



ALBUQUERQUE DEVELOPMENT COMMISSION

MINUTES

Thursday, July 21, 2011
Plaza Del Sol, Basement Hearing Room

COMMISSION MEMBERS PRESENT:

John Mechenbier
Paul Silverman
Jim Strozier

COMMISSION MEMBERS EXCUSED:

Sherman McCorkle, Chair
Grayson Lee Trussell, Vice Chair

CITY STAFF PRESENT:

Ben Ortega – MRA, Planning Department
Russell Brito – Long Range, Planning Department
John Rivera – MRA, Planning Department
Chris Glore – MRA, Planning Department
Christa Wagner – Recording Administrative Assistant

1. **Call to order**

Pro tem Paul Silverman called the meeting to order at 3:08 p.m.

2. **Changes and/or Additions to the Agenda**

There were none.

3. **Approval of Minutes for June 22, 2011 Meeting**

NOW, THEREFORE, BE IT RESOLVED THAT the Albuquerque Development Commission voted to approve the minutes for April 20th, 2011 meeting as presented.

MOVED BY COMMISSIONER JOHN MECHENBIER
SECONDED BY COMMISSIONER PAUL SILVERMAN

4. **Announcements**

The Mayor appointed Grayson Lee Trussell as Vice Chairman.

5. **Public Comments**

There were none.

6. MRA Manager's Report

MR. ORTEGA: Thank you Mr. Chairman. This will be a very short report. This is not in your packet but basically to give you an update of what the MR Agency is currently working on that will be coming before you in the next few weeks. We are working towards completing a draft of a new MRA Plan for the East Gateway area primarily from Wyoming area out to Tramway and that would be the Eastern edge of Central Ave. We will be meeting with Site Southwest next week with Council Harris and his Council liaison in terms of soliciting early feedback from the Council's perspective. We will then continue to work on a draft document with the consultant and will be presenting a progress report to you. I would anticipate at the September meeting. So that would be kind of a new MRA Plan you'll be having the ability to weigh in and give some ideas as well for catalyst locations and proposed refinements and Gateway features.

CHAIR SILVERMAN: So this will be Wyoming to the Eastern city limits.

MR. ORTEGA: Correct.

CHAIR SILVERMAN: And will be centered on Central Ave.

MR ORTEGA: Correct.

CHAIR SILVERMAN: And how far on either side of the center line. Were you thinking?

MR. ORTEGA: Both sides, both sides of Central. How deep?

CHAIR SILVERMAN: Yeah.

MR. ORTEGA: Probably about at least 1 to 2 parcels deep. It does capture the first intersection which, I believe, is Tramway intersection as well as Juan Tabo and Eubank intersection but I'm talking about the off ramps at the freeway. We're looking at doing some Gateway features improvements entering into the City at the off ramps.

COMMISSIONER SILVERMAN: Do we have a concept of what we want to try to achieve?

MR. ORTEGA: Yes that's what we're going to present next week to Councilor Harris. Yes sir.

COMMISSIONER STROZIER: The designation is already in place. It's been designated as a redevelopment area and so now you're working on the plan.

MR. ORTEGA: Correct.

COMMISSIONER STROZIER: Okay, got it.

CHAIR SILVERMAN: So we actually already have a plan in the area.

MR. ORTEGA: We have a plan boundary. Correct.

CHAIR SILVERMAN: Yeah, right. Yeah, right alright.

MR. ORTEGA: Another item that before you that's been in the press lately. We are pursuing a new Metropolitan Redevelopment Area in the El Vado Motel district of the City which is basically the Bio Park neighborhood. There's an existing MRA area Tingley Beach. It's a site specific MRA. The MRA Agency feels that it should be an area not a MRA site. So therefore in consultation with both Councilor Benton and Councilor O'Malley, they both have agreed to allow us to proceed with forming preliminary boundary limits of this new MRA area. It would extend from the Westside of the bridge on the Westside of the river which would then include the bridge extend along Central Ave all the way down to San Pasquale. Those properties are primarily all the commercially zoned sites. They would not be any single family residential sites.

CHAIR SILVERMAN: What percentage of the proposed area would be privately owned?

MR ORTEGA: I would say...

CHAIR SILVERMAN: Roughly.

MR. ORTEGA: I'm going to say 80%.

CHAIR SILVERMAN: Good.

MR. ORTEGA: Yes. If we exclude the Bio Park and if you view the parking lot that the City owns as well as the El Vado and the Casa Grande and the Tingle Beach properties which are currently owned by the City. Most of them are privately owned.

CHAIR SILVERMAN: And would you include both sides of the bridge?

MR. ORTEGA: Yes.

CHAIR SILVERMAN: Because in there is City owned property on the northwest corner of the bridge, correct?

MR. ORTEGA: Of the bridge, yes but that...

CHAIR SILVERMAN: The bridge and the river.

MR. ORTEGA: Yes, that site is already in the West Route 66 MRA area. This is going to butt up right up against it.

CHAIR SILVERMAN: Okay. Can you overlapping two areas?

MR. ORTEGA: We're not overlapping...

CHAIR SILVERMAN: Can you overlap two areas?

MR. ORTEGA: The City has, I don't believe that's good policy.

CHAIR SILVERMAN: Well, the problem is the bridge is a structure. Part of what you may want to do since you own the northeast corner of the river and the bridge and you own the northwest corner of the river and the bridge. You may want to have some type of alternative transportation connection

which may end up being funded by one or the other depending where you had funds. One supports the other is the only thought that I have. Sorry I'm being candid. You should be making these plans.

MR ORTEGA: We are planning to cover the entire bridge segment would be in this new MRA. That's really it for upcoming projects that you'll be seeing in the near future. As they get closer, we'll probably be doing a preview update to you with staff presentation.

COMMISSIONER STROZIER: When will you anticipate bringing us the preliminary study? Or are you going to give us an update on the El Vado, or whatever you're calling it now.

MR ORTEGA: Yes, we will bring that to you in the August meeting. We are anticipating also taking it to the City Council to get a basically notice of intent for them to give us permission to proceed with this new MRA area.

COMMISSIONER STROZIER: Okay, Alright.

MR. ORTEGA: We didn't want to go the cart before the horse and make sure they're on board. That's it from the MRA Manager's Report.

CHAIR SILVERMAN: Thank you.

7. Old Business

a. Discussion and Approval of ADC Meeting Guidelines and Rules of Conduct

NOW, THEREFORE, BE IT RESOLVED THAT the Albuquerque Development Commission voted to defer the review of draft rules and regulations for the ADC Commission on July 21, 2011.

MOVED BY COMMISSIONER JOHN MECHENBIER

SECONDED BY COMMISSIONER JIM STROZIER

b. Update on De Anza Motor Lodge Economic Analysis

MR ORTEGA: Yes this is an item that was presented at the last ADC meeting. We also have representatives from through the developer entities in the audience and they are available to answer questions. Yes Sir.

COMMISSIONER JIM STROZIER: I just want it for the record to indicate that I am going to recuse myself from this side and step down. I am on one of the project teams so I'll do that right now.

CHAIR SILVERMAN: Thank you.

MR ORTEGA: Being the case, we have been advised by our City Attorney that without having at least three members present, you will not be able to act on this item. Since this has been a labor of love to a certain extent for the last 30 days, we thought in all fairness to the developers as well as the ADC Commission that the information still be at least presented shared with the Commission as well as obtaining any additional information or feedback so that we can take this back to you again in August so that the Commission can make a decision on the selection of the developer of the De Anza Motor Lodge.

Basically what we've done over the last 30 days, I've been meeting with the Albuquerque Visitor's and Convention Bureau, the City Economist, the City Treasurer, the City Economic Development and the City Police Department to find out basically the multiplier affects of what these types of projects have or will bring to this part of the City. Also in the audience is our City Economist, Jacques Blair, and is available to answer some questions as well as Deidre Firth with our Economic Development Dept should you have any questions to the areas of expertise.

Also before you, we have a handout which is provided to us as of yesterday and today and they're basically police call logs report on the areas surrounding at least site specifics one of the New Life Homes Communities at 424 Broadway along with a site specifics police call report for the Albuquerque High school site just in terms of information that we're trying to investigate in terms of activity of police crime in terms of comparison between the two land uses. We did not obtain from Winslow Arizona. If that is the pleasure of the Commission, we will pursue that for the next meeting.

So therefore if you look take a look at the matrix. It's in an excel spreadsheet. At the last meeting, the Commission rejected the proposals as under the terms that were submitted and also directed staff to conduct further Economic Analysis to kind of compare the projects on a more apples to apples comparison to help you formulate your decision in terms of a preferred developer for the De Anza. Just quickly this matrix identifies the three projects that have submitted proposals New Life Homes, Courtyard De Anza which is market rate housing, and La Posada Boutique Motel. La posada has continued to give us information although they technically withdrew their application at the last meeting with the caveat that should the City Development Commission not find appropriate terms that the other two entities they would still consider the project. So therefore rather than eliminating them entirely from the analysis, we went ahead and still kept them in the process and one of their architects is in the audience primarily just observing but I think would be available should you have some particular questions.

So in terms of the cost, we simply identified the cost associated with each project. New Life Homes is the most expensive of the three. It comes in about 6.4 million compared to the other two 4.3 & 4.1. In terms of revenues, these are coming out of their development performas. There actually consultation of the developers provided us over the last 2 to 3 weeks. Anticipated revenue from New Life homes is approximately \$863,000, Courtyard De Anza a little over \$1million and the Boutique Motel 1.5 million dollars. Those are basically income that they're going to be receiving on the property. It's not GRT's. It's actually income that they're receiving on the property.

CHAIR SILVERMAN: Is all of that taxable? Do you know?

MR ORTEGA: Most all of it is taxable. Yes. And we have the taxable part on the second page. The variables we actually kind of, just for comparison sake, broke down the differences in terms of duration of construction. The number of construction jobs. The number of market rate units vs. affordable units and number of motel units. Just kind of simple comparison across the chart for you to kind of to see really just kind of know that they're similar but yet they're unique but yet they're different.

Number of permanent jobs proposed 80 for the Affordable Housing projects, 75 for market rate and only two, I'm sorry, that's residence and only 2 for the La Boutique Motel. The reason why there's two residences the owner the developer of the La Posada indicated that he would be a resident on the property.

In terms of Commercial jobs, 15 for the Affordable Housing, 15 for the Market Rate, and 40 for the Boutique Hotel primarily because of the nature of that business which will include a larger restaurant and significantly more staff to manage and operate the property as a destination Hotel.

The square footages are there for the different types of uses. The hourly expected wages that will be paid on an average basis are disclosed there \$10 for Affordable Homes, \$15 for Market Rate and \$10 for Boutique Hotel.

At the last meeting, they also asked about parking. We did a parking analysis. I think this was Commissioner Trussell in terms what is required by code vs. what is being proposed. for the Affordable Housing site 64 spaces are proposed, 72 spaces are required however due to the proximity of a bus stop in front of the property, they receive a 10% reduction which allows them to meet code 64 spaces. In terms of the Market Rate Housing, they are providing 77 spaces. 75 is only required and again because of the proximity of a bus stop. The City would only be requiring 68 so in that case they are over parked from codes perspective. In terms of the Boutique Hotel, they're only proposing 47 spaces where as code is requiring 106. They do get credit for the bus stop but that'll only bring them down to 95. So they are under parked in terms of code requirements for the uses that they are proposing by code.

Is there any question on the variables? Okay, the next section is simply project funding analysis. We just thought that it will be beneficial for the Commissioners to know that. In terms of the motel most of the money is self provided by the owner operator. The Courtyard Housing project is seeking still City contribution. In the last presentation was about a million dollars. The applicant has reported to us that its now \$526,000. We've yet to see a revised proposal or performa but we suspect to have that very soon and I suspect Mr. Dickson will touch on that at his chance at the dais. And again, the analysis from New Life Homes are various funds from various entities, historic tax credits, low income tax credits, workforce housing grants and we want to give them the benefit of a grant that's currently on the property. We plan on giving them to all three entities to help offset their costs or the City's obligation or request to participate in the funding. So therefore you'll see the grant of \$243,000 is applied to all three projects of which the City would, in order to get that grant would have to write a check for \$81,000 as a matching source of fund which is obligation of grant agreement with the Dept of Transportation.

On the second page is your economic analysis, this was completed in consultation with the City Treasurers Office and the hospitality tax, lodgers tax, projection. You'll see the first two line items is an expected one time GRT bump and that's primarily during the construction phase of the project for the cost that the project developers would have to go out and basically acquire and what I mean by that is building materials, paying of consultants, paying fees, and other costs which the state requires them to pay 7% GRT. So that's basically is in the first year of construction of the property. You'll see that Affordable Housing these based on their performa costs. So if you'll look at their construction costs. Do the math and for the 3.9 million dollars of that \$3.9 million dollar are sticks and bricks. They are going to be paying another \$256,000 in GRT's for purchasing of materials to build the project. Same applies to the Market Rate Housing as well as the Boutique Motel based on their construction costs. The Boutique Motel does not have any architects or engineering fees identified or developer fees or other costs in their performa because it's basically an owner builder and the owner is an architect. So a lot cases it allows him to build his project a little more efficiently than the others; however, at a lot longer period of time. and that's where you compare the durations of the project the New Life Homes would finish their project in 10 months, the Market Rate would be finished in 12 months, and the La Posada Motel developers indicated would be about 4 years to complete the project at a much slower pace than with the other projects.

In terms of annual GRT recurring revenues, the three different users would generate the Affordable Housing would generate to the City or least pay GRT \$5,700 a year. There would be no GRT's generated from the Market Rate Housing because it does not have hotel use. At least from hotel use perspective but there would be \$54,000 paid annually by the Boutique Motel for GRT's for the hotel use itself which is basically 80% of their business on square footage of the property. Museum visitor's center they are estimated at about \$3,150 for the apartment side. The motel is estimated

slightly higher based on them having a much larger visitor's center. Their business plan is little different where they tend to be more of a destination property with full restaurant/bar operations, tourist shop where you buy a lot of tourist type elements and that's similar program they have in Winslow AZ. Again you'll see on the restaurant/bar the hotel does generate more GRT. They have a much larger square footage designated for restaurant/evening bar environment instead of a destination hotel. And then we have the certain extent ripple effect of expected annual GRT's generated off site by the customers or residences staying on the property. In this case, its hotel guests, this is coming from Visitor's & Convention Bureau where they are currently stated the economy you can expect each hotel guest would about spend \$72 extra off site in the neighborhood or in the City of Albuquerque. That's why the Boutique Hotel is much higher than the Affordable Housing because they have 45 motel rooms whereas the Affordable Housing has 6 motel rooms. You do the math. The motel would generate much higher ripple effect or additional spending off premises from their guests.

The second section those are just whole numbers of GRT's. Those are what the state would collect. So essentially if you went to the next level down of those numbers. How much does that actually flow back to Albuquerque of that 7% only 2.2% flows back to the City of Albuquerque. So of the \$395,000, you'll see that in the Affordable Housing column actually the City will only get \$329,000 of that \$395,000 that's actually collected by GRT's. \$129,000 gets returned to the City of Albuquerque. \$100,000 would be returned to the City of Albuquerque for the Market Rate Housing. \$131,000 would get returned to the City of Albuquerque from the Boutique Motel. Just from the GRT but because the City also collects hospitality and lodgers tax on hotel rooms there's an additional \$4,900 that the Affordable Housing would give back to the City totaling \$134,000 in the first year to the City of Albuquerque for the Affordable Housing project. The Market Rate project does not have a hotel component; therefore, would not generate a hospitality lodgers tax so it would only generate to the City in its first year \$100,000 and the Hotel would generate the most since it does have 45 motel units. They would generate an additional \$46,000 to the City resulting in a total of \$178,000 to the City of Albuquerque alone from its first year of operations. Thereafter each property would spin off annual GRT's combined with a lodgers/hospitality tax and you'll see on a recurring basis the Affordable Housing is projected to continually to provide \$23,000 a year, the market rate \$12,000, and the Boutique Motel \$110,000 a year. So that's it in terms of economic analysis.

The planners we also felt money is not everything and we should also look at other factors that need to be considered for these types of uses at this location in the City. So we ahead and identified other categories that we thought the Commission should at least consider part of their analysis and recommendation and that would be City impacts. You could consider them positive or you could consider them negative but in this case, the Affordable Housing would provide additional affordable units to the housing stock to the City of Albuquerque which would meet its goals with this comprehensive plan same thing with Market Rate Housing although it's going to be providing 10%. Affordable Housing will be providing a need of market rate housing in fill location and obviously the motel would be generating commercial development and a corridor currently is lacking. So we believe all of those land uses are consistent with the City's goals and objectives as laid out in the comprehensive plan. In terms of neighborhood impacts, the Affordable Housing project would have a propensity to have more daytime residences on the premise during the day. Some people consider that as a positive. Some consider that as a negative but they would have a population presence. We actually visited the properties to determine how much people are working vs. how much are not working but are residence on the property. They do have an intensity to have residence on site during the day which could be considered a positive as well in terms of people being around the neighborhood as well as on the property.

In terms of Market Rate Housing, most of those I'm sure you'll have daytime population that are far less percentage but the demand is more likely to have more visitors at night and guests as residence return from work. There could be a notice of increase in parked cars in the neighborhood at night. However, the applicant has indicated he does meet code so in this case he's providing more than code but from what's out there currently today which is a vacant property you will see more parked cars in and around the property at night since all three developers are proposing to count adjacent off street parking as part of their requirement parking count.

And finally on the Motel, we anticipate because of the transitory use. You would be seeing an additional trip ends generated in and out on the vicinity as you would with all three of them but more on a frequent basis. We can go to the next level of trip analysis. We can keep this on an economic analysis but that land use, in general, does generate a higher trip and on a per daily use average as would residence. So that would be just a note to the neighborhood that you have a hotel. You're generally going to have more trips coming in and out of the property particularly if you have a successful restaurant and bar on the property primarily intended for their guest; however, if it's a great restaurant others obviously will go to dinner there.

Demand on public services, we felt we should investigate and you'll see that on a separate handout there police activity reports for both Affordable Housing and the Market Rate. I have Gabe here. He can talk about little bit on that in terms of what the results are but it acknowledges as well as investigation reported that there would be a higher demand for public calls or police calls, fire, parks etc. on affordable project than you would have on a market rate and much lower on a motel use.

In terms of catalyst potential based on our site visits in the area and I think the applicants will also be able to add to this, we did not find much of a catalyst generating uses around the affordable housing communities; however, we find that to be the case on the market rate housing projects specifically Albuquerque High School as well as the Motel in Winslow which I did have the opportunity to visit over the last 30 days and make my own observations. So with I'm going to let Gabe touch on these other factors and that will conclude staff's presentation.

MR. RIVERIA: As Ben mentioned he wanted me to take a look at police reports for both Old Albuquerque High School as well as New Life Homes at 424 Broadway; we used a time period that we could use for both of them at the same time 2008 to 2011 and these came directly from APD. Starting with Old Albuquerque High School, it has 98 units. There are 46 at 100 Broadway. There are 16 at 200 Broadway. There are 33 at 300 Broadway. These are all incidents; excuse me, in 301 Broadway. There are a total of 98 incidents at the Old Albuquerque High School and in turn averages out to 28 calls per year. It also averages out to 2.33 calls per month or an average call per unit at 0.20 for Old Albuquerque High School.

For New Life Homes at 424 Broadway, there are 19 units and there were 38 calls in 2008, 28 calls in 2009, 41 calls in 2010 and 8 in 2011 that turns out to be 115 total calls for service that it averages at about 32.8 calls per year, about 2.7 calls per month and about 1.7 calls per unit per year. We tried to a comparison equal time on both units likewise Ben wanted to try and look at the surrounding areas of the catalyst potential of the projects.

Old Albuquerque High School, it was an MRA catalyst project that got underway in 2001 and as a catalyst project it was on the corner of Central and Broadway. At that particular time it was a haven for prostitution. As an example, we sent our intern from the MRA to go take pictures of present conditions and APD picked her up claiming she was a working girl. She was just trying to take pictures because the window were all busted out and has been broken into constantly and it was slum imblided. The particular area has come a long way in ten years and is kind of reinventing itself. I wanted a list of number of new businesses that has entered in that particular area since 2002. The present conditions total about 18 total new businesses that have located in the stretch between 1-25 and Broadway. There are more residential units that have entered that area but I just went at retail

interest that ended in the area so 18 total came in Academy Reprographics, La yoga, Salon and Skin Spa, Daily Grind, EFG Designs, Sefarin pizza, Fox and Octopus, that's a retail for clothing place, Grove Café, Hot Yoga, Hotel Parq Central, Physical Therapy by Don, Route 66 Dry Cleaners, Standard Diner, State Farm Insurance, Two Time Couture, Wave Salon and Holy Cow is scheduled to open within the next month. It's a hamburger restaurant place. Likewise we did go to 424 Broadway. In this instance it's a little difficult to compare we believe that Broadway and Coal because its surround by warehouse, office and residential and the newest addition in recent time is the Forest Service Building and that was a MRA project but we do see the area as be stable so stability can also be good.

And lastly, we do see kind of a similar comparison of areas in the Nob Hill/Highland plans vs. like I-25 to Broadway. It had a lot of vacant businesses and now it's filling in the Old Albuquerque High from Broadway to I-25. Likewise with the Nob hill/Highland plan, in 2004 there were only two acres of vacant land from Carlisle to San Mateo. Now 2011 there are over 4 acres and large part has to do with the demolition of the American Hotel as well as the Aztec. So that's was our comparison.

MR. ORTEGA: Thank you Gabe. If there's no questions from the Commission members of the development team are here if you choose to ask them or if they wish to speak.

CHAIR SILVERMAN: Sure. I think you presented a lot of material and there may be comments that they might like to make on the material presented if they care to. The floor is open.

MR LESLY: Good afternoon Interim Chair and Commissioner Mechenbier. Brent Lesley representing New Life Homes here again in advance of I guess a more formal presentation and I just have few comments I would like to make in regard to this analysis. First, I think it's entirely appropriate and we certainly applaud Ben and his crew taking on this exercise. It needs to be given top consideration. Obviously, this project is huge for the City and we can't ignore the economics of it. In fact, New Life Homes subsequent to our meeting in June had a couple of meetings with the folks at Berber with a number of follow up conversations and in fact, we had a proposal to take on in Professional Economic Analysis through that organization with regard to our proposal. We suggested to the City that it would appropriate to analysis all three projects through Berber again have that independent professional view of what these projects may bring. I understand that may still be in the works and I think that would be appropriate to pursue. In advance of that just a couple more comments. First, in looking at the economics and understanding that that is the focus right now. It feels like we're moving away from the uttering ingredients of the RFP so I hope that as we reconvene in August and perhaps beyond that those other factors once again come into the equation for why this project was put on the market and what it needs to be judged. What it needs to be base upon. It goes way beyond economics. Economics is top shelf important but there are other ingredients for example, the connection to the Zuni Pueblo its history with this particular property. If I could I'd like to introduce with us today we have Lieutenant Governor Willard Zunie is here representing the Pueblo. He's very interested in how this thing progresses. Second comment I'd like to make is the bottom part of Ben's analysis. We get into these very subjective ingredients and I'd sure like to hold the City at task on how that analysis, how those conclusions come about. I appreciate Gabriel comments on the crime reports for New Lodge Project at Broadway but I question why that project of the four or five that New Life has existing in town. Why did we select Broadway as a point of comparison? There's other projects out there that may not be in areas that are rough as the Broadway apartment complex in its locale. So we're concerned about that. I met with Ben on an earlier rendition of his analysis and he was good to hear me out on the subjective ingredients of this thing and I hopefully we can keep that dialogue going but there's a

concern and I just want to flag it as such and when all this turns around I think we'll probably speak to that more fully.

CHAIR SILVERMAN: Thank you. Does Governor Zunie have any remarks you'd like to share with us. Sorry I didn't recognize you before we started.

LT. GOVERNOR ZUNIE: Good Afternoon Commissioner, Ladies and Gentlemen. I'm the Lieutenant Governor Pueblo of Zuni. My name is Zunie. It's always easy to remember Zunie from Zuni. I just want to say I'm glad to be here and we are very fortunate as the Tribe that De Anza is going to be I hope to be a market place for the City of Albuquerque. Lord behold we didn't know how important this project was the Zuni people before because as young as I am. I'm in my 50's anyway but I didn't realize there's was a mural project down in the basement in the area until I was elected and told to see the development take part and so I was surprised a Zuni interest in this area. So I just wish that when the Commissioners and the City of Albuquerque do decide which developer they choose to go with that hopefully the Zuni interests will be included in this project and we are looking forward with working whomever that person or company may be. Again, we just like to be apart of it as much as possible just like any other community tribe where economically need much help as we can get to keep our people economically sound or at least try to survive on a daily basis. So I like to say thanks for the invitation and if you have any questions about the pueblo of Zuni's interest I'll be glad to answer those. Again Thanks for the invitation here. I'm glad to be a part of this process here.

CHAIR SILVERMAN: Thank you, go ahead.

COMMISSIONER MECHENBIER: I concur that preservation of that archeological site and with you're history there is very important.

CHAIR SILVERMAN: Native American within New Mexico has always been a very strong part of the allure and the culture. You all were here first. The rest of us we're just visitors. We appreciate all the wonderful Native American culture has done for the State of New Mexico. I do have one question. Has there been a discussion on the pueblo on how you much leverage this opportunity in terms of economic development for both the tribe and local economy.

LT. GOVERNOR ZUNIE: Well certainly we are hoping which ever developer is chosen there will be component or project to bring in the Zuni Arts and Crafts into this area or into this building. We would like to get a set of outlet into Albuquerque to showcase a lot of our fine arts and crafts that our people engage in. We want to be more or less an introductory phase. let's say before they go to Zuni or before any other group that want to come and visit Albuquerque. We like to introduce ourselves to the public and saying that we're also part of this world this community. We want to showcase our arts and crafts textile that our Zuni people engage in. I know I'm proud to say that our arts and crafts are well known throughout the world and we just want Albuquerque play a part in this showcase in our material. That would be one aspect that we'll be looking at.

CHAIR SILVERMAN: I'm very happy to hear that there's an opportunity to bring the two cultures together in leverage with each other for the better for everybody. That's very important.

LT. GOVERNOR ZUNIE: We like to work with City of Albuquerque how we can hopefully jointly work together in the future.

CHAIR SILVERMAN: Good. Good. I think that's great. Thank you for coming today it's a long trip.

MR. DICKSON: Good afternoon Commissioners. Rob Dickson with Paradigm & Co I know our team and all the teams welcome the opportunity to work with the Zuni Pueblo with the Historic Preservation Officials with the City Building Code department with the neighborhood and with the ADC staff to leverage this opportunity this redevelopment opportunity. In many as positive directions as it possible can for this community for this larger community. This is a great opportunity. I've got a few materials I like to present if that falls within your rules to illustrate a few points I'm going to over. I brought a few packages. This will be brief.

At the last meeting, the point we made was that as I just made. All the teams will have to meet the preservation rules work with the Zuni pueblo on their role in this project and this projects history, meet all the city building requirements. We all got to do that. We felt that the two key decisions for you to make were what we call the catalytic potential decision. What we call to the extent there's going to be a City investment in the project. What's the best possible investment opportunity and results for the City and I'm going to speak to both of those things quickly here. The article I provided to you as a recent article from the National Apartment Association talking about Albuquerque as an apartment market compared to the rest of the Southwest performing very, very well performing most of the other markets in the Southwest which is a good thing.

The second page, I did my own list of the catalytic impact of the Lofts at Albuquerque High Project in east downtown or EDO is what it's called which is that area from Broadway up to I-25 on Central as well as Broadway from Coal on up to Martin Luther King. Things have happened there as well. I have a list of 32 projects here that have been built or businesses opened since the first phase of 70 rental apartments at Albuquerque High opened in 2002. What these any of these projects have happened without Albuquerque High perhaps but the fact is they were not constructed and open until Albuquerque High was completed. I estimate the total construction value on these facilities over a hundred million dollars. 6 of the 32 on my list did have some portion of public finance. Two of them were publicly financed that's the parking structure at Albuquerque High. It's a City facility. It's still owned by the City of Albuquerque and the US Forest Building which is obviously 100%. I believe perhaps it's privately done project with a Federal release on it.

CHAIR SILVERMAN: (inaudible)

MR. DICKSON: It's a private project? Okay then I am incorrect here. Hotel Parq Central used IRB's. the manual arts building and the Gym Lofts at Albuquerque High have a portion of City investment in there. Very similar what we are proposing on our approach to the De Anza. It's an investment on the part of the City and the Library at Albuquerque High. The City has money in those and expects to get that money back at the appropriate time as per the original agreements made so that's what's happened in EDO. I did provide a timeline on our approach to the project should we be selected because the following sheet. I just want to walk through the City funding since we are asking the City to contribute land and buildings to our partnership to do the project and provide some cash equity to the project identical approach to the Albuquerque High. I wanted you to see the numbers on Albuquerque High where this approach was utilized. One part of the project is still in operation. The City as you can see invested almost 1.9 million in those 70 apartments. Since that time, we have written checks back to the City for little over \$700,000 from rental operations and from sales of condominium units. That leaves the City with a current net investment of almost 1.2 million and I value the City's remaining interest in the rental units which will ultimately be sold as condos at almost 2.4. So they have a about a 1.2 million dollar profit in the project ultimately according to our projections.

On the Gym Lofts which was a 54 unit project completed in 2005, the City put in about 1.4 million that project sold out quickly. That was a very different market in 2005 and 2006. Their money went in 2004 by 2007 they had most of this 1.7 million back so that project a little bit shy of \$300,000 profit. As I said before our promise to the City is an internal rate of return of about 3 to 4% on their investment. I think the Gym Loft is perhaps about little higher than that. The Lofts at Albuquerque High may turn out to be a little bit higher than that but I think that's a promise we can deliver on. The final sheet or the second to the final sheet shows what we've given to the City on Old Classroom, the Lofts, in the last eight months. I'm going to get to the reason why I show you this number. It's about \$134,000. These are Metropolitan Redevelopment funds. My understanding is from talking with Mr. Ortega is that City rules may require Metropolitan Redevelopment be utilized in the same MRA but my understanding is Albuquerque High is its own MRA and it no longer needs MRA funds. That would be sort of chasing our tail and our thought was to the extent that we would be selected and to the extent there is not enough money cash in hand. Chair Silverman you've talked about this last time. The number was mentioned at \$600,000. Our thinking was perhaps the money coming out of Albuquerque High over the next 12 months because that's when the money will be needed could perhaps be utilized at De Anza. That's a question for the City to answer and for this Commission to recommend but it's just a thought we had. Finally, I have an updated performa. Our performa that was submitted in the package showed an initial City investment of \$1,119,000. This one has reduced that to \$869,000 during construction. Once the project is complete and the historic tax credit is fund and the permanent loan funds and all that is shown on your schedule that I provided to you. The city cash investment project drops to 129,000. The developer's cash investment in the project at that point is going to be \$790,000 and the permanent loan will be \$3.5.

CHAIR SILVERMAN: Walk me through that one more time real quick. Give me the highlights on the numbers.

MR DICKSON: During the construction we'll have the 3.3 million construction line. We've have \$869,000 and City equity will have \$250,000.

CHAIR SILVERMAN: And that's the value of the land.

MR. DICKSON: That's the value of the land at zero. That's cash.

CHAIR SILVERMAN: Alright.

MR. DICKSON: And developer equity will be \$250,000. As with Albuquerque High, the tax credits would be held by the City as collateral for their GAP and at that time outside Council City Jack Campbell advised the City and you can confirm this. This can be confirmed. Those tax credits as were good collateral for the City's advance of those funds. He described them as bushel of weed in a silo that you have a receipt for. So \$869,000 during construction, cash investment from the City \$120,000 during the permanent phases once the lease up occurs and then of course the City will have the 40% interest in the project and when the condominiums are sold. That's when they get back their \$129 plus their investments land and buildings plus we held a project on that 3 to 4% internal rate of return level. That's way the numbers look to us; quite honestly, I don't think its going to look better to us. I'm not going to over promise or under deliver. I think this is the way it looks today. I think this is something that can be achieved.

CHAIR SILVERMAN: Mr. Ortega do have the number is down about \$869,000 is that what you said and is the proposed funding of that \$869,000 do we have ideas for that from the developer or the City.

MR ORTEGA: We would have to count on the grant from the DOT which...

CHAIR SILVERMAN: Is that the 243?

MR. ORTEGA: The 243.

CHAIR SILVERMAN: Got it.

MR. ORTEGA: But the City would have to write a check for the 181,000 to get the 243.

SCHAIR SILVERMAN: But you included that

MR. ORTEGA: Yes, Yes and there is on the ballot for the election in I believe its October another \$300,000 ear marked for the restoration of De Anza.

CHAIR SILVERMAN: Now we're down to 300 short.

MR. ORTEGA: Yes.

CHAIR SILVERMAN: Maybe the \$134 if we can move funds around from one MRA District to another.

MR. ORTEGA: That's possible. Our legal is looking into that. We don't have answer to that as of today.

CHAIR SILVERMAN: We would get down to \$166 short, right?

MR. ORTEGA: Yes.

CHAIR SILVERMAN: The good news is that ultimately ends up being grant money as it go in. Is there any restriction of coming back out?

MR. ORTEGA: That's ear marked for the museum. If you go into the cost of the project but the funds have to be spent on building a museum on the property.

CHAIR SILVERMAN: Right it can go in build a museum and then through profitable operation of the property its gets kind of capital based and gets return as capital back to the MRA. Okay. I got it.

MR DICKSON: Mr. Chairman if I may on your \$166,000 number short fall, Albuquerque High will be delivering funds over the next it delivers them every month so there will be continuing checks coming from The Lofts at Albuquerque High. Thank you.

CHAIR SILVERMAN: Thank you. I'm assuming you'll scrub all of this for us.

MR. ORTEGA: Yes we just got this now so we'll scrub this before the next meeting. We'll get back to you on the new numbers.

CHAIR SILVERMAN: Wait another month and maybe we won't have to do anything.

MR. ORTEGA: So I guess the question that I have for the Commission is are you satisfied with the economic analysis that we did internally. We have been consulting with UNM. They have offered a service; however, they have not be able to agree to the terms that we've asked them to meet and that is to do a submarket analysis. They're more bigger picture. They can do a County wide analysis and at best case City wide analysis but nothing tighter in terms neighborhood impacts in terms of economic ripple effects.

CHAIR SILVERMAN: So on the basis...

MR. DUBOIS: I just want to say that there is not a quorum and to direct staff to do something would be an action.

CHAIR SILVERMAN: I don't think we've directed to do anything have we.

MR DUBOIS: No but he asked you if you were not satisfied with the economic analysis or should be done and I thought you were about to address that.

CHAIR SILVERMAN: No I was actually getting ready to ask the City Economist to come visit with us for minute.

MR. DUBOIS: Excellent idea.

CHAIR SILVERMAN: Great. Would you mind Jacque is that right?

MR. ORTEGA: Jacque Blair.

CHAIR SILVERMAN: Mr. White, excuse me.

MR. BLAIR: I'm Jacques Blair City Economist...

CHAIR SILVERMAN: Blair, excuse me.

MR. BLAIR: with the Office Management and Budget.

CHAIR SILVERMAN: I appreciate you being here. I know you don't get called down here very often.

MR. BLAIR: No.

CHAIR SILVERMAN: Its good practice. Mr. Ortega and I had some discussion about the impact of spending with in any given community and the information I got back was that your opinion was it was all one big pot with search lights within the pot. Don't take that bad that's just my short hand.

MR. BLAIR: That's pretty good description of what I'd said. In comparison, these things I think its fine. What My point was to Ben it's just that a lot of this money is money that we would have received any way.

CHAIR SILVERMAN: Right, right.

MR. BLAIR: That's all my point was but comparing the different projects is probably quite okay to do this and the problem of course with the local is you could understand they're trying to looking at the Old Albuquerque High School. There were these affects that you may or may not be able to attribute to the building of Old Albuquerque High but certainly you'll have these local affects but it would be hard person comes and visits the City and they spend their \$72 and where do they spend it.

CHAIR SILVERMAN: Right, fortunately nobody has ever been accused economist or economics as being an exact science.

MR. BLAIR: Yeah, true.

CHAIR SILVERMAN: We have the liberty to make it up as we go sort of so I guess my question is that just from a personal and total perspective. I live within a block away from Whole Foods. I might as well take my entire paycheck when I get it and give it to them. Okay because I spend it within a couple of blocks from my house. I got Wal-mart. I got Smith's. I got whatever and that's where just from a personal perspective that's where I spend most of my money for those types of things. I think that's true almost in every neighborhood which is why we try to conveniently locate neighborhood shopping centers and community shopping centers within neighborhoods and larger communities but I guess what we got here and the decision is what we're faced with is we're looking at a Metropolitan Redevelopment area which is defined area. It's a very small area. It's not even a neighborhood. It's a sub market within a neighborhood, within a community, within a city. So my question is since it's not an exact science and it's not a perfect solution. Has the City done any analysis as to the impact on the discretionary income of different strategy of the population as segregated by the, maybe by the Census Bureau, by category of some type? Is that question clear enough?

MR. BLAIR: I think...

CHAIR SILVERMAN: Let me just say if somebody makes \$25,000 a year. What's the impact of their spending of that level vs. somebody who maybe makes \$60,000?

MR. BLAIR: There are spending patterns studies done and their basically national but they would be pretty general in that. It would be sort of okay person with this much income that spends 10% on food and you would have different level of income and different spending patterns but I don't know if anything done that would be able to indicate geographically where they would spend that money.

CHIAR SILVERMAN: So you're basically saying there's nothing in the literature that gives any reasonable guidance.

MR. BLAIR: That I know of. I can...it's an excellent question and I'll see if there's something we can do. BBR they have done a number of different economic analysis of various and they have done some larger area wide but I don't think they tried to I don't know if they ever done one to look at

what the affects specifically in an area would be and it would be really difficult how many businesses are going to move in.

CHAIR SILVERMAN: If you think it's an interesting question and if you have the time and wants to look at that and would care to share that. I'm not directing any body to do anything here.

MR. BLAIR: That's an interesting question.

CHAIR SILVERMAN: We would appreciate whatever light you might be able to shed on the subject matter if you choose to do so.

MR. BLAIR: Okay.

CHAIR SILVERMAN: Is that okay since I can't tell you what to do because I don't have a quorum. Then I can't tell you what to do anyway so it's Okay but whatever help you can give us. We'd appreciate it. Is that okay?

MR BLAIR: I'll be willing to do that sure.

CHAIR SILVERMAN: Thanks for coming down.

MR BLAIR: Thank you.

CHAIR SILVERMAN: While we have Ms. Firth here which is somebody I have eminent respect for.

MS FIRTH: Thank you Commissioners. Ben had asked me if would come over again this is in regard to impact economic analysis and I'll be briefing the Commissioners sometime here in the next probably two or three months on Industrial Revenue Bonds and the process that the City goes through in regard to IRB's hopefully before you actually get a project so you'll understand the criteria as part of the evaluation process, we do contract the Bureau Economic Research. We worked a number of years ago. They built a model specifically for us for the City in regard to Industrial Revenue Bonds that captures the Gross Receipt taxes and the spending patterns and the employees spending and indirect and all that good stuff and also...

CHAIR SILVERMAN: Do you still have that contract and will they run that model.

MS FIRTH: We do but it's for City wide though and not for neighborhoods specific. So again it's for economic based projects not for retail or commercial type developments so the factors would be somewhat different in those. Also, on our IRB projects it's the applicant that pays the cost of running the models not the City but again for the analysis on our projects it's hard to know what a neighborhood or smaller area impact would be people who work in Mesa del Sol where do they spend their money. You'd think the South Valley the closest neighborhoods so you would think they would spend the majority of their funds there but not necessarily the case.

CHAIR SILVERMAN: So to where you live to where you shop on a daily basis normally, how far is that?

MS FIRTH: Probably 2 to 3 miles.

CHAIR SILVERMAN: You don't live close to a grocery store.

MS. FIRTH: Yeah that's the way its kind of is.

CHAIR SILVERMAN: Okay so you basically shop at the closest grocery store or commercial area.

MS FIRTH: One or two stores that are the closest ones. That's correct. So if you're looking at certain kinds of spending patterns for grocery stores if there is one anywhere near that area they might have a little bump in there spending patterns. For more the tourism kind of expenditures you might see that. Some what locally maybe a little bit broader depending on where Old Town might get a little bump as well as local restaurants.

CHAIR SILVERMAN: Ben has a conference call set up with Buxton tomorrow right maybe have you been invited to that?

MS FIRTH: I don't know if it's fortunately or unfortunately. I have to testify before the Legislative Revenue Stabilization Committee on what are IRB's and how do they work.

CHAIR SILVERMAN: That's a shame. You would think they would already know.

MS FIRTH: I'm more than happy to do it. There are always new members and the biggest thing I can teach them is it's not public financing.

CHAIR SILVERMAN: I was just thinking that given your understanding this subject matter that your participation on that call might be valuable in order to question them as to the output of their models which is really quite impressive.

MS FIRTH: Well I know that our City Economist Development helped with the development and helps every year with our update. He is still here.

CHAIR SILVERMAN: He ducked out when he had the chance.

MS FIRTH: Okay I was going to say maybe Jacques would be available to listen in and sort of question it because like I say when Beaver developed our model, we had our City Economist and Treasury involved in assisting with that.

CHAIR SILVERMAN: Ben maybe you might want to invite Jacques to be on that call as well.

MR ORTEGA: Yeah, and if possible, I just checked with our Planning Director, we can also reschedule that Paul if it works for more parties to be there.

CHAIR SILVERMAN: I think this model would be something that the Economic development would want to know about and potentially have access it's so I've seen it in action and I'm way impressed but that's your call.

MR ORTEGA: Okay.

MS FIRTH: Any further questions? Thank You Commissioners.

CHAIR SILVERMAN: Thank you for being here.

MR ORTEGA: I just want to point out. We also have another guest here. I didn't acknowledge her earlier Joni Thompson with the Albuquerque's Convention & Visitors' Center is here if you have any questions on Hotels related, multiplier affects.

CHAIR SILVERMAN: Thank you for coming.

MS THOMPSON: Good Afternoon. Mr. Ortega contacted me a couple weeks ago to kind of mind the data that we have for visitor related spending specifically for budget, economy and more upscale properties. So we were able to run about five years of history from different segments, different sectors to look at occupancy data as well as average daily spending. And they range any where from \$45 to \$65 on the lower end to \$85 to \$110 on the upper end and that's from the period 2006 thru 2011. It does go through the recessionary dip. The point was made earlier I think by Mr. Blair that it doesn't necessarily generate additional spending dollars. It's more or less a dispersion of perhaps tourist that are already in town which is true but when you do look at visitor related spending, we have studies from the State and from National surveys for visitors to Albuquerque that spend roughly \$600 a trip and that's probably a little bit on the low side. It's a smaller group of a captive group that participates in post visitation surveys. So we think that's a little conservative when we look at other factors such as lodger's tax collection and some other numbers that we do have.

CHAIR SILVERMAN: Does the Indian Pueblo Culture Center; are they a member of your organization?

MS. THOMPSON: They are.

CHAIR SILVERMAN: In terms of a Native American arts and culture destination within Albuquerque, they would be. what other similar destinations do we have that would be not maybe comparable but

MS THOMPSON: Visitor attraction?

CHAIR SILVERMAN: Yes.

MS THOMPSON: Native American specifically or visitor attraction in general?

CHAIR SILVERMAN: No, No Native American.

MS THOMPSON: Native Americans specifically. We do look at the Indian Pueblo Culture Center as they view themselves as the gateway to the 19 Pueblos and we make the comment to the visitor here that if you can only experience one aspect of Native American culture IPCC is certainly the jumping off place but beyond that we also talk about the surrounding pueblos Acoma.

CHAIR SILVERMAN: How about within the city? Is there anything else in the city that comes to your mind?

MS THOMPSON: Directly within the city limits nothing like IPCC.

CHAIR SILVERMAN: Given what the Lt Governor Zuni has said is there community interest in this particular property. There seems to be... knowing that the Zuni Pueblo is really interested in this in a very active way bumps it up in my mind as to what potential

MS THOMPSON: It would be very attractive historic archeological kind of a unique artistic from the historical as well as from what he is talking about an outlet for their material.

CHAIR SILVERMAN: Nothing else in the city?

MS THOMPSON: Petroglyph National Monument that's not exactly a representational like IPCC but it's certainly is representational of their culture.

CHAIR SILVERMAN: Sure, sure but in terms of what where talking about with this would be unique second only to the culture center.

MS THOMPSON: Yes they could be a great addition to the tourism product here.

CHAIR SILVERMAN: Do we have any other members that are Route 66 Hotels that have done a great job of preserving the era of Route 66?

MS THOMPSON: Nothing that comes to mind. I just notice but within the last week the Silver Moon Lodge has been leveled and of course, we're watching El Vado with interest to see what might be happen there. I think that's another one of your projects. So we're kind of following those definitely De Anza. Aztec is another that was we lost that piece of history too. I think there is a strong interest among different segments of the City to count the Route 66 image so to have another property well redevelopment especially if its a boutique nature the might merge the historical and a bit more contemporary look, add the neon add some amenities.

CHAIR SILVERMAN: Other than the Winslow hotel that has expressed some interest in this. Are you aware of any other properties along Route 66 that have done a great job of taking advantage of that uniqueness?

MS THOMPSON: At this point, I am not. I'm not aware.

CHAIR SILVERMAN: I wonder if that was something you might be able to...

MS THOMPSON: I can certainly to some...

CHAIR SILVERMAN: Ping national membership on.

MS THOMPSON: Our national?

CHAIR SILVERMAN: Yeah through your trader organization.

MS THOMPSON: In terms identifying other Route 66 properties. I see.

CHAIR SILVERMAN: Yeah, we have Route 66.

MS THOMPSON: I'm happy to look into that for you. We're not a City Dept so I'm happy to look into that for you.

CHAIR SILVERMAN: Thank you, Thank you and I'm not directing. I'm just simply asking.

MS THOMPSON: It's a good question and I'll be curious as well.

CHAIR SILVERMAN: Yeah, Who knows?

MS THOMPSON: I will mention that about six years ACVB at the request of the City undertook the development of a destination master plan that looked at the entire Albuquerque City limits as well as region and beyond in terms of identifying those things that makes us an attractive destination why people hop on a plane and come here and certainly as you might imagine the cultural asset, Native American History, Spanish History or top their pillars of the community.

CHAIR SILVERMAN: Locally we don't see the forest of the trees.

MS THOMPSON: We don't, Balloon Fiesta, outdoor recreation.

CHAIR SILVERMAN: We just take something that comes with the deal.

MS THOMPSON: And Roadrunners. People are really fascinated with the Roadrunners.

CHAIR SILVERMAN: Yeah? Yeah? Well thank you very much for sharing that with us.

MS THOMPSON: Thank you.

CHAIR SILVERMAN: Any help you can get us we'd appreciate it.

MS THOMLPSON: Any questions you have, I'll be happy to follow up on.

CHAIR SILVERMAN: Thank you very much.

MR ORTEGA: Okay finally on the last page of your staff report packet. There is an example of the model that UNM could provide to the City of Albuquerque. We are in dialogue with UNM at this time. We have not entered in agreement at this time. The cost for this type of project would be any where to 6-10 thousand dollars. The department head has expressed that they would like to partner with the City if not this on this on future projects where you would like to for them to do create a model sort of speak which what they are saying they would have to do. The IRB model is not available for us for our needs as Deidre expressed. This is for a more a unique model the way they are presenting it to us therefore they would need to build a quote mold that we would have the right to reuse the mold on other future project but the results. The output is illustrated here but they would not be able to complete this effort for the next ADC meeting and since the cost is any where from an hourly charge 6 to 10 thousands dollars, we thought based on the information that we got that might be adequate for Commissioners information and if not we could continue to look at that although you can't direct us to do that this afternoon but...

CHAIR SILVERMAN: I think there's another way to getting there that would be a whole lot more efficient.

MR ORTEGA: Okay.

CHAIR SILVERMAN: Just my opinion. So do we have anything else, old Business?

MR. ORTEGA: Just before we leave this item one of the developers has asked that this item be heard one day early. He has planned an out of the country trip. He's not going to be physically here on the 21st our next meeting of August 18th on a Thursday. He'd like to know if it's possible to move it up one day to a Wednesday but I recall one of our Commissioners moved our meetings from Wednesday to Thursday because he had a conflict on Wednesdays that's why we're now meeting on Thursdays.

CHAIR SILVERMAN: Who's the Commissioner? It wasn't me was it?

MR. ORTEGA: I think it was Trussell that would be the Vice Chairman.

CHAIR SILVERMAN: I would suggest maybe you ask him about this particular incidence see if we could accommodate it otherwise you'll have to make your own best decisions.

MR. ORTEGA: Okay. We'll probably still have a quorum.

CHAIR SILVERMAN: I'm here.

MR. ORTEGA: Either day. That's it from staff's presentations. Thank you so much for the people in the audience who came from the outside.

CHAIR SILVERMAN: And that was item C, right?

MR ORTEGA: That was 7B.

CHAIR SILVERMAN: The review and approval of updated ADC.

MR ORTEGA: Yes that's your next item.

CHAIR SILVERMAN: Okay does somebody wants to holler at Mr. Strozier. Thank you all for coming and presenting. We appreciate it.

c. Review and approval of updated ADC meeting schedule

NOW, THEREFORE, BE IT RESOLVED THAT the Albuquerque Development Commission voted to approve the ADC Meeting schedule as presented.

MOVED BY COMMISSIONER JOHN MECHENBIER
SECONDED BY COMMISSIONER JIM STROZIER

8. New Business

a. Review and Discussion on new RFP for 3.7 acre site at Eastern & Alvarado in the Near Heights MRA.

MR. GLORE: Good Afternoon Commissioners. This site that we're looking at today is on the Northwest corner of Eastern and Alvarado. Eastern is on the South side. Alvarado is on the east side.

CHAIR SILVERMAN: Excuse me, you'll be familiar with this site, right? Okay we're good.

MR. GLORE: This is part of the Near Heights Metropolitan Redevelopment expansion area which was designated again in June 2010 which expanded on the earlier Near Heights Redevelopment Area. This expansion included this particular parcel in addition to properties along San Mateo and Gibson which have not been included before. The recommended development for this particular site in the expansion area plan was for mixed use development with lower density town home housing. This specific site was identified as opportunity site #1 out of three sites in the expansion plan. The catalyst project site, again, considered as appropriate for mixed use development including meeting spaces that have been expressed in previous meetings as with the neighborhood as desired by the neighborhood that apparently a shortage of community meeting areas.

CHAIR SILVERMAN: Have you done an analysis of the available of the meeting places in the area?

MR. GLORE: We have not done that specifically. I think there are given a number of apartment complexes that are the shrouding area there are I would imagine community rooms, on private property and the residential areas. The minutes for those neighborhood meetings are pretty skim so there's not a whole of information in terms of what specifically was discussed.

CHAIR SILVERMAN: I think you can have Agis to do a map of the publicly owned building within the submarket area. I can think of two or three. Go ahead sorry.

MR. GLORE: Again, this was expressed by the neighborhood during those meetings sometime ago back in 2007. The MRA expansion plan set out a vision for this particular site which you can read on the board here again envision this as a mixed use project with public use such as an economic incubator, and/or commercial kitchen, office space for nonprofit organizations and for sale housing on the same upper floors. Alternative Asian/American community center was considered and finally a public plaza with two story town homes. This was done a little while ago when the economy was for residential was better than it is today.

The current zoning is O-1 office institution permissive uses are place of worship, a club, a private club, residential treatment program, dwelling units, incidental uses within a building and that's incidental to residential or office uses primarily. Institutions, medical suppliers and services, offices, stand alone parking lot like the use it's currently on the property and public infrastructure.

CHAIR SILVERMAN: Excuse me but isn't R-2 or R-3 permissive within O-1?

MR. GLORE: No.

CHAIR SILVERMAN: No? Okay.

MR. GLORE: In fact one of the things that was considered in the previous iteration of this RFP which is in 2007 that should mixed use development as recommended for consideration come

forward there would have to be a rezoning of this property and SU designation for this specific mixed of uses.

This site just a real brief history is a medical center when Lovelace Hospital transferred ownership of this property to the City in 2007. At that time, the property was still in use for overflow parking to the hospital. There's a market appraisal done right about at the time the property was transferred but that was commissioned by Lovelace. Property value, it was estimated at 1.1 million. An RFP was then issued by MRA in November 2009 but there were no responses received to that. The agency is again seeking to look for partnership of redevelopment of the property and that's why request approval of us going ahead of sending out an RFP is requested today.

There is an updated market appraisal that we actually we received today. I'd like to pass out the summary sheet from that. One of the big items is the drop in property value in the last couple of years.

CHAIR SILVERMAN: It won't be a shock to any of us.

MR. GLORE: Because this study just came to us in draft form today. We haven't had the chance to review but there seem to be some pretty key numbers in the front here. Again, there's been quite a drop in property value and the highest invest use is obviously the opinion of the appraiser, independent appraiser, not necessarily the opinion of the City.

The RFP timeline should the Commission choose direct us to ahead and release that. We would plan to issue the RFP on August 15th. Have a proposal conference at the property on August 23rd. A due date for the proposals would be October 1st. The ADC will receive the proposals at the November 17th meeting. Private committee that will review and rank the proposals would make the recommendation to the ADC on December 22nd and the following meeting; the ADC would take action on the proposals and then the development agreement negotiations. If the ADC chose one of the proposals that were submitted, assuming there are proposals submitted at this time, there would be a development negotiation period probably in January and February in 2012.

CHAIR SILVERMAN: Have you written the RFP?

MR. GLORE: Yes. It is attached to that fairly thick chunk of packet. I think it's the thicker document. Yes exactly.

One of the key differences between this one and the one that was released in 2009 is we're trying to see if we can Braun the interest market a little bit at that time. The property was offered as a long-term lease only. This time instead wanted to offer a long-time lease situation or out right purchase depending on what the interested party may wish. We're trying to make more interesting to broader range of People.

COMMISSIONER MECHENBIER: I'm new on this Commission. I have a lot to learn. How is the RFP broadcast out to the general public in perspective developers?

MR. GLORE: Well there's a standard publication process in the Albuquerque Journal which is required by law. Ben, help me out here.

MR ORTEGA: Sure. It's we will advertise in the paper two weeks that's what the MRA code requires as well as City ordinance. We advertise it at least once a week for two weeks straight. That's all were obligated to do. On other properties, we may be more aggressive in terms of marketing a property. On this particular site, we felt that would be adequate advertising of the RFP.

COMMISSIONER MECHENBIER: Typically just in our morning paper then.

MR ORTEGA: Yes.

COMMISSIONER STROZIER: Chris going back through this document and I know times have changed, obviously but I guess first of all What's staffs opinion of the preferred plan that's schematic diagram that's included looks like this.

MR. GLORE: Well I think that was done more in the example of what could be developed on the property any development that come forward would have to go through various reviews. And we believe that we would much prefer the process to be more open and not locked into a specific site plan concept that was developed in the past.

COMMISSIONER STROZIER: And for the reason for asking, I just went through a process with the New Mexico Finance Authority where they were reviewing projects and funding applications and I can tell you that they look at this as this is what the City of Albuquerque have decided is best for this property and nothing else qualifies. And so it really so then I see this and I'm looking at and I'm thinking 'okay, you got no proposals last time' and it shows a nice public plaza on the corner and a public use on the other portion of that frontage and I'm thinking well I can't imagine anybody did bid on it. It seems to be a lot of burden placed on the property and I'll start asking questions myself like 'okay it's a public plaza but is it anticipated that that's going to be owned and maintained by the public or is it the property owner which means there has to be homeowner association created for the property and what public uses might, is there any analysis that a commercial kitchen is needed.' There's one at the South Valley incubator center. And know we've talked; there is a need for Commercial Kitchen. Putting a commercial kitchen some place without who's going to run. It needs to be an operator. I don't think that would be something that this apartment or residential developer would necessarily operate. Is the City committed to do that or somebody committed to do that? The Asian/American community center seems to be much more appropriate and association with the work were doing up at the International District. I don't know how viable that is. Paul asked the question about meeting spaces. Is that something the neighbors would like or is it really a need. Is it just something would be more convenient if there was one here.

MR. GLORE: There is to my knowledge not been any numerical data provided for any of these particular use proposals. Demonstrated need I think there always been expressed as preferences which includes the community kitchen. There may have been a group interested in the property at one point that offered a community kitchen and again, this plan that you're referring to is very specific about residential zone given the market we certainly don't want to be rigid in expecting residential development on this property. That may not be the most viable today.

COMMISSIONER STROZIER: I think I agree the little summary sheet on the appraiser. I think that probably multi-family of some sort probably is the highest invest use and most likely to happen.

CHAIR SILVERMAN: It's the only place financing in the market and as Mr. Dickson noted the man so you can't sell something into something. I mean can but you end up giving it away.

COMMISSIONER MECHENBIER: I think probably one of the highest and best uses of that parcel right now and I think there is a market for it right now. It would be assisting living, senior retirement. What is the status of the Lovelace facility on Gibson? Have they completely shut down?

CHAIR SILVERMAN: No. It's actually about 80%, 70% occupied in this point in time. You're talking about the Hospital right? It's become a quite unique medical oriented mixed use project. I think there are 7 or 8 different users that are all doing different kinds. I can give a better update on that later.

COMMISSIONER MECHENBIER: I don't know for the long-term if those uses will continue but there would be synergies related to having assisted living a very close proximity.

COMMISSIONER: Even just senior housing.

COMMISSIONER MECHENBIER: or assisted living.

COMMISSIONER STROZIER: It could be any number of things. I guess my other question is we're going to put this out to bid knowing that the current zoning certainly doesn't allow what was put forth in the MRA plan as being a preferred or however we want to describe it preferred use for the property and now in our current discussion we're actually taking a slight different direction. Is any consideration I don't know if the City ever does this why not clean up this zoning and get zoned for residential before we put out for bid?

MR ORTEGA: Well I can jump in on that. We've had discussion with the Councilor in the district on that same subject as well as soliciting feedback of the community in the neighborhood which neither support multi-family on the property. so we thought lets take out on the market with existing zoning. We have received interest on the site of some of the uses that are permissive by the zoning code so we thought rather than guess at interest on the site. I thought it would be better suited to actually put the RFP on the market with existing zoning and should we receive a proposal from the developer or several developers that can comply with the existing zoning regulations and adhere to the MRA objectives there would be no need to take the matter through a zone change process. It would be that much faster in terms of getting the property developed.

The graphics in the MRA code are not, legal can jump at any time, are not an obligation of development of the property of any shape or form. It's simply an example of what could occur should a variation of variety of uses be considered or be proposed more of a mixed use project. On a go forward basis a policy perspective, the MRA will not be illustrating specific land uses and building footprint and parking lots on particular MRA catalyst sites because for the reason you've expressed were some courts or somebody interprets this as the bible. In this case, it showed really illustrative in terms of what could occur based on allowed uses. So it is confusing but rather than pursue a zone change without having an applicant that's interested in a zone change we didn't feel that would be the case. Now, if we do go out to RFP and we do get one or two multi-family developers they far and right have the right to submit a proposals in response to this RFP but that would require a zone change to the applications.

CHAIR SILVERMAN: So let me give the one page double page witness test in 25 words or less what do you want. What do you want from the proposers? 25 words or less.

MR. GLORE: Well obviously our main interest something that's going to be beneficial to the neighborhood, the community. This is not a large commercial sight that really has much impact on a large area that's really in the neighborhood oriented site given the hospital is departed and the City received this for free. The potential revenue is not as important of an issue with this site like it was something like the De Anza where there was pretty significant involvement. I think we want to see what people come up with one of the uses that came forward as an interest party was a Charter

School. And that may very well be a good use there but we've kept in touch with those folks and let them know this process is going forward. I think we've deliberately have gone out and not put too many perimeters around this. We want to see how the market responds.

CHAIR SILVERMAN: So we just want to go out in the waters and see what hits it.

MR. GLORE: Pretty much.

CHAIR SILVERMAN: Okay that be the 25 words or less description but let's back up a minute. Okay. You may be looking through micro. What the limits of this MRA area. Do we have a graphic that shows us what the limits are in this area? This is one block.

MR RIVERIA: No the boundary of the MRA area of the near heights is San Mateo and Central. That's the western boundary. Central to Wyoming is the Eastern boundary. It drops down through from Wyoming it borders the Air force Base and then it comes down to Gibson.

CHAIR SILVERMAN: We're talking about four square mile area.

MR. GLORE: The thing to keep in mind too there are a lot of donuts in this area.

CHAIR SILVERMAN: That's okay.

MR. GLORE: Physically left out all the residential.

CHAIR SILVERMAN: But we have an area right.

MR. GLORE: Right.

CHAIR SILVERMAN: And whatever I'll give you some Cowboy logic. Just because someone gives you something for nothing it doesn't mean it worth nothing.

MR. GLORE: Correct.

CHAIR SILVERMAN: Okay if we got an area that can benefit from the good fortune that we have. As planners I would challenge you all and take a look at the entire area and don't look at this one side but if we were able to use this site to generate funds as the catalyst program. I would look at that saying Okay. This is can cause something else to happen and so what else could happen in this neighborhood in this area of this Metropolitan Redevelopment Area That these funds could then be used to get the next project going and the next project going given what the neighbors want. If it were two blocks away if were three blocks away or if it were four blocks away in a better location it would make more sense. Lets put our planners hats on and say taking something that's worth a lot of money and this site is worth a lot of money even though the value dropped and putting it to uses that don't generate the next project. I don't know the economic brain that I have says we're not approaching this they way we ought to in my opinion. You guys can feel free to chime in. What Jim talked about the Zuni and Louisiana site right corner? That's a cool site. That adds to the gravity of the Asian Community within this Metropolitan Area. If we're going to have an Asian gardener what ever the neighbors want, lets build on what we got and add incremental pieces against the plan so that when we're done we make this move and this move and this move and this move and then maybe we get done and we've got something that has continuity to it, has some logic behind it, has

good thinking and thought processes and maybe we just need to go talk to Councilor and give him the bigger picture so that he can see what the logic is and what makes sense to do something that might look like it runs counter to what the neighbors have expressed but at the same time completes a bigger picture that ends up being a better picture.

MR. GLORE: We think we'll be able to do that when the actually formal committee reviews the proposals we hope to receive. They come in and we can do the criteria and then make the recommendations and then we'll be able to have something to actually take forward and say this is what the committee thinks this is the best and here's why and then may very well be an approach we need to take.

CHAIR SILVERMAN: I got one more thing I have for Mr. Brito. Mr. Brito, why is multi-family allowed in O-1? Is it allowed in permissive use? I would take on a lot of other jurisdiction of where it is.

MR. BRITO: Mr. Interim Chair and Commissioners. I can't give the exact reasoning why multi-family residential isn't allowed in O-1 but higher density housing in terms of townhouses once was allowed in O-1 and it was allowed as a conditional use that many property owners took advantage of by going to the zoning hearing examiner getting conditional approvals. There was a certain case in the northeast where there was an appeal by a neighborhood association who didn't like the backdoors zone change as they described it if I recall correctly. When it got to Council the appeal was heard and that resulted in a change code where it was taken out of O-1. The Planning Dept has proposed to reinsert R-2 & R-3 uses into C-1 & C-2 and that's pending at City Council after a unanimous recommendation from the Planning Commission and that may be the road that we take to reintroduce O-1.

CHAIR SILVERMAN: I would suggest that you go out and amend to Council to include in O-1 & O-2. From a standpoint of live/work, offices employment base, high density housing is to some degree workforce housing and having adjoining or having part of the same project.

COMMISSIONER MECHENBIER: I believe years ago it was a permissive use O-1 and what was happening when you have a surge in apartment multi residential and the O-1 was getting rezoned into RDU uses and once all of the residential development happened then people were having to drive further distance to meet their commercial which makes sense because there is delayed need root tops first and then the businesses will come in and follow. I think the City have been assertive and go ahead and have as permissive use years ago.

MR. BRITO: I definitely see the logic on both sides perhaps we could get it back into O-1 as part of mixed use requirement so we can have more live/work opportunities where we are able to allow some residential and not sacrifice a job producing O-1 uses.

COMMISSIONER MECHENBIER: Typically you're not going to have the retail uses move first.

CHAIR SILVERMAN: Maybe office, maybe residential over office.

COMMISSIONER STROZIER: I don't have a problem with this going forward but I would like to make very clear in the RFP the preference, the preferred plan, the schematic. I think we need to make it clear, wide open for the respondents to tell what they think the best high use is. I think it's really. I look at that thing and it scares me to think I gotta do a public plaza. I gotta accommodate

some public meeting space. I got a sketch that shows two little buildings with some two story town homes on it for 3.5 acres and I'm thinking this doesn't work. Make it clear that the City will consider a proposal that includes a zone map amendment as a requirement to make it happen because I think that's what you're going to get in terms of anybody who comes unless it's a Charter School or a Church. I can't think of anybody else who is going to be able to use this site under its current...

MR. ORTEGA: Its does exclude the graphic. It does include the narratives but it does not include the graphic but we can go ahead make that statement.

COMMISSIONER STROZIER: Yes, anybody who's doing their do diligence they are going to look at their development plan. They're going to see that graphic.

MR. ORTEGA: Sure

COMMISSIONER STROZIER: I think we need to be clear. Once again, I understand how I read these documents. I think it's pretty clear to me but these are ideas. There concepts that are put out there but I can you tell from sitting in on this NFMA hearing. they don't look at it that way. It's black and white. That's the bible. It says that's preferred anything else is just not contribute to the plan. Doesn't matter what the goals say. Doesn't matter what all the narrative for 50 pages before you got their say. They zoom in on the page they say this is what it says are you doing exactly that no you get zero points. That's something just for us to keep in mind. I think as we move forward with new plans and I think you're aware of some of those things. Those are my two cents.

MR. ORTEGA: We do have Julian Moya with Council District Rey Gardunos office here. He's willing to address the Commission if you have any questions.

CHAIR SILVERMAN: Sure. What's the Councilors name?

MR. MOYA: Good Afternoon Commissioners. Julian Moya, staff person for City Councilor Rey Garduno. In discussions with the neighborhood and specifically this property falls in the South San Pedro Association, they are opposed to multi-family development there. They feel that there's enough multi-family around that area a lot of apartment buildings. I think there thinking is that more multi-family may increase kind of the instability of the area.

COMMISSIONER STROZIER: Would that include town homes or is that strictly an apartment. Is your sense its apartments or would town homes be included in that.

MR. MOYA: I would assume that there definition of it would be more specific to apartment's buildings those apartments. And also I kind wanted to kind of address Chairman Silverman's comments because I feel like your logic kind of thinking about that area in general and how it plays into this property is kind of along the same lines that the Councilor was thinking about it. It is an International District. We have the International Market place there at Central and Louisiana and from my understanding that Charter School is interested is actually the International Charter School that has a great interest in locating in the International District. There currently at Monte Vista Christian Church in Nob Hill but they wanted to move eastward into the International District. So I think that actually does tie into your thoughts.

CHAIR SILVERMAN: Well I know the Councilor is extremely interested in economic development in this district and the opportunity that we have with this site is if this can be a catalyst project but its

probably going to be a catalyst project maybe in a different way than what we might otherwise think about because we got great market for higher density housing. When your looking at economic development the primarily thing that people are looking for are logically pools, labor pools from an education and work age and so forth. So its sort of what John said is that when you get enough roof tops you get the employers office type employment will follow those roof tops. The problem in the Councilor's District is been pretty static. It's been very static and so priming the pump sometimes happens in different ways and I would hope that we got great planners in the City of Albuquerque. They would take a holistic look at the District, the Councilors district as well as this Metropolitan Redevelopment within this District and figure out how we can address what the neighbors would like to have in the logically places although they may end with something that they said they don't like. This is always a trade off. You don't always get 100% of what you want but maybe what they want is worth 55%. What they don't want is only worth 45% but in creating 45% if you got a plan how to read a ploy and give them the 55% that they do want and maybe end up semi happy. So I hope you can carry back to the Councilor.

MR. MOYA: Absolutely.

CHAIR SILVERMAN: There's different ways of looking at this and we have a great opportunity here and I just don't wan to squander it.

MR. MOYA: I will. Thank you and I appreciate your comments.

MR. ORTEGA: Thank you Julian. One other thought, Gentlemen you see you should have an excerpt of the L-1 ordinance section development standards. I like for you to also look at that conditional us section. Residential dwelling units are permitted subject to conditional use approval and that limits that dwelling unit no more than 60% of the gross floor area of structures shall be developed as dwelling units. So it does allow some multi-family not a 100% on the property provided they go through the conditional use permits process which would not require zone change.

CHAIR SILVERMAN: 60%, that's not much density because you're not going to get. I don't know.

MR. ORTEGA: And again, if we do receive proposals that are all multi-family, they have the right to...

CHAIR SILVERMAN: I hope maybe you think about doing a summary paragraph in the RFP that basically says, "We're throwing chum in the waters if you like it bring to us we don't care if it's a tuna or swordfish put it on the table." I think its needs to be clear. It's very complete but it needs that 25 words or less summary.

MR. ORTEGA: Okay.

COMMISSIONER MECHENBIER: Just one comment earlier about the public facilities neighborhood meetings, gatherings. I live in the far northeast heights and my close vicinity of my home. There are no public facilities but it seems like private facilities and provided their spaces for Neighborhood Association meetings. Just another factor to...

MR. ORTEGA: Yes I believe that's something how we'll score the projects as well. I think we'll take your comments to heart and add a scoring sheet to the RFP which is something we've done recently on the De Anza which actually show them how they can get good points and consider that

as another as another avenue for development on this property so they think that's not the only thing they can do with the site.

CHAIR SILVERMAN: Great. Thank you. Any other business?

9. Adjourn

The meeting was adjourned at 5:05 p.m.