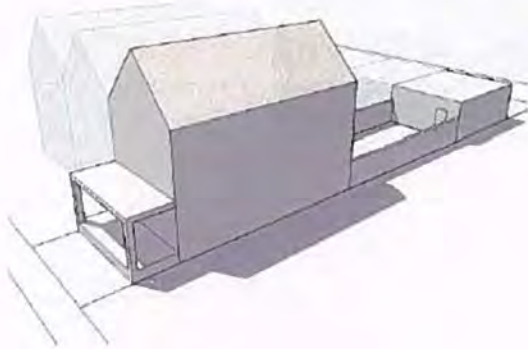
Section 3 Regulatory Plan

3.9.C TOWNHOUSE, ROWHOUSE, AND COURTYARD TOWNHOUSE



Description:

One of a group of attached dwellings divided from each other by common walls. Each must have a separate entrance leading directly to the outdoors at ground level. A townhouse building may be one type of an apartment. This form can be done as a zero lot line dwelling and may be constructed as "half" a Courtyard Townhouse development.



1) Access and Entry

The Principal Entry to each dwelling shall have direct access to the street or to a Courtyard if it is a Courtyard Townhouse building form. For lots that back to functioning alleys; parking, loading and trash disposal must be accessed from an alley.

2) Parking

Parking shall be located behind each building. Parking may be half-level underground, surface, or garage. A common parking court may be provided interior to the block.

3) Frontage

Each dwelling must include a stoop or porch fronting the street and a public sidewalk or a common green or fronting a Courtyard if a Courtyard Townhouse building form is used.

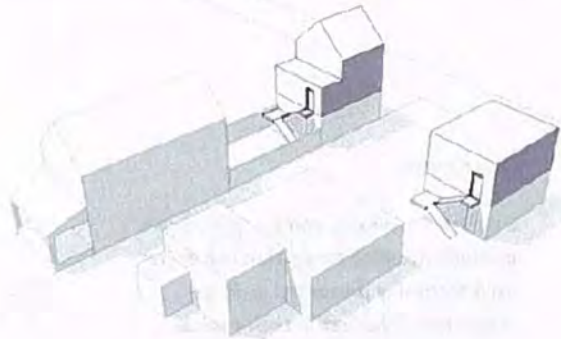
4) Building Width

Buildings facing a public street may not be wider than forty feet (40') along the street frontage

5) Exposure to Light and Air

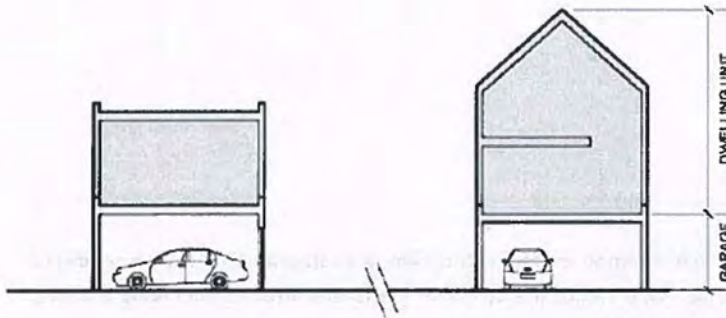
Each unit shall have at least 2 sides exposed to the outdoors.

3.9.D ACCESSORY UNIT / CARRIAGE HOUSE



Description:

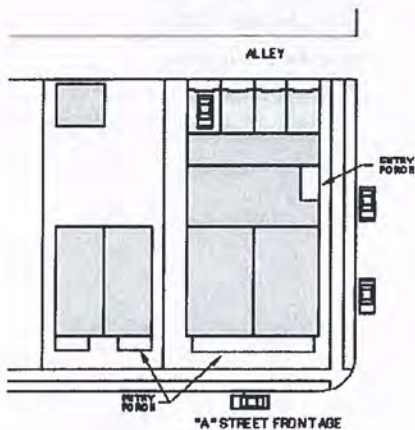
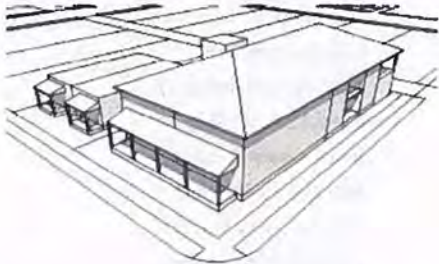
An accessory unit is a building type typically consisting of a stacked dwelling unit or work space of 600 square feet or less over a garage. It is located on an alley or at the back 1/3 of a lot that includes a Principal building.



- 1) **Access and Entry**
The Principal Entry to the unit shall be accessed from the side or rear yard or alley.
For lots that back to functioning alleys; parking, loading and trash disposal must be accessed from an alley.
- 2) **Parking**
Parking shall be located below or beside the unit and accessed from an alley or side driveway.
- 3) **Building Width**
A 5' minimum passageway to the alley shall be maintained along one side.
- 4) **Massing**
Accessory units may be located above garages.
- 5) **Exposure to Light and Air**
Each unit shall have a minimum of three sides exposed to the outdoors

Section 3 Regulatory Plan

3.9.E DUPLEX, TRIPLEX & FOURPLEX



Description:

Duplexes, triplexes, and fourplexes are multiple dwelling forms that are either architecturally presented as large single-family houses in their typical neighborhood setting or as duplex/triplex/fourplex vernacular forms compatible with the surrounding neighborhood. These building forms are permitted for residential uses, offices, or studios that are accessory to residential uses.

1) Access and Entry

The Principal Entry to each dwelling or each common entrance, if designed as stacked flats shall have direct access from a porch, a common porch, or stoop facing the street. For lots that back to functioning alleys, parking, loading and trash disposal must be accessed from an alley.

2) Parking

Parking - Parking shall be located in the rear portion of the lot. Parking shall be accessed from an alley or a narrow driveway. A common parking court may be provided interior to the block.

3) Frontage

Each dwelling must include a stoop or porch, either individually or in common with an adjoining dwelling.

4) Building Width

Buildings facing a public street may not be wider than fifty feet (50') along the street frontage

5) Massing

Duplexes, triplexes, and fourplexes may be articulated as large single family houses consistent with the vernacular building form in the surrounding neighborhood.

Duplexes, triplexes, and fourplexes may also be designed as stacked flats, abutting townhouses, courtyards, side-yard/courtyard townhouses or other vernacular forms compatible with the surrounding neighborhood. Attic spaces may be used as habitable space.

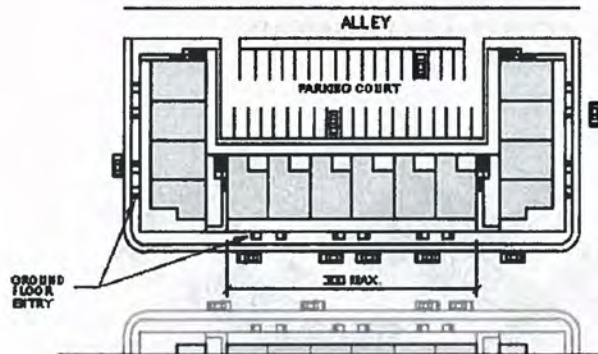
6) Exposure to Light and Air

Each unit shall have a minimum of two sides exposed to the outdoors

3.9.F TERRACE APARTMENT

Description:

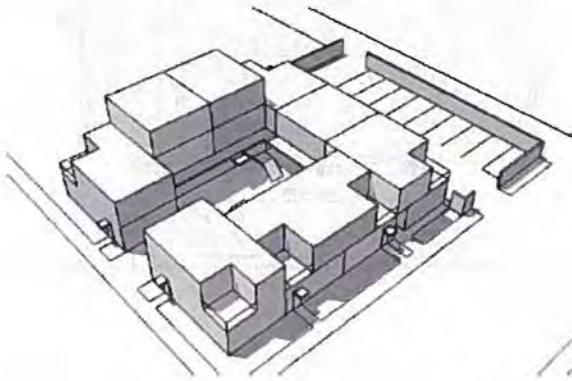
Terrace Apartments can take a number of forms, including stacked flats, townhouses, or flats over townhouses.



- 1) **Access and Entry**
The Principal Entry to each individual dwelling on the ground floor must have direct access from a permitted frontage type and abut the street.
- 2) **Parking**
Parking shall be located behind or under the principal building. A common parking area may be located interior to the block.
- 3) **Frontage**
Frontage types along the street must include stoops, porches, or forecourts.
- 4) **Building Length**
Buildings facing a public street may not be longer than 300 feet along the street frontage.
- 5) **Articulation**
The façades of buildings facing a public street that are longer than sixty feet (60') must be articulated a maximum of every forty feet (40') along the street frontage.

Section 3 Regulatory Plan

3.9.G COURTYARD APARTMENTS



Description:

Courtyard apartments are building form consisting of dwelling units that can be arranged as townhouses, flats over townhouses, or flats. These are arrayed to form a shared courtyard that is partly or wholly open to the street.



1) Access and Entry

Each individual ground floor unit must have direct access from a porch, common porch or stoop facing the courtyard or facing the street. No more than 4 dwellings shall be accessed per stair.

The courtyard shall have a common street entrance at least 15' wide. For lots that back to functioning alleys, parking, loading and trash disposal must be accessed from an alley.

2) Parking

Parking shall be located in rear portion of lot or under the building(s) or in a common parking court interior to the block. Parking lots shall be screened by a minimum 5 foot wide landscape buffer and 4 foot high wall from the court. Pedestrians shall have access to parking through the courtyard.

3) Open Space

Courtyards shall be a minimum of 35 feet wide and a minimum of 45 feet long. Porches may protrude into the courtyard space. Courtyards shall be Full Courtyards or Partial Courtyards.

(COURTYARD APARTMENTS continued)

Partial courtyards abutting to parking lots shall be screened by a minimum 5 foot wide landscape buffer consistent with § 14-16-3-10(E)(3). Courtyards shall be visible from the street. An opening may include a pattern that is constructed into the façade or created using see-through tubular steel, wrought iron bars, or other grillwork. Fences and gates separating the courtyard from the street and/or parking courts must comply with the design standards of § 14-16-3-19.

Courtyards shall be landscaped with at least one tree (minimum 1 1/2 inch caliper) for every 1000 square feet of courtyard area.

4) Frontage

Frontage types along the street shall be porches or common porches and front yards. Frontage types along the courtyard shall be porches, a common porch or stoops. Private patios may be located in the courtyard if the courtyard is at least 60 feet in width. A patio wall shall not exceed 36" in height.

5) Massing

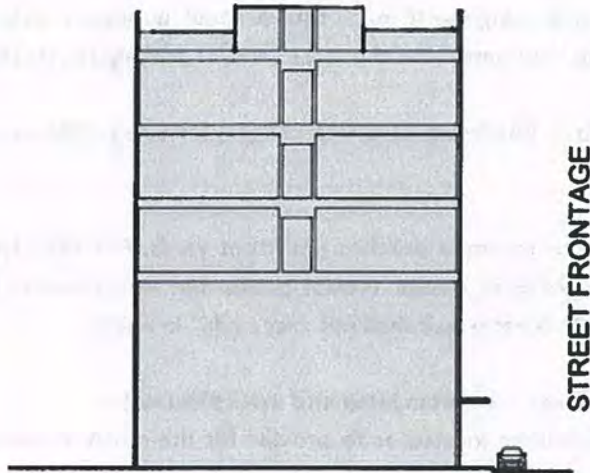
All dwellings may be incorporated into one house form or be articulated into vertical modules. Attics may be used as habitable space. Buildings shall be located as to provide for the reach of sunlight into courtyards between 11am and 1pm in the winter solstice.

6) Exposure to Light and Air

Each unit must have two sides exposed to the outdoors.

Section 3 Regulatory Plan

3.9.H FLEX BUILDING



Description:

A flex building contains at least one (1) distinct story above the ground floor, with Shop Fronts on the ground floor. The building may contain any combination of residential, hotel, office and commercial uses. Retail should occur on the ground floor, but is not mandatory. The building may evolve over time through many combinations of these uses.

1) Access and Entry

The Principal Entry to each individual unit on the ground floor must have direct access from a permitted frontage type facing and abutting the street. For lots that back to functioning alleys, parking, loading and trash disposal must be accessed from an alley.

2) Parking

Off-street parking shall be located behind or under the principal building. A common parking area may be located interior to the block. On-street parking is encouraged along all street frontages except at transit stops.

3) Frontage

Frontage types along the street shall include Shop Fronts. Portals and Forecourts may be added. Forecourts shall not exceed 20% of the block space.

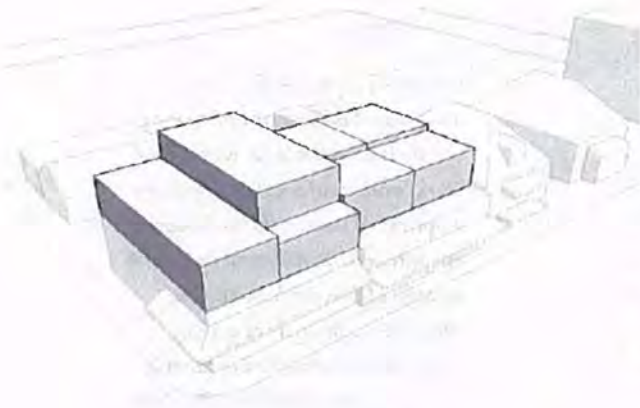
4) Placement and Massing

Buildings facing a public street may not be longer than 300 feet along the street frontage. The required ground floor clear height is a minimum of 10'.

5) Articulation

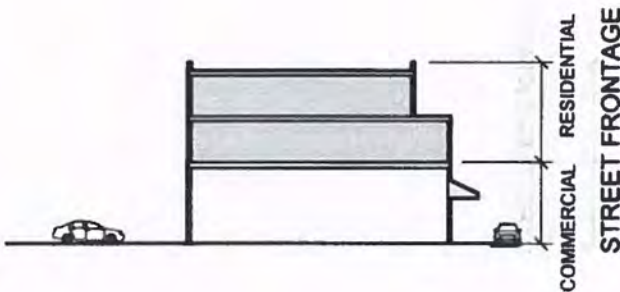
The façades of buildings facing a public street which are longer than fifty feet (50') must be articulated at a maximum of every forty feet (40') along the street frontage. Entryways are required at least every 40 feet.

3.9.1 LIVE-WORK UNIT



Description:

Live-Work units are low rise multistory buildings that can that can be used flexibly for work/live, work/work, and live/live purposes. A variety of uses in the buildings is encouraged. Dwelling units can be located above the ground floor, attached to the rear of a Shop Front, or detached and located in the rear or side yard. The first floor is a Shop Front frontage type.



1) Access and Entry

Direct access must be provided from the street to the Principal Entry of each Shop Front and common entry to upper level units.

For lots that back to functioning alleys, parking, loading and trash disposal must be accessed from an alley.

2) Parking

Parking areas shall be located in rear portion of lot or a common parking area located interior to the block and shall not abut the street frontage.

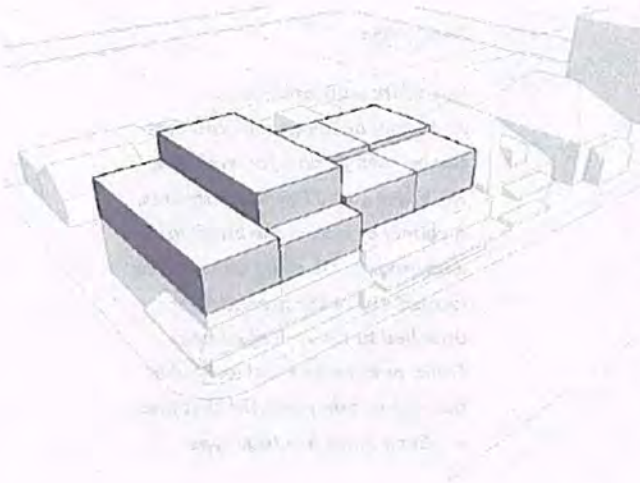
3) Frontage

Each ground floor use shall have an entrance for each 40' of building frontage at a minimum. Permitted frontage types are Shop Fronts, Forecourts or Portals.

4) Building Width

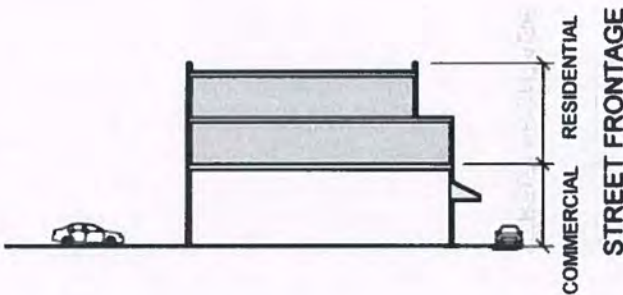
Buildings facing a public street may not be wider than forty feet (40') along the frontage line unless designed to appear as separate Shop Fronts no wider than 40'.

3.9.1 LIVE-WORK UNIT



Description:

Live-Work units are low rise multistory buildings that can that can be used flexibly for work/live, work/work, and live/live purposes. A variety of uses in the buildings is encouraged. Dwelling units can be located above the ground floor, attached to the rear of a Shop Front, or detached and located in the rear or side yard. The first floor is a Shop Front frontage type.



1) Access and Entry

Direct access must be provided from the street to the Principal Entry of each Shop Front and common entry to upper level units.

For lots that back to functioning alleys, parking, loading and trash disposal must be accessed from an alley.

2) Parking

Parking areas shall be located in rear portion of lot or a common parking area located interior to the block and shall not abut the street frontage.

3) Frontage

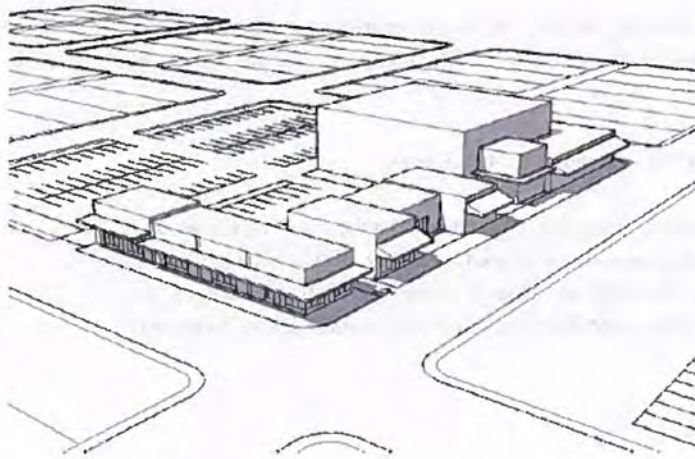
Each ground floor use shall have an entrance for each 40' of building frontage at a minimum. Permitted frontage types are Shop Fronts, Forecourts or Portals.

4) Building Width

Buildings facing a public street may not be wider than forty feet (40') along the frontage line unless designed to appear as separate Shop Fronts no wider than 40'.

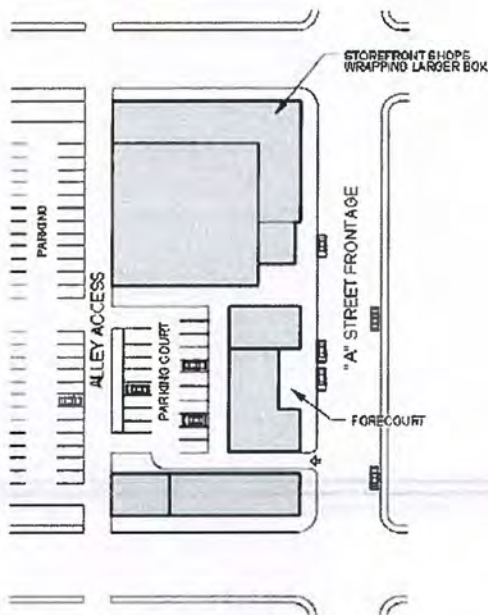
Section 3 Regulatory Plan

3.9.J LINER BUILDING



Description:

A building specifically designed to mask and enliven the edge of a parking lot, parking garage, public assembly or large retail facility (big box) along a public frontage.



1) Access and Entry

The Principal Entry to each individual unit on the ground floor must have direct access from a permitted frontage type facing and abutting the street.

(LINER BUILDING continued)

2) Parking

Parking shall be located behind or under the principal building, or in one or more common or public parking areas located interior to or within 660 feet of the block. On-street parking is encouraged along all street frontages.

3) Frontage

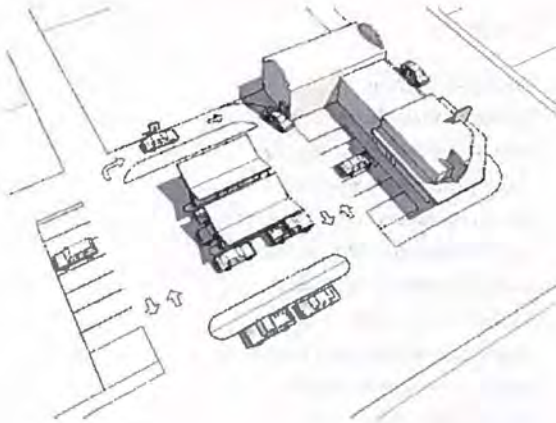
Frontage types along the street must include Portals, Forecourts or Shop Fronts.

4) Placement and Massing

Minimum frontage build-out is 60%. Minimum liner building depth is 16 feet. The façade along the ground floor on a Public Frontage must change visibly at an average of at least forty feet (40') in height, setback, materials, or colors along the street frontage and with no module exceeding 75 feet in length. An entryway must be provided on the ground floor every 40 feet at a minimum. Courtyards or forecourts shall not exceed 10% of the street frontage.

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3.9.K AUTO-ACCESSED



Description:

Auto-Accessed building forms include office building with drive-through facilities, shop or store building with drive-through facilities, and restaurant buildings. Utilitarian building forms can accommodate, for example, the following building types: gasoline station, automobile repair and service structure, and car care centers (includes car wash). These building types provide needed neighborhood services, but can disrupt pedestrian flows and impair the aesthetics of the commercial and residential streetscapes, corridors and districts.

1) Access and Entry

The Principal Entry to the building must have direct access from a permitted frontage type facing and abutting the street.

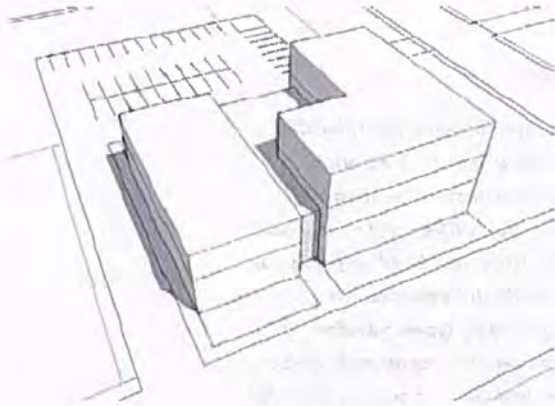
2) Parking and Service Drives

Parking shall be located behind or under the principal building, or in one or more common or public parking areas located interior to or within 660 feet of the block. Drive-through lanes must include access to a "Side" street, an alley, or shared parking area to the rear of the principal building. Supplemental ingress from an "Pedestrian/Transit Oriented" street is allowed. On-street parking is encouraged along all public frontages.

3) Frontage and Placement

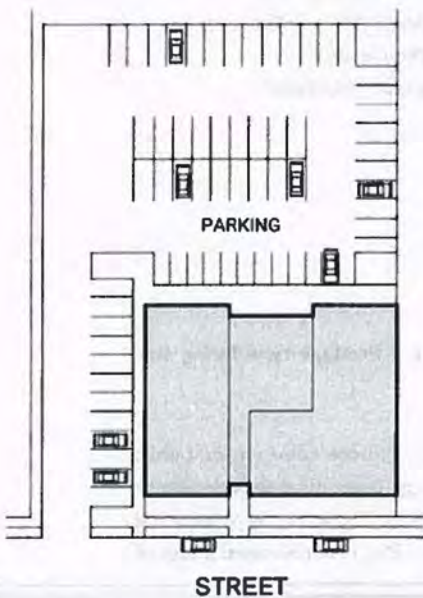
The façade of buildings on a Public Frontage shall change visibly at a maximum of every sixty feet (60') in height, setback, materials, or color along the street frontage. A 4' foot high street wall shall screen service area at lot perimeter with openings for vehicular access. Development fronting an "Pedestrian/Transit Oriented" Street shall be built out a minimum of 60%.

3.9.I STAND ALONE COMMERCIAL/OFFICE BUILDING



Description;

This building form accommodates larger building floor plates that may require large surface parking areas. These regulations accommodate a limited number of building forms, in order, to provide anchor tenants and neighborhood services; but restricts them in order to maintain the integrity of the plan's design principles.



1) Access and Entry

The Principal Entry to each individual unit on the ground floor must have direct access from a permitted frontage type facing the street.

2) Parking

Parking shall be located behind, under, or to the side of the principal building, or in one or more common or public parking areas located interior to or within 660 feet of the block. Parking areas to the side of the principal building: (1) are limited to 100 feet in depth, (2) have a total width no more than 32 feet, and (3) must have a landscaped buffer facing the street with a minimum depth of 10 feet, or a street-wall with a landscaped buffer that has a minimum depth of 5 feet.

Section 3 Regulatory Plan

(STAND ALONE COMMERCIAL/OFFICE BUILDING continued)

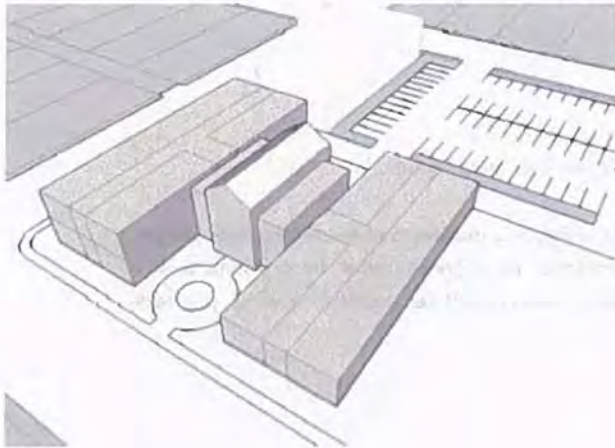
3) Frontage

Frontage types along the street must include Portals, Forecourts or Shop Fronts.

4) Articulation

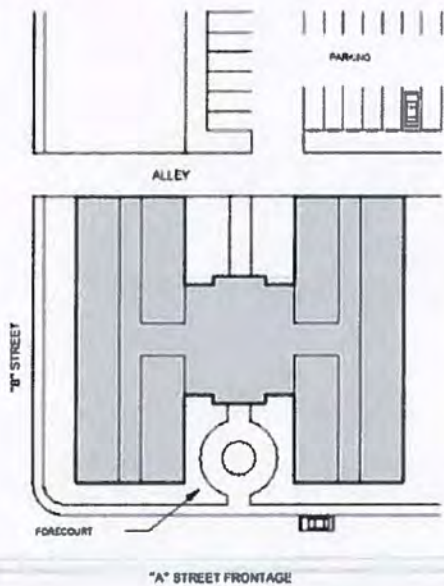
The façade of buildings on a Public Frontage must change visibly at a maximum of every forty feet (40') in height, setback, materials, or color along the street frontage. An entryway must be provided to the ground floor every forty feet (40') at a minimum. Buildings either shall be double-fronted or the back walls shall be 30% glazed.

3.9.M CIVIC OR INSTITUTIONAL BUILDING



Description:

Institutional buildings can accommodate offices, classrooms, or civic uses. These buildings range from large floor-plates and multiple levels to smaller, more intimately scaled structures. A variety of architectural styles is acceptable. Civic buildings can accommodate a variety of arts, culture, education, recreation, government and public assembly uses.



1) Access and Entry

Pedestrian entry is through a common lobby or multiple entrances. The building has at least one entrance to a public street, courtyard, forecourt, or a common lawn.

Street-facing entrance(s) shall be built to within 30 feet of a street right-of-way.

2) Parking

Parking shall be located in common surface parking areas behind the building, garages underneath buildings, and/or in parking garages. On-street diagonal parking may be located on a "Side" street.

Section 3 Regulatory Plan

(CIVIC AND INSTITUTIONAL continued)

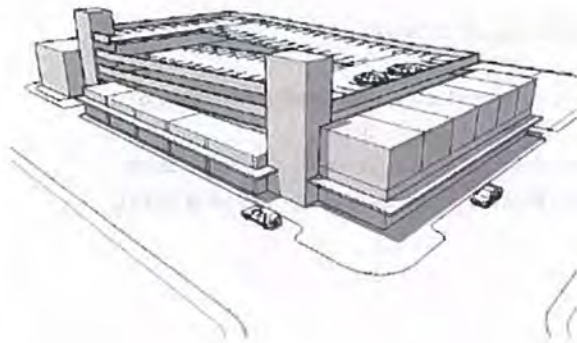
3) Frontage

Permitted frontage types include forecourts, courtyards, yards, stoops, or portals.

4) Massing

These types can be designed as a single compositional unit or with distinct horizontal modulation of a base, middle and cap where the ground floor is visually distinct from the upper floors. Street-facing entrances shall be accompanied by additional building height for visual emphasis. Street-facing entrances shall be positioned to accentuate vistas (or directed views) such as at the end of streets or where streets turn.

3.9.N STRUCTURED PARKING



Description:

Structured parking is encouraged because it consumes less land area and the structure is wrapped by residential or commercial uses. This section encourages several different types of structured parking forms.

1) Orientation and Composition

In order to orient parking structures to the interior of the block rather than the street, parking garages shall:

- a. Include residential dwelling units or Liner Buildings, which conform to the design regulations in the Overlay Zone, along at least the first floor; or
- b. Be located behind buildings with the principal uses described above so that the ground level parking is not visible from the street, except for the entryway. The garage entryway must not exceed 30 feet in width along the building façade; and
- c. Shall be screened with ornamental grillwork, artwork, or similar architectural features above the street-facing residential or commercial wrapper buildings.

2) Massing

Parking structures should consider surrounding context in terms of scale, height and design. Parking structures are considered compatible in scale if the height does not exceed the average height of principal structures within three hundred (300) feet of the proposed structure by more than one (1) story. If the Liner Buildings do not exceed such average heights, the garage itself may exceed the Liner Building height by two stories.



North Fourth Street Redevelopment Study

MAYOR
RICHARD J. BERRY

[Home](#)

[Study Area Map](#)

[Public Involvement](#)

**PARSONS
BRINCKERHOFF**

North Fourth Street Redevelopment Study

The City of Albuquerque Department of Municipal Development (DMD) has completed the engineering study to assess the requirements for implementing the transportation system components of the North Fourth Street **Rank III Corridor Plan (14mb pdf)**, which was approved by the City Council on April 9, 2010. The study limits include the Fourth Street corridor from Mountain Road to Camino Español NW, the Village of Los Ranchos limits, which is approximately 3.8 miles. [Click here for a map of the study area \(2.1mb pdf\)](#) showing the three major zones along the corridor as described in the Rank III Plan.

The purpose of this website is to disseminate the materials developed for the engineering study and to inform the public of project events that were held or are going to be held in the near future.

The engineering study was guided by the objectives contained in Section 4, Transportation and Street Design, of the adopted Rank III Corridor Plan. The project materials available for download include the following:

(Click on the following to download information in Adobe Acrobat PDF)

- Preliminary Design Analysis Report, November 2014 (24mb)
- 15% Construction Plans, November 2014 (8mb)
- Impact Assessment Plans, November 2014 (70mb)

- Map of Existing Right-of-Way (15.2mb)
- Reference Maps for Properties Adjacent to Fourth Street (27.8mb)
- Map of Existing Traffic Volumes (459k)
- Typical Section Drawings (217k)
- Driveway Design Detail (147k)
- Step 1 Corridor Plan View Analysis (8.4mb)
- Step 2 Corridor Plan View Analysis (68.6mb)

4th Street ^{NW}

Upcoming Events

The engineering study was completed as of November 2014. The Preliminary Design Analysis Report (DAR) and associated 15% plans are available for download on this website.

The DMD is currently developing construction plans for the segment of 4th Street from Constitution Avenue to Hannett Avenue. A public meeting will be held in spring 2015 to review the pedestrian improvements that will be constructed.

North Fourth Street Rank III Corridor Plan

Contact us:

Kellie R. Shaw, Project Manager
Engineering Division
City of Albuquerque Department of
Municipal Development
P.O. Box 1293
Albuquerque, NM 87102
Phone: 505-768-3659
Fax: 505-768-2733
kellieshaw@cabq.gov



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