



Landmarks & Urban
Conservation Commission



Agenda Number: 1
Case No.: 14LUCC-50050
Project # 1009047
November 12, 2014

Staff Report

Agent	Chris Hyer, Senior Planner	<p>Staff Recommendation</p> <p>APPROVAL of Case #14-LUCC-50050</p> <p>Project #1009047</p> <p>a request for revision of specific development guidelines for a City Landmark.</p> <p>Maryellen Hennessy, Senior Planner</p> <p>Staff Planner</p>
Applicant	City of Albuquerque Metropolitan Redevelopment Division	
Request	Revision of Specific Development Guidelines for De Anza Motor Lodge	
Legal Description	Lots 1 thru 17, Block 004, Mesa Grande Addition (K-17)	
Address/Location	4301 Central Avenue NE	
Size	Approximately 2.23 acres	
Zoning	SU-2/CCR-2	

Summary

The De Anza Motor Lodge was designated a City Landmark by the City Council at the recommendation of the LUCC in April 2012 (R-2012-83), effective April 16, 2012. As required by the LUC Ordinance §14-12-7 (C), Development Guidelines specific to the property were adopted by the LUCC at a public hearing on May 5, 2012. Those specific development guidelines essentially mirrored the general guidelines articulated in the application, the LUCC recommendation to City Council and the designation ordinance.

At this time, the City's Metropolitan Redevelopment Agency (MRA), owner and manager of the property, is requesting that the Landmarks and Urban Conservation Commission review and amend those guidelines in light of current information about the property's condition and potential for redevelopment. Specifically, they ask that some flexibility be afforded in the guidelines for of removal of some of the existing buildings to facilitate redevelopment of the site, due to concerns about the economic feasibility of complete rehabilitation.

Staff agrees that reconciling inconsistencies between the RFP and the development guidelines will help to alleviate reservations on the part of potential proposers to present proposals that may be inconsistent with the existing LUCC guidelines. Over the course of ten years, only three developers have responded to the two previous Requests for Proposals for redevelopment of De Anza Motor Lodge and both redevelopment agreements have failed to result in a project. Staff also agrees that it is imperative to invite as many feasible projects as possible. The LUCC will still have the opportunity to consider the required Certificate of Appropriateness should a development proposal be selected and will we have a much broader understanding of the realistic potential for redevelopment per the current real estate market upon the expiration of the RFP.

PRIMARY REFERENCES: Landmarks and Urban Conservation Ordinance; Specific Development Guidelines for De Anza Motor Lodge.

Development Services Report

SUMMARY OF REQUEST

<i>Request(s)</i>	Revision of Guidelines for City Landmark
<i>Location</i>	<i>Central Avenue SE between Washington and Graceland</i>

I. AREA CHARACTERISTICS AND ZONING

Surrounding architectural styles, historic designation and land uses.

	<i>Zoning</i>	<i>Comprehensive Plan Area; Applicable Rank II & III Plans</i>	<i>Land Use</i>
<i>General Area</i>	CCR	Established Urban, Nob Hill/Highland Sector Development Plan	Residential and commercial
<i>Site to the North</i>	R-1	Established Urban, Nob Hill/Highland Sector Development Plan	Residential
<i>Sites to the South</i>	CCR-2	Established Urban, Nob Hill/Highland Sector Development Plan	Commercial
<i>Sites to the East</i>	CCR-3	Established Urban, Nob Hill/Highland Sector Development Plan	Commercial
<i>Site to the West</i>	CCR-2	Established Urban, Nob Hill/Highland Sector Development Plan	Commercial

II INTRODUCTION

Proposal

The De Anza Motor Lodge was designated a City Landmark by the City Council at the recommendation of the LUCC in April 2012 (R-2012-83), effective April 16, 2012. As required by the LUC Ordinance §14-12-7 (C), Development Guidelines specific to the property were adopted by the LUCC at a public hearing on May 5, 2012. Those specific development guidelines essentially mirrored the general guidelines articulated in the designation ordinance.

At this time, the City’s Metropolitan Redevelopment Agency (MRA), owner and manager of the property, is requesting that the Landmarks and Urban Conservation Commission review and amend those guidelines in light of current information about the property’s condition and potential for redevelopment. Specifically, they ask that some flexibility be afforded in the guidelines for removal of some of the existing buildings to facilitate redevelopment of the site, due to concerns about the economic feasibility of complete rehabilitation.

Background and Context

The De Anza Motor Lodge was listed on the State Register of Cultural Properties and the National Register of Historic Places in 2003. At the time of its listing, it was noted to be one of the best

examples in New Mexico of a pre-world war II tourist court that was then expanded in the decades following the war to meet the increased demand for tourist facilities along Route 66. When established in 1939, the motel consisted of four buildings, four additional buildings were added to the west and north in the 1940's and 1950's as illustrated in an attachment to this report.

The City purchased the De Anza Motor Lodge in 2003/04 with an interest in preserving the historic Route 66 cultural resource with the unique Native American mural paintings located in a basement room and for the purpose of facilitating revitalization of Central Ave. in the Nob Hill Highland area. Subsequently, a Request for Proposals (RFP) for redevelopment was issued and only one response was received in May 2005. The MRA entered into negotiations with De Anza LLC and a development agreement was signed in September 2006 effective January 2007. That Development agreement expired and the developer had not met commitments for Phase 1. The agreement was renegotiated in 2009 with new terms. Records indicate that a new agreement was not reached.

A 2nd RFP was issued February 2011. This time two responses were received. The MRA selected De Anza Developer LLC and a Development agreement was signed January 2012. That redevelopment project proposed to re-use the existing buildings for market rate housing. An application for Landmark designation was initiated in 2012 by the Planning Department at the request of the De Anza Developer LLC.

Ultimately, the developer was unwilling to meet the conditions placed upon approval by National Park Service (NPS) of the historic rehabilitation tax credits, an integral part of the financing for that project, on the grounds that the project would not be marketable as a housing project if the conditions were implemented. The NPS decision was appealed and the original decision upheld by NPS appeals reviewers. De Anza Developer LLC chose not to move forward with the project and that development agreement with the City was officially terminated in January of 2014.

An inspection of the buildings by City staff after the severe weather conditions in 2013 revealed severe deterioration in many areas. Prior to issuing yet another RFP, the MRA commissioned a study by a qualified architectural firm, Cherry/See/Reames Architects PC, to document the condition of the buildings. The MRA wanted all potential respondents to have equal knowledge of the existing conditions when developing proposals. Cherry/See/Reames was asked to quantify costs for bringing the buildings back to a habitable condition, with relevant codes met but with any extra finishes, alterations, or new features. That report is submitted to the LUCC for their review in conjunction with this request.

The report verified what was observed in the field, that is, that severe deterioration had occurred in the years between 2004 and 2014, accelerating in recent years due to the poor condition of the roofs. Concern grew about the economic viability of a complete rehabilitation.

The redevelopment project is complicated further by the Zuni "*sha'la'ko*" ceremonial procession murals in the basement room. These murals played a meaningful role in the impetus to purchase the property at the prompting of community promoters. The Zuni tribe has communicated a patrimonial interest in these murals; however there is no definitive resolution to our mutual concerns. This presents a further challenge for the site and a potential developer, the murals are located in a basement room that is not climate controlled or otherwise suitable for long-term

conservation, nor is the room is accessible to the public. Conservation of these murals is a conundrum in itself, and not a typical condition for developers. The MRA is offering a \$400,000 financial incentive to preserve the murals in place in the current RFP.

Considering it imprudent to undertake the time consuming process of issuing a new RFP requiring rehabilitation of the entire property and potentially getting no responses, the MRA issued a new RFP in the fall of 2014 that encourages rehabilitation of all of the existing buildings, but requires the retention of only the buildings closest to Central Ave. (Buildings A, E and southern portion of building G on the submittal.) It was decided that such parameters would present a more complete picture of what the development market could or would actually support. The RFP also presented some potentially appropriate treatments of the murals. A significant financial incentive is offered to preserve the murals in place and provide access. These alternative solutions were presented to the Zuni by the City prior to release of the RFP and no objections have been raised to date. Responses to the current RFP are due in January of 2015.

APPLICABLE PLANS, ORDINANCES, DESIGN GUIDELINES & POLICIES

III. ANALYSIS

Policies are written in regular text and staff analysis and comment in bold italic print.

Comprehensive Zoning Code

The property is zoned SU2/CCR-2 (Community Revitalization) in the Nob Hill/Highland Sector Development Plan. The CCR-2 zone as described in the Plan is a mixed-use zone that corresponds to R-3 for residential uses and generally to the C-2 zone for non-residential uses.

This mixed use zoning allows for a wide range of uses in a redevelopment of the property.

Landmarks and Urban Conservation Ordinance

(Article 12, R.O.A., 1994). The purpose of this ordinance is to:

“Preserve, protect, enhance, perpetuate and promote the use of structures and areas of historical, cultural, architectural, engineering, archeological or geographic significance located in the city; to strengthen the city’s economic base by stimulating the tourist industry; to enhance the identity of the city by protecting the city’s heritage and prohibiting the unnecessary destruction or defacement of its cultural assets; and to conserve existing urban developments as viable economic and social entities.”

Section 14-12-8 (C) of the LUC ordinance provides that:

“Within 45 days of the effective date of an ordinance designating property as landmark, the Commission shall approve specific development guidelines for the landmark at a public meeting. The specific development guidelines for the landmark shall establish criteria for evaluation of applications for Certificates of Appropriateness which may be approved by city staff designated by the Mayor. The specific development shall be consistent with the provisions of the ordinance designating the landmark. The guidelines may be amended by the Commission at a public hearing at any time.”

The ordinance stipulates that the guidelines may be amended by the Commission at a public hearing at any time. Staff has consulted with the City’s legal staff in the past with regard to inconsistencies between the guidelines and the designation ordinance that exists in other historic overlays and was advised that it was acceptable.

DEVELOPMENT GUIDELINES FOR THE DE ANZA MOTOR LODGE
A CITY LANDMARK

The following features of the De Anza Motor Lodge help convey its significance and should be preserved in any rehabilitation:

1. The Zuni “*Sha’la’ko*” ceremonial procession murals and the basement room;
2. The DeAnza Motor Lodge sign at the Central Avenue frontage;
3. All eight buildings in the complex (buildings may be modified or connected);
4. A mix of one-and multi-story massing that evokes Pueblo architecture;
5. The automobile court space between the buildings and its openness to Central Avenue;
6. The pattern and proportions of openings in exterior walls.

The following features should be preserved if possible:

1. Exterior painted murals;
2. The terrazzo floor of the café dining room, which contains turquoise chips and silver, inlaid figures (some have been removed);
3. The swimming pool
4. Characteristic interior fixtures and finishes.

These guidelines include by reference The Secretary of the Interior's Standards for Rehabilitation, which are attached. Guidance on applying the Standards and these guidelines is available from the City of Albuquerque Planning Department, the State Historic Preservation Division and online at www2.cr.nps.gov/e-rehab.

LUCC staff may approve alterations to the buildings and site that do not require a building permit.

Adopted by the Landmarks and Urban Conservation Commission 5/9/2012

The LUC Ordinance §14-12-7 (B) (1) provides that application for landmark designation may be made by the Mayor or his designated representative, or by a person with direct financial, contractual, or proprietary interest in the affected property. Along with other information, the application is to include a description of the particular features and/or characteristics proposed to be preserved. The features and characteristics listed in the above development guidelines are those that were presented with the application that the LUCC considered in 2012.

§14-12-7 (B) (5) provides that subsequently, the City Council ordinance applying the Landmark designation shall also include a list of the landmark’s distinctive features and preservation guidelines for the property. The same list of features and guidelines shown above were included in the designation ordinance.

Within 45 days following the adoption of an ordinance designating the property a Landmark, §14-12-7 (C) directs the LUCC to adopt specific development guidelines for the landmark at a

public meeting. The specific development guidelines are to be consistent with the provisions of the ordinance designating the landmark, and they may be amended by the LUCC at a public hearing at any time. The features and guidelines listed above, the same as those included in the application and in the designation ordinance, were adopted as the specific development guidelines by the LUCC.

At the time the guidelines were adopted in May of 2012, the City's MRA was under contract with a developer for a project to redevelop the property with a project design that, for the most part, was consistent with the guidelines proposed. Assumedly, neither the City nor the LUCC had reason to be concerned about whether rehabilitation under the proposed guidelines was economically feasible, as was the sometimes case with other City Landmarks. No special consideration was given to rehabilitation costs by the LUCC. The MRA did not object to the guidelines as proposed nor did the selected developer. Since the failure of that proposed development and the subsequent analysis found in the CNA, there is now reason to be concerned.

One should notice that the guidelines do not use the term "shall". They use a vocabulary that is more suggestive—referring to features that should be preserved and others that should be preserved if possible. Presumably, an applicant could request a Certificate of Appropriateness for alterations to the property that do not preserve all of the referenced features, and given justification, the LUCC might also approve the removal of buildings under the existing guidelines.

Similarly, without any changes to the guidelines, an applicant might also apply for a Certificate of Appropriateness for a project that included removal of buildings. The LUC Ordinance §14-12-7 (A)(7) provides that "Demolition shall only be permitted if it is determined that the property is incapable of producing a reasonable economic return as presently controlled and that no means of preserving the structure has been found." The ordinance goes on to describe the sort of information the LUCC can use to make that determination. Given justification, the LUCC might approve such a project that includes removal of buildings under the existing guidelines.

Short of requesting a Certificate of Appropriateness for demolition, the MRA is requesting that the development guidelines be amended so as not to be inconsistent with the RFP currently advertised. The RFP encourages the preservation of all buildings on the site, but, in the interest of receiving the greatest number of feasible proposals, does not require it. Such an amendment would lend a level of comfort to potential developers should they be willing to undertake the considerable effort and expense of offering a proposal.

Given the deferred maintenance on the buildings and continuing deterioration, the time may very soon come when rehabilitation of any portion of the De Anza Motor Lodge is unattractive to developers. The City has limited funds to address the many maintenance and repair needs of the historic properties that it is holding for redevelopment. These properties include El Vado Auto Court, on which the MRA spent approximately \$200,000 to replace roofs, gutters and repair deteriorated adobe structure in order to stabilize the buildings. They also include the historic Santa Fe Railway Locomotive Shops, where efforts are underway to repair roofs which will require very large sums of money. The MRA also spends a considerable amount of money

annually for security at the De Anza Motor Lodge where vagrancy and vandalism have been an ongoing problem.

Upon completion of the CNA, City staff from historic preservation and the MRA discussed the results of the report with the State Historic Preservation Office (SHPO). The SHPO did not disagree that the CNA report was credible and that regrettably, some demolition may be inevitable if no feasible proposals are received to rehabilitate all the buildings.

IV. NEIGHBORHOOD/PUBLIC CONCERNS

The application was legally advertised in the newspaper. Three signs were posted on the property with notice of the application, one on each of the three street frontages: Central Ave., Washington and Graceland.

The Nob Hill Neighborhood Association, the Highland Business and Neighborhood Association, the Parkland Heights Neighborhood Association, McDuffie Twin Peaks Neighborhood Association, Southeast Heights Neighborhood Association and the Pueblo Alto Neighborhood Association were notified of the application by certified mail.

The Nob Hill Neighborhood Association has submitted a letter in support of redevelopment and is attached to this report.

VI CONCLUSION

Staff agrees that reconciling inconsistencies between the RFP and the development guidelines will help to alleviate reservations on the part of potential proposers to present proposals that may be inconsistent with the existing LUCC guidelines. Over the course of ten years, only three developers have responded to the two previous Requests for Proposals for redevelopment of De Anza Motor Lodge and the two selected developers failed in their redevelopment efforts for cited reasons of economic infeasibility. Staff also agrees that it is imperative to invite as many feasible projects as possible. The LUCC will still have the opportunity to consider the required Certificate of Appropriateness should a development proposal be selected and will have a much broader understanding of the realistic potential for redevelopment per the current real estate market upon the expiration of the RFP.

RECOMMENDATION: APPROVAL OF REVISION TO DEVELOPMENT GUIDELINES FOR DE ANZA MOTOR LODGE CITY LANDMARK.

Maryellen Hennessy, Senior Planner
Urban Design and Development Division

Attachments:

-
- 1) 1957 Sanborn Insurance map illustrating and identifying buildings
 - 2) Development Guidelines for De Anza Motor Lodge City Landmark adopted May 2012
 - 3) LUC Ordinance
 - 4) Request for Proposals for De Anza Motor Lodge redevelopment August 2014
 - 5) Letter of support from Nob Hill Neighborhood Association