



Rail Yards Advisory Board

Tuesday, September 15, 2009

11:00 AM

Albuquerque/Bernalillo County Government Center

Council Committee Room

9th Floor, Suite 9081

MINUTES

Members Present:

Councilor Isaac Benton
Leba Freed, Wheels Museum
Rep. Miguel Garcia
Jay Rembe, ULI – New Mexico
Ron Romero, Barelvas Neighborhood
Yasmin Khan, Barelvas Neighborhood
Diana Dorn-Jones, South Broadway Neighborhood
Janice Convery, South Broadway Neighborhood

Members Absent:

Bill Hume (Governor Richardson)
Rep. Gail Chasey
Ed Adams/Irene Garcia (Mayor Chavez)
Sen. Eric Griego
Commissioner Art de la Cruz
Sen. Jerry Ortiz y Pino
Rep. Rick Miera

Staff Resources:

Michael Mehling, Dept. of Family and Community Services
Marti Luick, Council Services
Kara Shair-Rosenfield, Council Services
Petra Morris, Council Services
Lawrence Kline, FAICP, Project Coordinator

Presenters:

Steve Robinson, Board President, Santa Fe Railyards Community Corporation
Richard Czoski, Executive Director, Santa Fe Railyards Community Corporation

Others Present:

Alan Clarke, Wheels Museum
Chuck McCune, Prizm Foundation
Dory Wegrzyn, Supportive Housing Coalition
Homer Robinson, Romero-Rose
Julie Ferguson, Romero-Rose

1. SANTA FE RAILYARD REDEVELOPMENT: A HISTORY OF COMMUNITY ENGAGEMENT IN THE MASTER PLANNING EFFORT – PRESENTATION BY STEVE ROBINSON



Steve Robinson
Presentation to RYAB

Q&A with Board Members and Guests:

- **Diana Dorn-Jones:** Demographics of adjacent neighborhoods?
- **Steve Robinson:** Most intact traditional Hispanic neighborhoods in city of Santa Fe. Highest percentage of owner-built homes; lowest percentage of mortgaged homes; longest history of ownership and occupancy; highest percentage of church-going residents and residents who spoke Spanish at home.
- **Diana Dorn-Jones:** Socioeconomic?
- **Steve Robinson:** Recall that they were neighborhoods where people had a very high level of employment – very little unemployment – middle income. Pockets of poverty in those neighborhoods.
- **Diana Dorn-Jones:** Any neighbors displaced by this plan?
- **Steve Robinson:** No. Edge conditions are starting to see new development. Some properties getting bigger, some being converted to condos. Some edge changes taking place. Had a fairly well-established neighborhood protection plan. Credits for increasing property taxes. Made sure there were no physical impacts – traffic, etc.
- **Diana Dorn-Jones:** Changes in property values, taxation?
- **Steve Robinson:** My hunch is there will be some of that, but we haven't seen it in the first year. Neighbors came to the meetings and told us what they wanted and what they didn't want.

- **Yasmin Khan:** 6,000 participated in planning process. Interested in two parts of process: 1) Process was bilingual – any stats on how many of the 6,000 participants were Spanish-speaking only? Did it stay bilingual throughout process?
- **Steve Robinson:** Yes, stayed bilingual throughout. There were sign-in sheets but we haven't analyzed those. Clear that people were representing all sectors. Was obvious that we were reaching into the Hispanic community.

- **Ron Romero:** Do any residents sit on your board?
- **Steve Robinson:** Yes. Board composition has shifted over the years. Had many neighborhood residents interested in board when we were doing planning. Had construction people interested in board when infrastructure being constructed.

- **Jay Rembe:** Was there resistance to including more housing in the project?
- **Steve Robinson:** There wasn't a large housing component. I was disappointed that there wasn't more of a public desire for housing on site. There is some workforce housing, a live-work component.
- **Jay Rembe:** Would you recommend that we focus on quite a bit of housing as part of the Master Plan?
- **Steve Robinson:** Infill, downtown housing is a valuable component to urban life.
- **Diana Dorn-Jones:** Why do you think residents didn't want housing? Concerns about contamination?
- **Steve Robinson:** I think this area had always been seen as an industrial site that had become a dust bowl. Neighborhoods around are intact. Don't think residents were interested in seeing gentrification through more housing.
- **Yasmin Khan:** Were there affordable housing projects going on that would have competed with this?

- **Steve Robinson:** Tierra Contenta was happening around that time.
- **Chuck McCune:** Entity from whom you acquired property – was it ANT?
- **Steve Robinson:** Atchison/Topeka created Catellus Corporation. Mandate was to develop industrial sites. Trust for Public Land was aggressive in helping City buy property after Catellus plan was defeated. TPL bought it from Catellus and flipped it to the City; the only TPL contingent was 10-acre part.
- **Chuck McCune:** Did they offer to do a Phase I?
- **Steve Robinson:** No, City did all of that. Appraised at roughly \$30 million; Catellus was paid \$21 million but made up the rest in tax credits. Very little remediation required.
- **Rep. Miguel Garcia:** 1997 when Community Plan was accepted but nonprofit idea rejected – what was the role of the nonprofit from 1997-2001?
- **Steve Robinson:** City hired a real estate guy and gave him an office and an assistant and called that the “RY Planning Office.” He tried to renegotiate long-term leases with legacy tenants. SFRCC was created in late 1997. We had meetings every month. City wasn’t very accessible. Had RY tenants come to us and say that the City wasn’t being fair. Spent a lot of our capital trying to get the City to do a MP. How can you expect anyone to buy into a long-term lease if there is no MP? Managed to stay afloat – created monthly open forum – City Director of the RY Planning Office came to every single meeting. Went on for four years. MP completed, RFP put out for nonprofit management, came together in 2002.
- **Yasmin Khan:** When I visited the site, as a reporter with Santa Fe New Mexican, I got to see a lot of behind the scenes development. Did citizens bring forward ideas about cisterns, other sustainable elements?
- **Steve Robinson:** There was always an undercurrent of environmental sustainability. A lot of opportunities in the MP. But it was really TPL that kept the conservation easement – 13.5 acres. TPL held an international design competition for landscape architect – one criterion was environmental sustainability, particularly on water issues. TPL came to us and asked us to make sure that all tenants would allow roof runoff to go into cisterns.
- **Yasmin Khan:** Are there other environmentally sustainable design elements?
- **Steve Robinson:** Yes, but on a building by building basis.
- **Jay Rembe:** Who created the financial model and are you tracking closely to that model?
- **Steve Robinson:** Financial model done in 1997. Financial model done in 1998 when City took over project. In 2002, when we got management agreement, we were obligated to create a financial model for 20 years out. Repayment of acquisition debt is big part of model. City’s \$15 million debt will be paid off in full in 2010. City pays 2/3 of debt; we pay 1/3 of debt through leases. City was supposed to create a parking garage, but there have been delays because of the economy tanking. Lack of availability of credit is hurting small local developers, with whom we deal almost exclusively. City still owns the land and has made it a policy that they won’t sell any of the land.
- **Dory Wegrzyn:** What was the City paying the debt with?
- **Steve Robinson:** 1997/1998 – City Councilor Art Sanchez, who wasn’t a supporter of this project initially, liked the project and proposed 1/16 cent increase in GRT. Yields more than we need sometimes.
- **Dory Wegrzyn:** What was term of debt pay-off?
- **Steve Robinson:** Bonds were sold at the end of 1995, will be paid back by 2010 – so 15 years. \$13 million worth of infrastructure – loan from NMFA. Don’t expect to be out from under that until 2026/27.
- **Steve Robinson:** Thoughts on the ULI study. I’m not familiar with your rail yards site. I read thy ULI report, and I think that it read like a marketing study for a developer who is planning to build a

shopping mall. ULI report, as I read it, was all market driven, with a few bones thrown to public purposes.

- **Rep. Miguel Garcia:** You mentioned that some of your potential tenants lack capital because of credit crunch. Have you looked at venture capital initiatives offered by the state?
- **Steve Robinson:** Not familiar with those.
- **Richard Czoski:** RY company with a cinema project. Most of our buildings are 10,000 sq. ft. and smaller. These buildings generally under \$5 million. Only one of our tenants has taken that approach – trying to build a \$17 million cinema with IMAX screen.
- **Steve Robinson:** In last 4-5 months, more interest from businesses/developers.

- **Dory Wegrzyn:** Design guidelines – do you, as a nonprofit, have a say in special exceptions? What is the process?
- **Steve Robinson:** We have gone to great lengths to separate ourselves from the City. MP has extensive and detailed design guidelines for the entire site. Anyone who wants to do a project gets a copy of the MP so they know what the criteria are. We have a design and construction committee of our board. There is a 10,000 sq. ft. threshold – if project larger than that, have to go to the BCDDRC. Very few projects have gone to BCDDRC; none have gone to City Council.
- **Dory Wegrzyn:** \$13 million of infrastructure. Did you confer with different utilities about capacity and availability to ensure that it is available?
- **Steve Robinson:** Our obligation was to provide wet and dry utilities: streets, curb, gutter, drainage, landscaping. Worked with Bohannon Huston – they had to hold hands with every city agency and every utility to make this work. All tied into city systems except catchments for irrigation. Water dept. was most difficult.

- **Isaac Benton:** Many thanks to Steve and Richard. If you're available, we might send you a question or two from the Board. We really appreciate your coming down.

2. UPDATE FROM AND DISCUSSION WITH RAIL YARDS COORDINATOR – LAWRENCE KLINE, FAICP

Lawrence Kline: This is the first time I've spoken to you officially. I want to talk about what I've been doing for the past two months.

- Met with PNM, streets people, drainage people.
- Read ULI report – thanks for your succinct analysis, Steve.
- Also read the DPAC report, Barelás SDP, South Broadway SDP.
- In summary, I've been trying to find out what you have on the site; now I need to find out what you want to have on the site.
- I've put together a series of threshold questions (survey). I want you to react to them. It is a totally blind survey. I don't want you to think too hard – just react. I would like them back in about a week. What I am here to do is similar to your funnel. I perceive myself to be a lens for the Board. It's my job to listen to you and focus your efforts.

3. THE WHEELS MUSEUM – PRESENTATION LEBA FREED, PRESIDENT, WHEELS MUSEUM

Leba Freed: We had Mayor Chavez at our home last night. He said he wants to make the RY the crown jewel of the NM. He said we should be ready to start within about 6 months. Shops used to employ 1500 men at a time. They were the epicenter of the city – the heart and soul. Mythical homeland of the Hispanic people – how site is referred to in Heart of Azlan. About 15 years ago, I became aware of property; it was for sale for \$2.5 million. November of 2007, with help of Councilor Benton and others, the City purchased property. We have raised about \$10 million to do this project. Our goal is to create a major attraction for the state of New Mexico.

Potential of about 1,000,000 square feet of building. 7 acres to the north; 20 acres to the south. Entire site should be Master Planned, including land to north and south. There are easements still held by BNSF that we have to work out. WHEELS Museum has some wonderful exhibits. City has been given model train exhibit from Clovis. Airplane, fire truck, '67 red Seville Cadillac. **We Have Everything Everyone Loves Spinning – WHEELS.** Trying to link trains of New Mexico. Want to bring appropriate tourism to neighborhoods and downtowns. Having our grand opening on the rail yards on Sept. 26. We are the first project to come alive. Will need at least 150,000 sq. ft. to start. Only have about 20,000 sq. ft. right now. I have provided you with 2005 case study executive report. Need to bring in a great mixed-use project for the site.

- **Isaac Benton:** Short-term/long-term square footage needs for WHEELS. Partnering with excursion trains, 2926 Locomotive. What is the range of square footage?
- **Leba Freed:** If we don't have the big building (Machine Shop), WHEELS Museum cannot happen. We've worked with national consultants to come to that conclusion. San Bernardino is ready to bring a train here to do excursions around the state with about \$50,000 worth of track work. Our things are big, so we need the space. We are about big things. We are hoping to be entrepreneurial with car shows. We can bring in large conventions, equipment shows, etc. New cars dealer – largest under-roof building in state already but they need more space.
- **Alan Clarke:** There is an absent mathematical relationship between outside acreage and what size of building. Relationship between interior and exterior space. Need 8 acres of outside space and 150,000 sq. ft. interior space. If you want 75,000 people a year to go through WHEELS Museum, give it only enough room for 75,000 people to go through. Balloon Museum is perfect example of the wrong amount of space.

4. ADJOURN