



Rail Yards Advisory Board

Wednesday, April 4, 2018

11:30 AM

Albuquerque/Bernalillo County Government Center
City Council Committee Room, 9th Floor

DRAFT MINUTES

Members Present:

Isaac Benton, City Councilor, District 2
Synthia Jaramillo, ED Director
Rep. Javier Martinez
Rep. Miguel Garcia
Comm. Steven Michael Quezada
Eddie Garcia, South Broadway
Ron Romero, Barelmas
Jay Rembe, ULI-New Mexico
Leba Freed, WHEELS Museum

Members Absent:

Sen. Jerry Ortiz y Pino
Sen. Michael Padilla
Alex Romero, Governor's representative

City Staff and Other Resources Present:

Diane Dolan, Policy Analyst, City Council Services
David Campbell, Director, Planning Department
Gabriel Rivera, MRA Staff
Matt Butkus, MRA Staff
Leslie Naji, Historic Preservation Office, Planning Department
Jim Trump, Samitaur Constructs
Justin Horwitz for David Buchholtz, Rodey Law Firm
Former Rep. Rick Miera
Eric Griego, Barelmas Alternate

I. Call to order: Councilor Benton called the meeting to order.

II. Welcome and Overview

Councilor Benton introduced new board members Commissioner Steven Michael Quezada and Synthia Jaramillo, Economic Development Director, for Mayor Keller.

Councilor Benton noted that Senator Jerry Ortiz y Pino and Alex Romero, were unable to attend and sent their regrets.

Councilor Benton welcomed new Planning Director David Campbell.

Meeting materials:

- Agenda
- Draft minutes of the July 19, 2017 meeting
- Significance of Historic designation of the Rail Yards – prepared by Historic Preservation staff in the Planning Department (Leslie Naji). This analysis was requested at the last advisory board meeting.

III. Approval of Agenda and Minutes: July 19, 2017 RYAB Meeting

Rep. Garcia made a motion that the minutes be approved, motioned was seconded by Councilor Benton and passed unanimously.

IV. Annual Progress Review: Samitaur Constructs and Metropolitan Redevelopment Agency

Director Campbell gave a brief overview: Metropolitan Redevelopment is the managing department. The Albuquerque Development Commission (ADC) has held several hearings/reviews to date. ADC has expressed its concern with the lack of activity and progress.

Councilor Benton gave a brief history of the RYAB and purpose, introductions.

The requested summary of historic designation significance noted that development at the site would still require state review even if it is delisted because it is still eligible for listing. If any federal funds are needed or used, the site would be subject to reviews regardless. To date, SHPO has been responsive.

City paid for archeological study in 2016 and the 1890 roundhouse foundation was located. Construction is brick and in “near perfect” condition. Phase I archeological study has been complete on north side and south side. There was discussion of mitigation options regarding the discovery of the roundhouse foundation.

There was consensus that there is no change in board's position in support of the existing historic designation.

The discussion moved to the Roofing & Security agenda item and then returned to Progress Review. (See Roofing & Security below.)

Jim Trump, Union Development Corporation, for Samitaur Constructs:

Union Development Corporation contracts with city to manage the property. They receive a percentage of money for filming. Board members raised the question of whether the City was getting enough money from the studios for use of the site. There was consensus that renegotiations are supported. Mr. Trump stated that he would be happy to ask for more/renegotiate with studios. He noted that he would also be happy to give up management of the site, as they lose money on it.

Mr. Trump reported that Samitaur has a business plan for environmental remediation that they will be presenting to the Administration. The proposal includes an interim use of LEDA funds. Samitaur understands the roof issue but believes the most important issue is environmental. They are willing to invest \$1 million into environmental clean-up under the LEDA plan. There is vapor in Tender Shop and Boiler Shop that needs to be removed before those buildings are usable.

Asphalt can be used to “capsulate” soil contamination, but Samitaur does not want to asphalt parking lot until they put infrastructure in.

There are some buildings that need to come down.

Councilor Benton noted that ADC was not receptive at last meeting to the LEDA proposal.

Mr. Trump stated that Economic Development under the last Administration was not supportive of using LEDA funds, even with a payback provision.

Councilor Benton noted that some of the remediation could be part of tenant improvements. He noted that Mr. David Buchholtz has been a reliable advisor to the City on its bond program.

Mr. Trump stated that there needs to be a method to protect Samitaur since they do not own the property and would put in \$1 million towards environmental work.

Eric Griego asked if Samitaur is willing to allow others to participate in getting some of the work addressed on the site to get progress. Mr. Trump responded that attorneys have told them there is huge liability risk in doing that.

Jay Rembe stated that if there isn't a plan in place to remediate and there isn't public funding to do it, we'll be in the same place in 5 years.

Councilor Benton suggested we should identify and prioritize parcels or potentially sub parcels that are the best assets and most usable for interim.

Mr. Rembe stated that we also need a plan for the whole site – the State and City need to decide if this is an asset they want to protect.

Councilor Benton noted that the City made the investment and that the community is supportive and invested in this project.

Mr. Trump said they priced the Tender Shop and Boiler Shop and they are not economically viable due to the cost of a fire wall.

Mr. Griego asked how long it takes for LEDA approval. Justin Horwitz explained that it takes about 2-3 months to get through the process.

Rep. Garcia asked if Samitaur was looking at LEDA similar to Facebook. He noted that there was a flaw in the FB contract in that they expanded the use of LEDA to purchase water rights but that's illegal. Water rights is not part of economic development definition. They might want to look at FB model but there are problems with it. He noted that we have been talking about remediation for a long time and stated that it needs to be a priority and get done. That's when we'll start to see progress in leaps and bounds.

Councilor Benton asked that Mr. Horwitz provide a written summary of the LEDA/funding proposal for distribution to the board and potential presentation in the future.

V. Master Plan

The Master Plan informs the zoning and allowable uses on the site. It is consistent in the new IDO. There was no other discussion of the Master Plan, other than the background.

VI. Roofing & Security

Councilor Benton stated that we need to get roofs out to bid; they are in really bad condition. Gabriel Rivera reported that the cost for the Tender Shop roof is \$500k. The Boiler Shop is a “disaster” and will cost \$1.5m to fix. The Machine Shop is largest and it will cost \$2.5 million to completely reroof it. The City/MR currently has \$1.5m available for the Rail Yards roofing. A capital needs assessment was completed for the Tender Shop; it will cost \$2m to bring it up to the same condition as the Blacksmith Shop, with power and fire sprinklers.

Councilor Benton stated that the roofs need to be a priority. It is also a structural issue with regard to integrity of the wood decking.

Leba Freed added that WHEELS needs a roof as well (at the Storehouse).

Councilor Benton said he has argued for patch roof job on Machine Shop as soon as possible (even though it won't come with warranty), and do the whole roof and structure at a later time.

Mr. Griego asked if the City will go after state capital outlay, city and county bonds for next phase. It was explained that state capital outlay was appropriated for the Tender Shop roof but was taken back due to lack of progress.

Councilor Benton said that we need to acknowledge there is going to be a public subsidy.

Rep. Garcia asked if the City currently gets film money. Mr. Rivera explained that money from films goes into a fund for maintenance, fence repair, vandalism, etc. There has been a significant increase in vandalism and damage to the site in the last six months. MR has worked with APD to consider security, guards, cameras, alarm, fencing, and lighting, which are all options. Rep. Garcia stated that it might behoove the City to get additional funds for filming there to get money for the roofs.

Councilor Benton suggested that we are not getting our money out of the industry for the use and value of the site.

Mr. Miera said that we need to make a roof fund and get money for it.

Councilor Benton asked Director Campbell to pursue opportunities to get more money from films.

Ms. Freed noted that there are a tremendous amount of trucks and dust and activity for which the City is not being remunerated.

Mr. Rivera stated that Ann Lerner from the film office is always asking MR to NOT charge for certain things at the site.

Commissioner Quezada thinks the City and not Albuquerque Studios is in charge of leasing it out. Studios are making a lot of money off it. If it's owned by the City, the City should manage it so all of the dollars go to the City's fund rather than to a third party manager. Mr. Rembe agreed that it's a great idea.

Mr. Rivera stated that security includes lighting the site; if we brought in power we can charge more to the films. There are currently only 2 people in MR and 2 in the Film Office; we would need more staff to manage renting to film industry.

Directors Jaramillo and Campbell will discuss ways to change how it's being managed, will report back to the board.

Rep. Martinez is committed to maintaining capital outlay. If we can look at all repairs and break down the work down into phases that are manageable, \$500k or so, it is easier to get that money each year. He encourages this rather than holding money to let it accumulate for a large project. Comm. Quezada agrees that phasing is easier for him to fund with County funds as well.

Rep. Garcia asked what role APD plays on security for the site. APD can do occasional briefings at each shift change at the site (3 shifts). Visual presence and shows commitment. Councilor Benton agreed that briefings are very helpful and noted that APD is currently doing them downtown; he thinks they can move briefings around the area a bit.

Mr. Rivera reported that problems getting the water from the roof to storm drains is the big cost. Councilor Benton stated that we haven't looked at this thoroughly enough. If moving water from the roof to the storm drains has prevented the roof from getting done, we need to figure it out. The roofs have drained onto the site and still do, so a roof replacement does not change any existing site drainage condition.

Mr. Griego stated that the McCune Foundation would like to support expansion of the Rail Yards Market and we need to figure out how to make more space usable for the community.

VII. Other Business

Ms. Freed reported that WHEELS lost \$125k in state funding for the Storehouse improvements. Councilor Benton noted that it was reported to him that there were anti-donation concerns about the funding; Ms. Freed said those were addressed. She stated that while a new fire hydrant was installed, it is in the wrong location. Mr. Rivera stated that the hydrant is placed in the correct location but that a fence needs to be relocated.

Director Campbell reported that they are working on additional staffing for MR.

Mr. Griego expressed concern that the existing annual funding for the market continue. He also noted that there is community interest in seeing more activity on the site.

VII. Adjourn