



## Rail Yards Advisory Board

Monday, April 20, 2009

11:30 AM

Albuquerque/Bernalillo County Government Center

Council Committee Room

9<sup>th</sup> Floor, Suite 9081

### DRAFT MINUTES

#### **Members Present:**

Ed Adams / Irene Garcia for Mayor Chavez  
Councilor Isaac Benton  
Commissioner Art de la Cruz  
Leba Freed, Wheels Museum  
Rep. Miguel Garcia  
Sen. Eric Griego  
Bill Hume for Governor Richardson  
Rep. Rick Miera  
Sen. Ortiz y Pino  
Jay Rembe, ULI – New Mexico  
Ron Romero / Yasmin Kahn, Barelas Neighborhood

#### **Members Absent:**

South Broadway representative

#### **Staff Resources:**

Michael Mehling, Dept. of Family and Community Services  
Marti Luick, Council Services  
Kara Shair-Rosenfield, Council Services

1. **INTRODUCTIONS:** Councilor Benton called the meeting to order, thanked everyone for coming, and asked everyone to introduce themselves.
2. **BRIEF HISTORY:** Councilor Benton provided a recap of the recent history of the Rail Yards including:
  - a. Previous owners' ideas for redeveloping the site. Development concepts included – Major EXPO Center, relocating AMTRAK, film industry, digital media studios, industrial use (wind turbine manufacturing).
  - b. How the City came to acquire the property:
    - i. City and WHEELS Museum worked together to purchase property in 2007.

- ii. Combination of funding sources – State, City Council appropriations, including up to \$3 million from Workforce Housing Trust Fund (only about \$1.9 million of WHTF money was used) – totaling approximately \$9 million.
      - iii. Purchase was finalized in November 2007.
    - c. The Urban Land Institute Advisory Panel (February 2008)
      - i. Assignment given to ULI Panel contained following parameters:
        - 1. Major buildings and smaller significant historic buildings on the site must be rehabilitated.
        - 2. WHEELS Museum has a place on the site.
        - 3. Mixed-income housing, including at least 30 units of Workforce Housing, must be included.
        - 4. Redevelopment must benefit and not harm adjacent neighborhoods.
      - ii. Panel made recommendations with regard to market potential, planning and design, development strategies and implementation.
      - iii. Recommendations regarding process for redevelopment of most value: 1) establish an Advisory Board, 2) hire a consultant to help with preliminary steps (Council appropriated funds via R-08-47 for this), 3) address environmental and legal issues on the site, 4) select a Master Developer to work with the City to develop a Master Development Plan.
      - d. R-08-47 – the Council resolution that established a “predevelopment process” and created the Rail Yards Advisory Board.
3. **COMMENTS/QUESTIONS/DISCUSSION (Part I):** Councilor Benton opened the floor for comments from and discussion amongst members.
- a. **Leba Freed** (WHEELS Museum) said she is thrilled and honored to be in a group like this. She commented that the buildings on the site are the most important historic buildings in the state of New Mexico, in her opinion. She informed the group that the WHEELS Museum has done extensive case studies to show what they can bring to the redevelopment project in terms of creating an attraction. She offered to give a presentation to the Board on WHEELS Museum’s efforts and proposals and said that they have moved their office to the Storehouse building at the Rail Yards site.
  - b. **Commissioner Art de la Cruz** (Bernalillo County Commissioner – District 2) conveyed that, when he was the Director of Bernalillo County Parks & Recreation in the 1990s, there was a “For Sale” sign on the fence of the site, and he looked into acquiring it for the County. He thought it would be absolutely necessary for government to be involved and intervene to save the buildings. Back then, they were asking \$6 million for the property, but he was told the owner would probably take \$3 million. Unfortunately, the County didn’t buy the site, but he’s glad to see this coming to fruition.
  - c. **Ron Romero** (Barelas neighborhood representative) asked if Michael Mehling could fill the group in on the agreement with Albuquerque Studios and the status of remediation efforts. He also wanted to make the Board aware that the community has been discussing what to do about the Rail Yards for over seven years, and there is a real concern for all of the surrounding neighborhoods about what redevelopment will mean for them.
4. **UPDATE FROM CITY’S PROJECT MANAGER:** Michael Mehling, who is with the Department of Family and Community Services and serves as the project manager of the Rail Yards, provided an update on what the City has done since purchasing the site.
- a. The City has an agreement with Union Development Corporation (UDC) for interim management of the site, which includes security, some clean-up work, and leases with film companies.
  - b. Weekly meetings between Michael, UDC, Ed Boles (City’s Historic Preservation Planner), Risk Management, Rebecca Wardlaw (City Legal), Environmental Health (when necessary) and others are held to keep everyone in the loop.
  - c. Accomplishments:
    - i. Removed junk and weeds along 2<sup>nd</sup> Street;
    - ii. Removed a lot of graffiti;
    - iii. Hauled out a lot of non-historical junk;
    - iv. Secured the site – fencing, gates installed – though it’s a weekly occurrence to have the fence repaired where it’s been cut;

- d. Activities:
  - i. Movies: Terminator (T-Salvation) brought in quite a bit of money, but there is much less money coming in now because of less frequent use of the site.
  - ii. Environmental Remediation:
    - 1. Continuing with work that was done by previous owners – work plan was in place when City purchased;
    - 2. Remediation Program in place with NMED;
    - 3. City applied in June 2008 to be part of Voluntary Remediation Program. Site broken into three areas to be cleaned separately so that development of different areas can move forward:
      - a. 1) North – remediate to higher standard than industrial
      - b. 2) Storehouse – clean to residential standards for proposed workforce housing (not much there – one underground vault)
      - c. 3) Area immediate south of Storehouse along 2<sup>nd</sup> St. – remediate to residential standards
    - 4. We are not obligated to develop residential just because we've cleaned the site to residential standards.
    - 5. Funding for remediation: City is in line with the EPA for targeted assessment funding and other funding.
  - iii. Legal Issues/Easements: City Legal is working with the railroad to address easements. Some issues should be easy to clean up; however, the turntable easement will be difficult because the railroad won't just give that up.
- e. Priorities for Use of Limited Funds:
  - i. Safety and security come first;
  - ii. Keeping the site clean and attractive for neighbors;
  - iii. Protect historic buildings (currently doing roofing estimates; roofs are in various states of disrepair; roof of Boiler Shop is worst and needs to be replaced but could cost close to \$1 million).

## 5. COMMENTS/QUESTIONS/DISCUSSION (Part II):

- a. **Senator Eric Griego** commented that the Rail Yards is an incredibly rare site, and this is a real opportunity for the State and everyone involved. He posed questions about possible funding sources:
  - i. What role could there be for New Market Tax Credits through the Finance Authority? This is exactly the type of project that would qualify.
  - ii. Are there any efforts to get Federal Stimulus money for the Rail Yards?
  - iii. How do we make this a true public-private partnership that is economically viable? There has to be a strong private partner for this to work.
- b. **Senator Jerry Ortiz y Pino** asked Michael Mehling if it would be harder to get brownfield money for the Rail Yards since the remediation needs are relatively minor.
  - i. **Michael Mehling** said that his impression is that the EPA wants to be part of this project, especially because it's doable and they'd like to hang their hat on a successful project.
- c. **Senator Ortiz y Pino** asked if the Rail Yards redevelopment would be approached in the same way that Old Albuquerque High was – through a competitive bid process.
  - i. **Councilor Benton** said that one of the main purposes of the Rail Yards Advisory Board is to decide how to direct that process. ULI recommended issuing a Request for Qualifications. Plenty of people have already expressed interest. Councilor Benton shared with the Board that he's met recently with two different groups who are interested in the Rail Yards: the developer of Mockingbird Station in Dallas, TX, and a group of nanotechnology/medical industry guys from Los Angeles, CA.
- d. **Jay Rembe** (ULI – New Mexico) suggested it might be good to hear from people who have been involved in public-private partnerships and understand how those relationships work and have worked in the past.
- e. **Representative Rick Miera** asked if there are any deadlines or commitments that we have to fulfill? For example, taking care of the easements or building housing. He expressed concern about 1) the availability of State funds in 2010, and 2) ownership of the property and whether or not ownership status will affect the State's ability to give money to the project.

