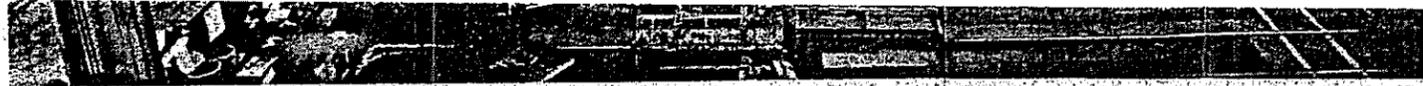


APPENDIX I:

Newspaper Clippings

6/11/83



Santa Fe Railway's Centralized Work Equipment Shop Includes 26 Work Bays

Dwindling Work Force Keeps Railway on Tra

By BART RIPP
Journal Staff Writer

It was once the biggest and busiest place in town. In the years immediately following World War II, it employed more than 1,200 people. In the era before passenger trains became relics, before the interstate highway system nourished the trucking industry, before people relied on cars and jets for travel, the Santa Fe Railway shops in Albuquerque throbbed to keep the railroad rolling.

The shops were operated day and night, repairing as many as 41 locomotives a month. Albuquerque kept time by the whistle that shrilled the shift changes from its sky-soaring smokestack.

These days, the day shift — the lone shift — is punctuated by the punching of a time clock by the dwindling number of employees, now 75, at the Santa Fe Railway facility, which has been called the Centralized Work Equipment Shop since 1954.

Workers at the facility, encompassing 16 acres and five shops totaling 254,600 square feet, overhaul and rebuild the maintenance equipment and tools used over the Santa Fe's 12,212 miles of track. It is the largest facility of its kind in the world.

There, repairs are made on bulldozers, tie injectors, track liners, tool cars, locomotive cranes, pile drivers,

weed mowers, draglines, shovels and, occasionally, push cars powered by arm strength.

Constructed between 1916 and 1925 as a machine shop, tank and boiler shop, and a blacksmith shop with a dirt floor, the Centralized Work Equipment Shop is illuminated in dusky hues by sunshine streaming through translucent glass that may truly be called limelight. The pines are tinted a lively, limey green.

With its maze of silver girders, cranes, vents and ducts overhead, this colossal complex makes men seem small and very clean.

Unlike the computer chip industry moving into modern Albuquerque, the Santa Fe shops contain no clean rooms. The vats of lye, hammers and anvils, the trestles and girders are all sprinkled with a patina of soot.

To absorb the geysers of sparks gushed by arc welders and the grease and oil used to lubricate the equipment, these hard acres are speckled with sawdust. And that brings us to the floor.

The shops boast a floor unlike any other in Albuquerque. It is made of wooden planks.

The railroad used to operate a tie-treating plant south of town. The plant made the bricks of compressed oak, pine, fir and gum. They are cinnamon-colored, cushiony and comfortable. They are like walking on a lawn.

The walls and girders are pocked with pinup calendars

of this year, although they could easily pass for with safety reminders:

■ Make It a Point Not To Carry Sharp Tool in Pocket.

■ Do Not Spit on Floor or Fountain.

■ Gene Hine Is Responsible for Safety Housekeeping in This Area.

■ First Aid Kit Here. Please Don't Spit! But birds can't read. The pigeons and sparrows flutter across the ceiling spatter the floor with

With business slumping and layoffs dwindling force, the shops often become so quiet that chi can be heard accompanying the distant t hammer hitting an anvil.

Beyond the great doors that are rarely shut, shines on the transfer table — sliding sets of shuttle the huge locomotive cranes and pile drivers of one of the 26 bays.

And with the birds chirping, the hammers clanging, the sparks flying from the welders, the shop some Works Progress Administration mural.

There is a rumble in the distance. It drones this place is too stout to shake. The green with soft floor, the vistas of steel don't shudder as sunshine, a freight train rolls by.



Welder, Above, Is One of 75 Employed Shop Where 1,200 Used To Work Hammer and Anvil, at Left, Often Is Used at Once-Busy Shop

Railroad Workers Aren't Ready Yet To Close Up Shop

CONTINUED FROM PAGE D1

A subsidiary could also pursue new business, Haverly said. "I think the business is out there," he said. "Albuquerque is a fairly centrally located shop."

A third alternative is closing the shop and moving the work elsewhere.

Haverly said all the options are still in the air and would be presented to unions for negotiation. "I think we're really at a crossroads," he said.

So far, both workers and management appear to be looking hard at a subsidiary.

A subsidiary, which has its own officers and stock but remains a part of the company, has some advantages over a division. Its management can better focus on business for that subsidiary and, removed from the Santa Fe, can even talk to railroad competitors, Haverly said.

The railroad's parent company, Santa Fe Pacific Corp., has already spun off four activities into companies or limited partnerships that sold stock. In each case, the corporation has retained 44 to 80 percent ownership.

In this case, the Santa Fe would continue to do business with the subsidiary, and employees would keep their pension benefits.

Haverly said the company hasn't talked to other railroads for fear of precipitating labor problems, nor has it pursued other heavy equipment business.

Dwight Grant, Presidential Professor of Finance at UNM's Anderson Schools of Management, speculated: "If they do work for the Santa Fe, and the Santa Fe doesn't need all the capacity, and they don't work for other railroads because they're a Santa Fe yard, then a change in the ownership structure would free the yard to work for other companies. The question is, why aren't they using that capacity now?"

Another aspect of a subsidiary is possible employee ownership.

One way of financing a subsidiary is through an employee stock ownership plan. Corey Rosen, executive director of the non-profit National Center for Employee Ownership in Oakland, Calif., explained how this might work.

The railroad can sell all or a percentage of the CWE shop to its employees. The company forms an employee stock ownership plan, which borrows money from a bank using CWE assets as collateral. Or the company can loan money to the employee stock plan. The employee plan then buys stock in the subsidiary from the Santa Fe. The loan is repaid over time by stock dividends and employee payroll deductions. At some point, individual employees are entitled to their portion of stock.

If the subsidiary is successful, employees share in the profits. Success "would depend on quality and price," Haverly said. "You're out there in the real world."

If the subsidiary loses a lot of money, the lender might claim the company's assets, but employees individually would not have to repay the loan, Rosen said.

In troubled industries, workers typically make concessions in wages and benefits, and the difference is invested in the employee stock plan. If they're faced with a closing, Rosen said, "they probably don't have a lot to lose."

Employee stock ownership plans

or some form of employee ownership has become more popular in the past few years as a way of increasing productivity and as a source of financing.

At American Steel & Wire Corp. in Ohio, for example, employees own 15 percent of what was a dying steel company. They accepted lower wages than the industry standard, but a profit-sharing plan adds 25 percent to each worker's base pay. In three years, the company's sales increased 132 percent.

The success of AS&W and other companies depends on cooperation and communication between management and workers. "You make labor-management cooperation a religion," said an AS&W executive.

Employee ownership isn't without problems. Employees have to learn that they don't control day-to-day management, and management must sell employees on their decisions.

"If a company is managed so employees have ample opportunity to participate in decisions," Rosen said, "the performance of a company will improve — sometimes dramatically."

■ ■ ■

Union leaders are waiting for the company to make a proposal, said Danny Booth, president of the International Association of Machinists local and shop steward.

"Mr. Haverly's a very aggressive guy. He's got a big job to do," Booth said. "They've had a rough time. We've felt it quite a bit in Albuquerque. I felt kind of good that they're gonna run a railroad. If they run a railroad, they'll need tracks to run it on. Until they approach us, we'll just be layin' rail like we always have."

But Booth has a problem with one of Haverly's suggestions: "This union represents other people from other railroads. We wouldn't steal work from one railroad to try to support another. People who laid rail on other railroads would really complain if Albuquerque shop started stealing their work. I don't see it happening."

But if the choice is to compete or close, many prefer to compete.

Machinist Bill Feutz, who has worked for the Santa Fe 38 years, said: "Most everybody agrees it would be a good thing" to do work for other railroads. Competition is competition, he said. "Whoever can do it best and cheapest should do it. There aren't many shops like this."

He and other machinists say they could work on any kind of heavy equipment. Harry Marquez cited the shop's safety record and the skill of its workers, saying, "It's the reason we lasted so long."

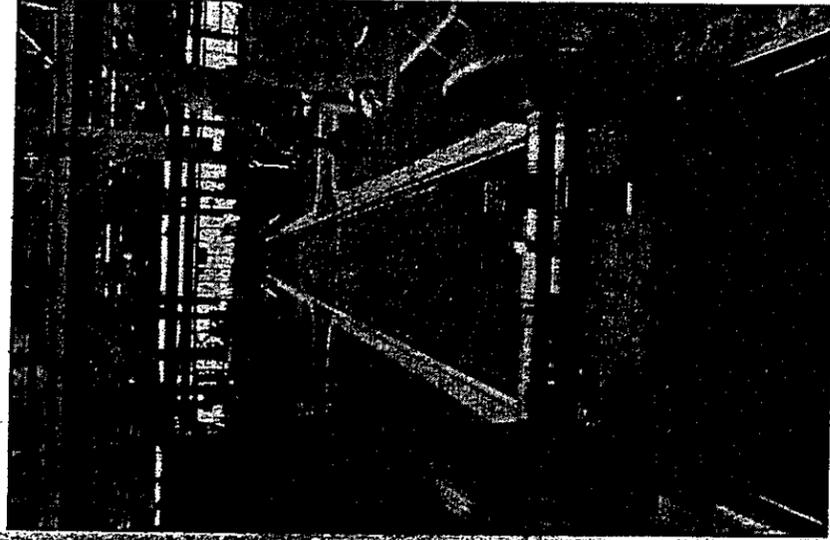
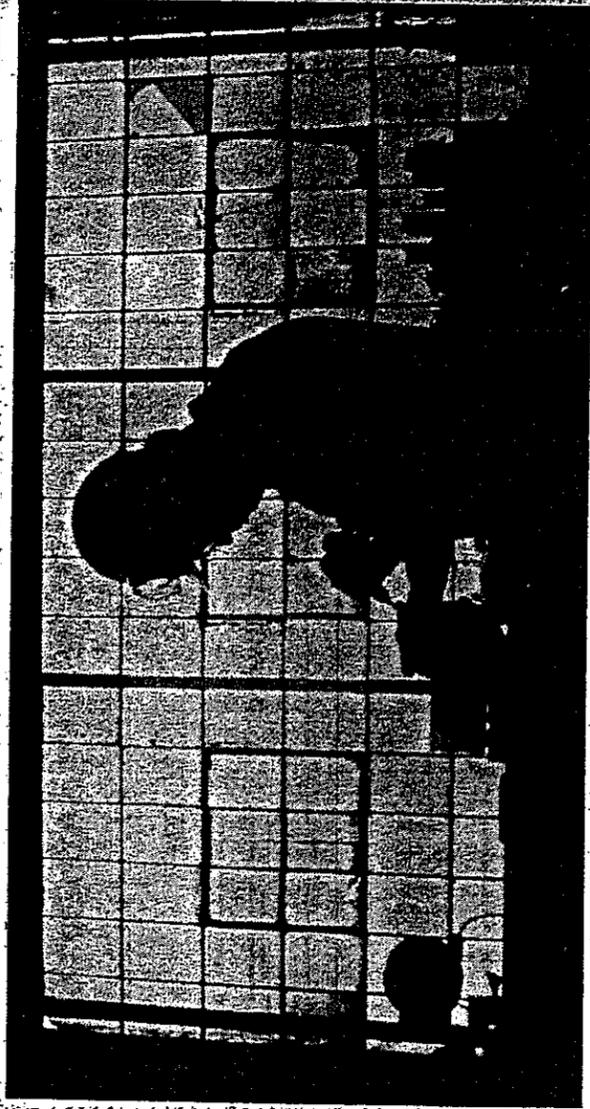
Jimmy Doyen, vice general chairman of the Transportation Communications Union, which represents clerks, wonders how competitive the shop could be. "It would necessitate those big machines being shipped in here by Santa Fe Railway," he said. "It depends on transportation costs."

Doyen figures his members will lose their jobs whether the company creates a subsidiary or sells.

Bill Shiflett, a Santa Fe machinist for 33 years, said the uncertainty has been nerve-wracking. "It's kind of hard on the young people buying houses," he said, but "the middle-aged guys are the ones hurting. They have too much time here to go somewhere else but not enough time in the pension to retire."

He pauses, looking around his work station.

"This has been a good place," he said. "This is a good company. A real good company."



MARK HOLM/JOURNAL

They're Still Working On the Railroad

By Sherry Robinson

ASSISTANT BUSINESS EDITOR

IN 1958, when Harry Marquez became an apprentice machinist for Santa Fe Railway, the railroad had run out of steam.

After an unsentimental shift to diesel fuel a few years before, the Albuquerque shop and roundhouse began repairing diesel locomotives. In those days, the railroad complex south of Downtown employed about 1,400 people, down from the numbers working there in 1938, when Harry's father Ernest Marquez became a Santa Fe machinist.

In the 1970s, the railroad moved diesel repair to California, and Marquez and his brother learned to repair track maintenance equipment. The railroad kept shrinking. The unneeded roundhouse crashed to salvage and dust three years ago along with the whistle that used to announce shift changes. No need for it — there's just one shift left.

Now Marquez and the remaining 109 people at the shop, warned of impending changes by railroad president Mike Haverly, wonder what's next.

"This is our life," Marquez said. "This is our bread and butter."

Two weeks ago Haverly became the first Santa Fe president to meet directly with local employees.

"The problem we have down here is we have a huge facility operating at 30 percent capacity," he said. "Something's got to be done."

Sparrows sing from the steel rafters of Shop 5 under miles of green and white panes of glass that wash the scene with light. Monster machinery awaits repairs — pile drivers used to build bridges, tampers for surfacing track, speed swings that grapple with lengths of rail.

Along the blackened brick walkway, orange plastic separates work areas like shops along an avenue, and each craftsman, like a proprietor, has his name on the partition: Val Baca, Machinist Welder; Allen Smith, Boiler Maker...Outside the partitions, parts-dot-wooden pallets.

Smells of hot metal and mechanics' grease float into the industrial musk of 70 years' work.

Workers in five hangar-sized buildings of the Centralized Work Equipment, or CWE, shop repair and maintain some 4,000 pieces of equipment for the entire Santa Fe system. They also make parts for repair crews to use in the field.

"A lot of good work goes on here," says Roger Engle, assistant chief engineer. He agrees with Haverly that employees are not to blame for too little work.

Other than an occasional cranky engine rumbling to life, the place is a little too quiet. People are occupied, but the five shops couldn't be called busy.

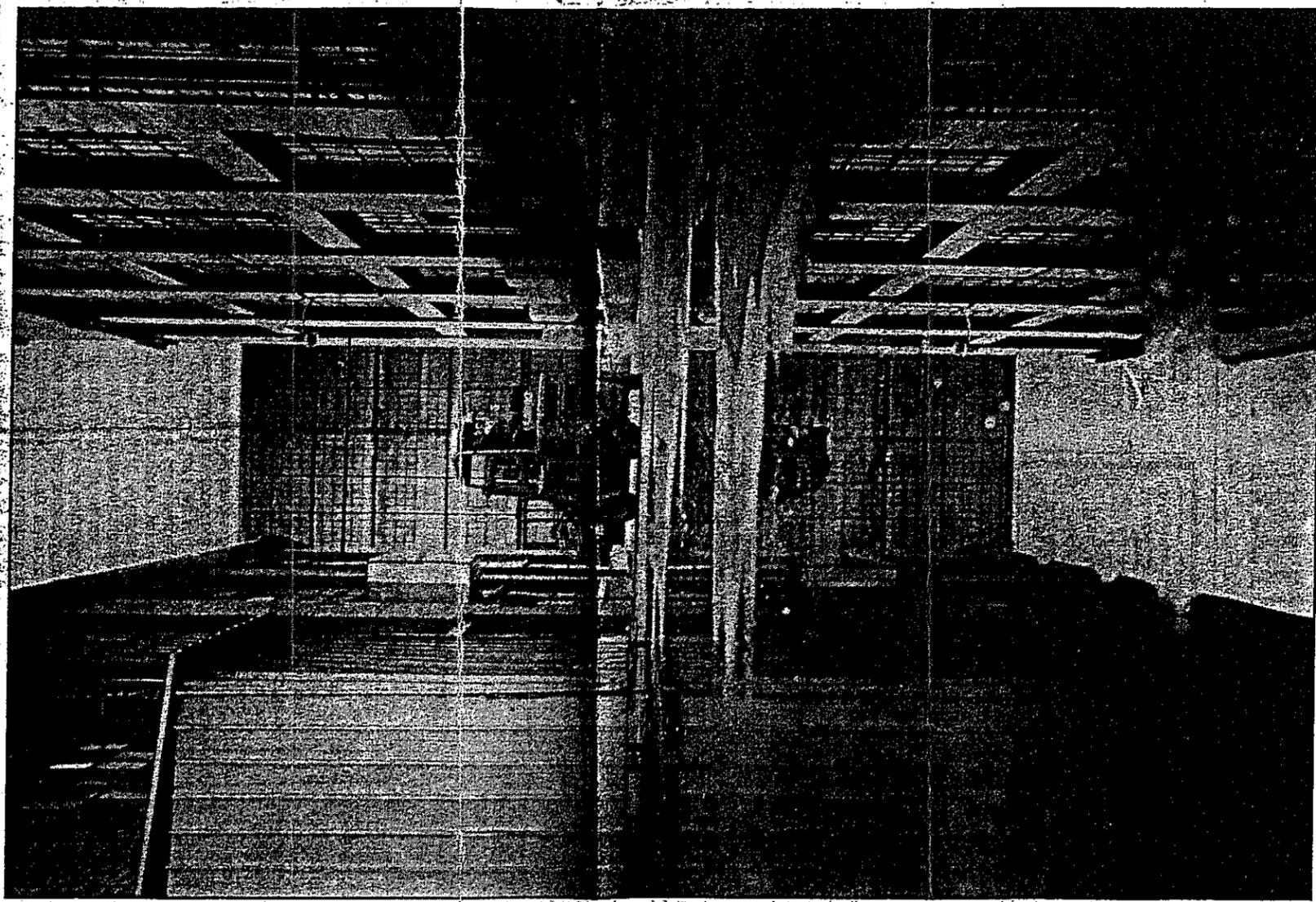
Workers, plant and equipment stand ready to do more. The challenge Haverly described to employees is how to bring in new business. Two solutions he mentioned are to sell the shop or to spin it off in a subsidiary — possibly with employee ownership.

One prospective buyer is C.C. Hutchinson and his Neosho Construction Co. Inc., of Council Grove, Kan. A "shrewd business guy" and entrepreneur like Hutchinson, Haverly said, could go after work from other railroads and industries.

Neosho has done contract work for the railroad building short lines, said Danny Booth, president of the machinists' local and shop steward.

"He's real knowledgeable about the way this shop works and the equipment we work on," Booth said. "But he would want the employees at half the cost."

Hutchinson declined to comment.



At top left, machinist M.R. Gabaldon is silhouetted against the repair shop's windows. Most workers say they want to stay with the railroad. Santa Fe Railway's repair shops south of Downton — operating at 30 percent capacity — will be sold, closed or changed into a subsidiary.



(T.M. PEPPERDAY, Publisher 1926-1956 H.P. PICKRELL, Editor 1926-1964)
(C. THOMPSON LANG, Publisher 1956-1971)

T.H. LANG, Publisher
An Independent Newspaper

Published at Journal Center, 7777 Jefferson NE
Albuquerque, NM 87109-4343, by the Journal Publishing Co.
Reprint of this masthead prohibited

Gerald J. Crawford, *Senior Editor*

Kent Walk, *Editor*

A6

Tuesday, November 9, 1999

EDITORIALS

City Has Interest In Railway Property

The Atchison, Topeka and Santa Fe Railway Co. razed the Alvarado Hotel in 1970 in an abrupt imposition of corporate policy that left little time for the community to attempt a rescue of the historic property. The Burlington Northern and Santa Fe Railway appears to be taking a similar community-be-damned approach to disposing of the historic locomotive repair yard near Downtown.

It is not unreasonable that the modern successor to the old AT&SF Railway would like to realize the best return for disposal of the 27-acre site and its numerous structures — several of awesome size.

It is not unreasonable that the BNSF would seek to structure some sharing of the acreage and buildings between the Wheels Museum consortium and Dallas developer Stuart A. Jones, rather than sell it all to one.

What is unreasonable is the silence from Jones and BNSF about Jones' plans for the property and the historic buildings.

The Wheels Museum group said it will increase its offer for the property from \$2.5 million to \$3 million. An additional \$3 million in historic property tax credits would also be available to the railway company if the museum group acquired the property, the Wheels spokesmen said.

Of course, it is possible that historic property tax credits could also be available from the Jones development plan, depending upon its details. But, if BNSF knows those plans, it has not shared them with the community that would be host to them.

The old locomotive repair yard is a major site of the early 20th century history of Baretas and Albuquerque. The community rightfully has a deep and abiding interest in what will happen to the physical reminders of the early railroad era in Albuquerque's history. And, the Wheels Museum proposal has sparked community interest.

The railroad has a clear right to maximize its return for the sale of the property. If Wheels cannot meet the price or show the money, it could lose out. But, the community's interest in the property extends beyond the museum plan.

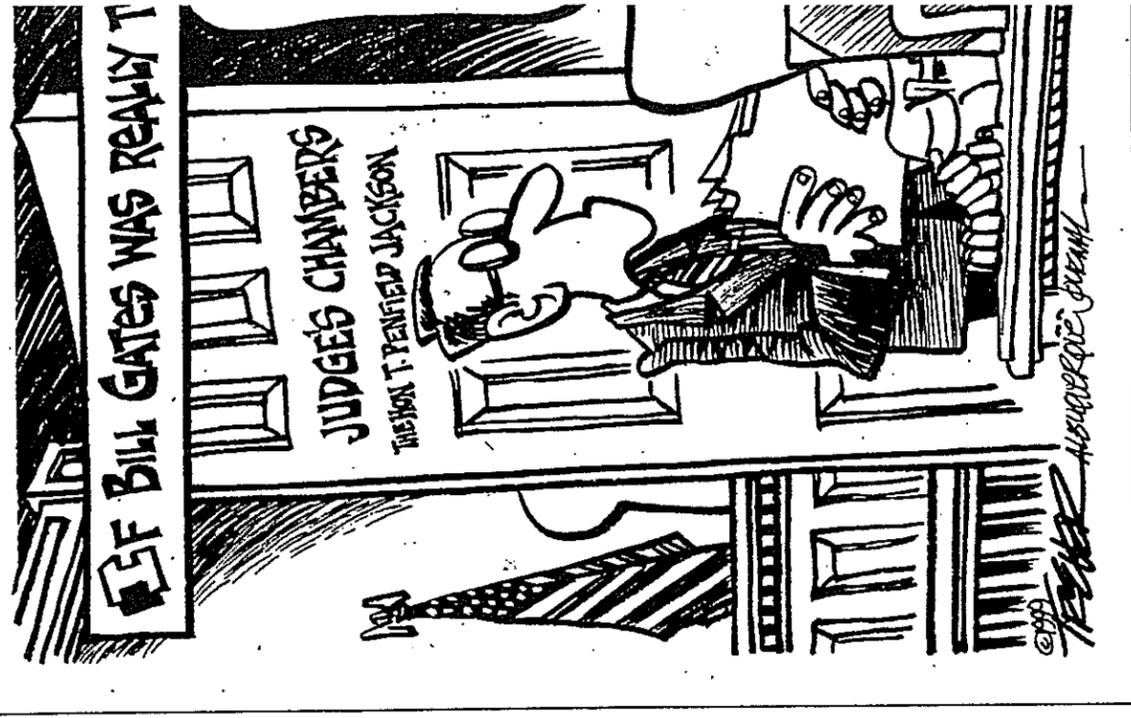
The railroad should open the dialogue with Jones to the public, sharing details of what the Dallas developer plans for the unique Albuquerque site. And, what's the all-fired hurry after the property has sat essentially unused for decades?

BNSF should listen to and address the concerns of the community that surrounds this unique property. Give the Wheels Museum group a fair shot at access to the buildings it is eyeing for a museum — and rough out the future of the whole property in public before the deal is closed. Even large, multistate railroad companies should strive to be responsive citizens to the communities through which they pass in these closing months of the 20th century.

Gasoline's High Price

In New Mexico, the only things of certainty are death, taxes and the knowledge that New Mexicans will always pay more for gasoline than their surrounding states.

Former Attorney General Tom Udall, now a Democrat rep-



Internet Egg Sal

When an Internet pornographer advertised eight models as egg producers, he wasn't talking about chicken farming. When a London art dealer organized a show that included a painting with elephant dung, he wasn't advertising fertilizer.

Egg donors, like art donors, can be greedy and corrupt. No chicken and egg conundrum here in an age in which "Calvinism" refers to tight jeans.

Reports the New York Times: "... a longtime fashion photographer has begun offering up models as egg donors to the highest bidders, auctioning their own via the Internet to would-be parents willing to pay up to \$150,000 in hopes of having a beautiful child."

It was a shocking story, insofar as anything is any longer shocking, even for those who expect the worst in the ethics of infertility and art. It was likely only a hoax to direct dollars to a soft-core porn site where visitors must pay \$24.95 to find out more about the women. Since the story ran, the pornographer has averaged a million hits (this is a lot) from those curious to know more about the donors. He closed his other porn sites and put all his eggs into one gross basket.

Whether someone ever buys any of these eggs — are they cheaper by the dozen? — the story is reflective of our times. The commerce in female eggs, like the ancient and sordid commerce in women themselves, flourishes.

When researching a story in the Princeton Alumni Weekly, I ran across an article describing how

SUZANNE FIE



Syndicated Column

"Sensation." He will appear in a decision that accuses him of being the First Amendment's enemy. "This is all about dollars and cents." "It's actually about a much as it is a desecration of the First Amendment." "To use the First Amendment as a shield in order to take in the pockets of the taxpayers' pockets is to put that money into the pockets of multimillionaires (who are not art.)"

He's right. The public is looking at any art it wants to look at, but it shouldn't be required to pay for a vulgar and biased art object that places an art on an image of a Madonna. The suspicion of a corruption of museum officials donors seems right on the

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ALBUQUERQUE JOURNAL

NEW MEXICO'S LEADING NEWSPAPER

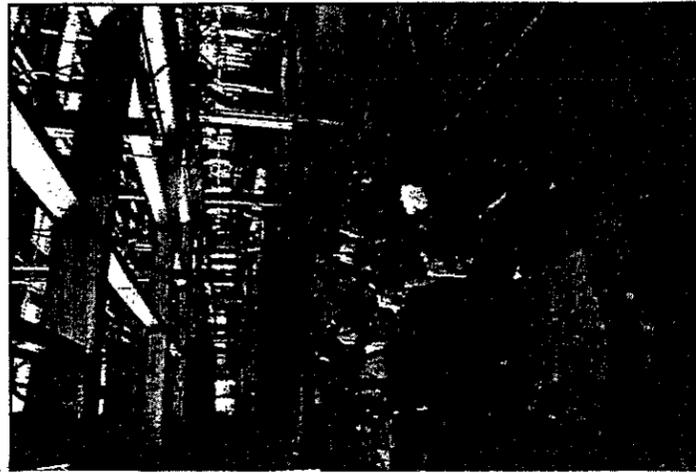
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4TH YEAR, NO. 333 ■ 62 PAGES IN 6 SECTIONS

MONDAY MORNING, NOVEMBER 29, 1999

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GRAND PLANS DOWNTOWN



Members of a tour group are dwarfed by one of the historic railroad buildings on the edge of Downtown. The group includes representatives of government, businesspeople and supporters of a proposed transportation museum.

JIM THOMPSON/JOURNAL

'World Center' Envisioned For Rail Yard

Expo space, train station, restaurants and perhaps a hotel are proposed to make Wheels Museum area economically viable

BY MICHAEL TURNBELL
Journal Staff Writer

A stylish trade show and exposition center combined with a new Amtrak train depot and a transportation museum could be the key to reviving historic railroad buildings on the south edge of Downtown Albuquerque.

"The New Mexico World Center" is Franklin Conaway's \$30 million vision for the dusty old steam locomotive repair yard that once served as the city's economic and commercial hub.

It is a plan that could provide much-needed revenue to offset the financial drain of running a museum and to restore the mammoth buildings to their early 20th century grandeur.

"It's unbelievable to me that you've got an opportunity of such historic magnitude this close to the center of the city," said Conaway, an Ohio historic preservationist and consultant for a local group that wants to put the Wheels Museum inside the idled shops.

The collection of steel and glass buildings that rise along the mainline tracks includes a 19,000-square-foot shop with light streaming through its translucent windows, as well as a 145,000-square-

See RAIL on PAGE A2

Rail Expo Center Envisioned

from PAGE A1

foot heavy equipment shop with a 250-ton crane looming overhead that was used to lift locomotives. Conaway's ideas for the shops are as grand as the buildings themselves.

Picture gleaming glass facades, landscaped courtyards and a long plaza lined with flags and filled with fountains. Throw in a train station that would empty passengers into the heart of a trade show and exposition center bustling with visitors.

In smaller buildings on the property, Conaway envisions a brew pub, restaurants and retail stores, and perhaps a new hotel could be built on vacant land north of the railroad shops, designed to resemble the fabled Alvarado that was torn down in 1970.

The idea would be to reclaim the shops and reconnect them with Downtown and the Barelas neighborhood to the southwest.

Ed Pulsifer, vice president of sales and marketing for the Albuquerque Convention and Visitors Bureau, said more convention floor space would help the city attract events the convention center doesn't have room to hold.

"This would be ideal. It would put us on the map for things we can't even think about doing and help us compete with a lot of cities we can't right now," he said.

Pulsifer said the International Association of Police Chiefs, which visited the city in 1994 and has expressed an interest in returning, needs more than 300,000 square feet. The Albuquerque Convention Center has about 168,000 square feet of exhibit space.

"The only thing that stands in the way of their coming back is exhibit space," Pulsifer said.

The museum's board of directors is pitching the exposition-center concept as a way to generate revenue to restore and maintain the buildings, pay for improvements such as new water and sewer lines and support the museum's operation.

Conaway evaluated the potential of the buildings and concluded that a transportation museum should not be the primary use of the site.

"The museum as envisioned should become an integral part of a number of attractions and uses, which must practically reinforce one another to form a self-sustaining, comprehensive redevelopment project," Conaway said in a report recently submitted to the museum's board of directors.

"I do not see the museum as the site's anchor use."

Joe Craig, vice president of the museum's board, said he didn't envision Wheels occupying the entire property.

"All of the buildings combined



PICTURE THIS: Rep. Rick Miera (D-Albuquerque) looks at a copy of an photograph as Franklin Conaway, right, talks about how the photos could be used in displays in railroad buildings Downtown. Town are re-ovated.

JIM THOMPSON/JOURNAL

with," Craig said.

"We want something filling the rest of the space that's compatible with the museum and helps as an economic driver for the site. The expo center does that very well," he added.

The museum board hired another firm, the Daner Company of Columbus, Ohio, to do a quick study that will look at whether a trade show and exposition center with a museum is feasible.

The Fort Worth-based Burlington Northern and Santa Fe Railway, which wants to sell the buildings and surrounding 33 acres, has given the museum board until Jan. 15 to finish the study and come up with \$3 million for the purchase.

The Wheels group is competing against Dallas developer Stuart A. Jones, who has refused to talk publicly about his plans.

The biggest obstacle to the project is its cost.

Craig said the cost of renovating the buildings would be "at least \$30 million."

But he and Conaway said several national caliber developers are interested in investing in the project.

The Wheels board has talked about leasing the buildings to a developer who would restore them and a private operator who would manage them. The city also could be a player, although Mayor Jim Baca has said the city doesn't have any money to spend on it.

Conaway said the size and openness of the buildings lend themselves to a trade show and exposition center.

The buildings could host events such as international car shows and conventions for construction, mass transit and pharmaceutical industries that need more exhibit

floor space than the Albuquerque Convention Center has to offer.

Revenue from the center could be used to offset maintenance and operating costs for the museum.

Conaway said a transportation museum with mobile exhibit would be a popular attraction for people attending trade shows.

The buildings themselves "are also the most significant manifestation of the history of this site. Such, all of them, would be part of the museum, and in this sense, the museum would physically encompass the entire site," he said in a report to the Wheels group.

A key to making the project work: convincing Amtrak to relocate its depot less than a mile to the south, so passengers could get on and off trains in front of the expo center.

But that may never happen because the city has also courted Amtrak to be part of a transportation hub planned along the track at First and Central SW.

A portion of the hub that is intended for SunTran buses under construction, but the second part for Greyhound buses, other interstate coaches and Amtrak is being discussed.

Conaway said an exposition center at the site of the railroad shop — and not the proposed intermodal hub — would be "the logic place for Amtrak."

"The station is already here," he said, and passenger trains "would add predictable excitement to it (exposition center) project, while providing Amtrak with a convenient and practical and tasteful station with an aura of grandness."



JOURNAL

have more than 350,000 square feet of space. There's no way we can use all of that for a museum," Craig said.

The popular California State Railroad Museum in Sacramento, for example, is about 100,000 square feet.

While the Wheels Museum may be the vehicle used to save the railroad shops from demolition, Craig said museums are not self-supporting.

"We need something that's going to generate funds pretty quickly. That's the reason for the expo center. We have a lot of room to work

HISTORY OF THE WORLD

HOW TO REACH ALBUQUERQUE

On Nov. 29 in 1775 the Committee of Secret Correspondence was established by the Continental Congress. It was the forerunner of the State Department and was designed to find European allies to fight the British.

In 1780 Lemuel Haynes, a Revolutionary War veteran,

Canaveral aboard the Mercury-Atlas 5 spacecraft, which orbited Earth twice before returning.

In 1981 actress Natalie Wood, 43, drowned. She was on her yacht, Splendour, off the California coast when she fell into the sea while trying to climb into a rhinoceros late at

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ly Round at Downtown Theater

Missing Santa Fe girl is last seen at concert re Wednesday

MATT JOYCE
Staff Writer
Albuquerque police found a Saturday inside the Sunshine Centre — the same Downtown where a 16-year-old Santa Fe girl was last seen by friends Wednesday night.
t. Bob Huntsman said police

had not identified the body as that of the missing teen, Marissa Mathy-Zvaifler, who had attended a concert at the theater Wednesday night.
Detectives investigating the missing-person case were Downtown following up leads that took them back to the theater Saturday morning, Huntsman said. They found the body in the afternoon in a room on the second floor of the theater building; that is not part of the concert hall, he said.
"A citizen called in a tip that they

thought the missing girl was still inside the building," he said. "They said we needed to go back and check the Sunshine Theatre."
Mathy-Zvaifler was reported missing Thursday after she and some friends traveled from Santa Fe to Albuquerque in a limousine for the Wednesday show, Huntsman said.
Atmosphere, a Minnesota hip-hop act, was performing at the Sunshine that night. The club, located at Second and Central, is open to all ages, according to an

answering machine at the business.
Christi Clow, 20, attended the Wednesday concert. She said the theater was crowded, largely with high-schoolers. The show lasted 2½ hours, ending at about 12:30 a.m. Thursday, she said.
"It wasn't any different than other shows I've been to, just a little crazier and a little more crowded," she said.
Andrea Martinez, 20, of Rio Rancho, said she didn't notice much security at the show, which did not

concern her at the time.
"The possibility that (Mathy-Zvaifler) could have been abducted definitely scares me," she said. "Now that this has happened it will definitely make me more aware of who's around me at shows."
Huntsman said the theater owner canceled tonight's show at the request of police.
The Office of the Medical Investigator was trying on Saturday to determine the cause of death of

See BODY on PAGE A3



DEAN HANSON/JOURNAL
WHAT'S THE FUTURE? The old Santa Fe Railway shop buildings and yards have been vacant for decades.

RESTORATION PROJECT Rail Yard Plan Under Fire

Wheels Museum group says project taken in a "broad daylight carjacking"

BY MIKE GALLAGHER
Journal Investigative Reporter

ong before Albuquerque had Kirtland Air Force Base and Sandia National Laboratories, it had the railroad.
In fact, the railroad put the Duke City on the commercial map in the late 1880s when the Santa Fe chose Albuquerque over Bernalillo for a major yard and shop operation.
Fast forward to the year 2000.

The glory days of railroads and their lock on transcontinental transportation had come and gone. The huge complex of railway shops built between 1905 and 1920 east of the Barelas neighborhood had long been abandoned — never again used after the diesel replaced steam engines.
The Burlington Northern and Santa Fe Railway was on the verge of selling the site to a Dallas developer who planned to tear down the massive shops to make way for residential.
Enter Leba Freed and her volunteers, who launched a determined campaign to save the buildings and put a Wheels Museum on the site.
Under pressure from the state's congressional delegation, the BNSF agreed to sell

Protection sought
Landmark status urged for rail yard shop buildings, but action has stalled A7

Off the board
Three Urban Council members began coming out on the short end of votes until they were forced off the board A6

the site for \$2.5 million to a group Freed put together. A nonprofit redevelopment company Freed had founded earlier, the Urban Council of Albuquerque Inc., took title to the site in November 2000.

But the euphoria was short-lived.
Today, the project is deeply in debt and marked by bitter infighting between Freed's allies and a rival faction that now controls the Urban Council. The chief financial backers are in negotiations to sell their financial position to an Ohio developer.
There is deep disagreement about what should be

RAIL YARD on PAGE A6

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PAGE A4

Rail Yard Plan Under Fire

from PAGE A1

done with the site: The Urban Council is pushing a \$260 million expo center, which Wheels Museum officials say is a grandiose scheme doomed to fail.

Also, questions have been raised about financial dealings, lack of disclosure and potential conflict of interest. Lawyers have been consulted and a demand letter sent.

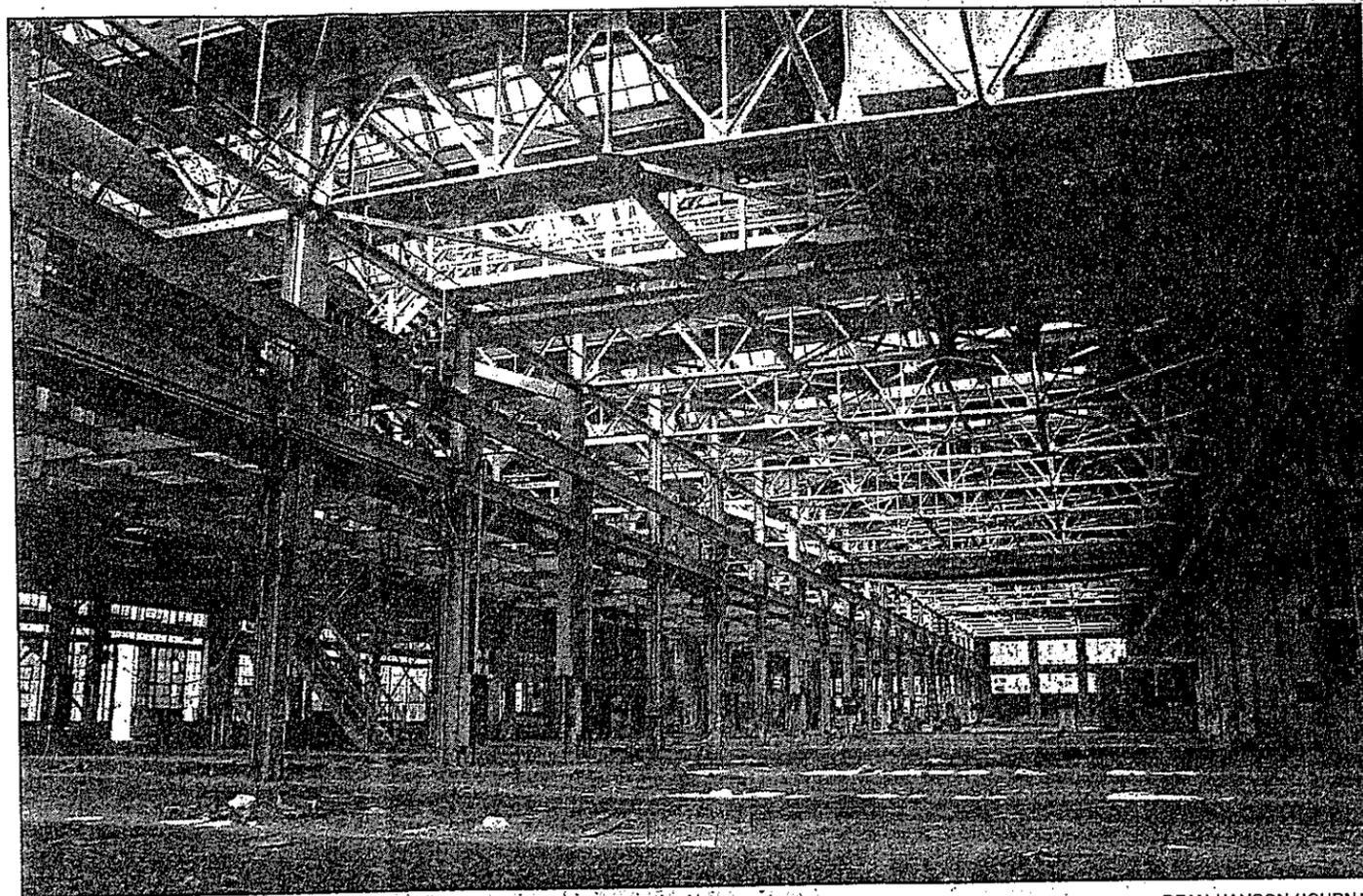
Meanwhile, members of the Wheels Museum group, including Freed, have been forced off the Urban Council Board. They say their cherished museum — which would celebrate Route 66, trains, cars and planes — is no longer welcome on the site.

"It was a broad daylight carjacking," Wheels executive director Alan Clark said in a recent interview. "They took our project away."

Mayor Martin Chávez credits Freed with saving the buildings.

"Leba got off her backside and made the phone calls," he said. "Got Sen. Domenici involved. Started calling the railroad."

Freed's group did more than talk. It raised half a million dollars in public money and private donations to help make the deal happen. A group of underwriters from Albuquerque and Los Alamos guar-



DEAN HANSON/JOURNAL

▲ SPACE FOR EXPO CENTER: The Urban Council is proposing to turn the locomotive repair facilities into an exposition center.



◀ MUSEUM OFFICIALS: Wheels Museum directors Alan Clark, left, and Leba Freed examine an old firetruck the museum plans to restore.

Conaway and the Urban Council strung the Wheels Museum along in order to get the museum to pay the bills.

"We were never able to get specific answers from Conaway to a host of questions," Clark said.

Within a year of closing the deal to acquire the property and save the buildings, Clark, Craig and Freed were voted off the Urban Council board of directors.

They say the move was in retaliation for raising questions about how Conaway — an Ohio consultant and a friend of Ashcraft and board member John Bond — was running the show.

In interviews, they said those questions have yet to be answered. They include:

- Why haven't the buildings been nominated for the federal and state historic registers and for city landmark designation? (Urban Council officials say they are working on it.)

- Why hasn't the Urban Council filed required tax returns? (Urban Council officials say they have filed all the legally required documents.)

- Why won't the Wheels Museum fit in the project design? (Urban Council says this is open to negotiation.)

- What equity does the Wheels Museum have in return for the money it has pumped into the project?

private donations to help make the deal happen. A group of underwriters from Albuquerque and Los Alamos guaranteed the financing.

Wheels officials say they were used for their political clout and their money, and then their project was forced out of the planned development.

Ron Ashcraft, at one time a director of Wheels and now a member of the Urban Council board of directors, said his group is still amenable to working out a solution. "We've always been willing to work with Wheels," he said.

But he acknowledges the split.

"As we got into the project, two different visions developed and the majority of the board decided to go forward with our current plan."

Albuquerque Station

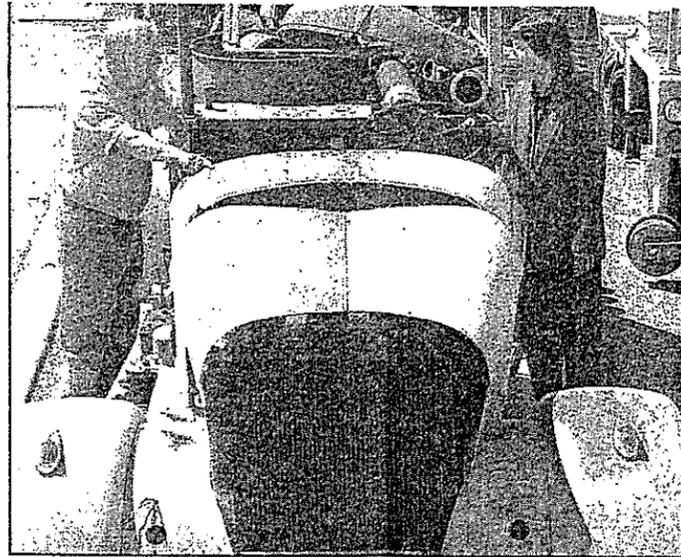
The Urban Council has big plans for the old rail yard — including a 240,000-square-foot exposition center "of international caliber" that would compete with convention centers in Phoenix, San Diego and San Antonio, Texas.

The project — dubbed Albuquerque Station — would include two hotels with 1,100 rooms and more than 50,000 square feet of retail and restaurant space.

Urban Council officials compare their plans to the San Antonio River Walk and Chicago's Navy Pier.

The price: \$260 million.

The project would celebrate the site's historical connection to the railroads, using the 12 buildings on the 27-acre site. The council wants to house the exposition center in the two large shop buildings. Other old buildings, like the fire station, would be part of the historic village theme and would be home to retail stores or restaurants.



◀ **MUSEUM OFFICIALS:** Wheels Museum directors Alan Clark, left, and Leba Freed examine an old firetruck the museum plans to restore.

there are many options for developing the site, including residential, retail and light industrial. They say any development should be done in phases, that the 27-acre site is big enough and that their museum should be in one of the old shop buildings.

Clark and Wheels board member Joe Craig said that in two years of requests, the Urban Council would never give them a commitment to a site for their museum.

Ashcraft and Conaway said there was room for the Wheels Museum on the site, but not in any of the historic buildings.

The design concept currently in use places the museum under Coal Boulevard SW on a combination of city-owned land and railroad property that has not been acquired by the Urban Council.

The public split follows two years of behind-the-scenes fighting and a failed mediation.

The divisions are deep and have bubbled to the surface at the same time underwriters of

the Urban Council's \$2.5 million mortgage on the property are negotiating the sale of their position with Ohio developer Rick Moran.

Conaway says, in general terms, that Moran would assume the loan and purchase the underwriters' equity. The total price under discussion is around \$3.5 million.

The Wheels faction tried to cut a deal with the underwriters in March. They approached lead underwriter Ted Waterman, president of Waterman Inc., about buying out the underwriters but were rebuffed.

Now, they are preparing another offer in case the current negotiations break down.

Waterman did not return calls seeking comment.

Meanwhile, Ashcraft said he was concerned about any media coverage at this time because of the negotiations.

Unanswered questions

Craig and Clark claim

south and east for one of the hotels, plus parking and residential housing.

Ashcraft said private investors — including individual underwriters and/or Urban Council board members — would buy property east of the tracks.

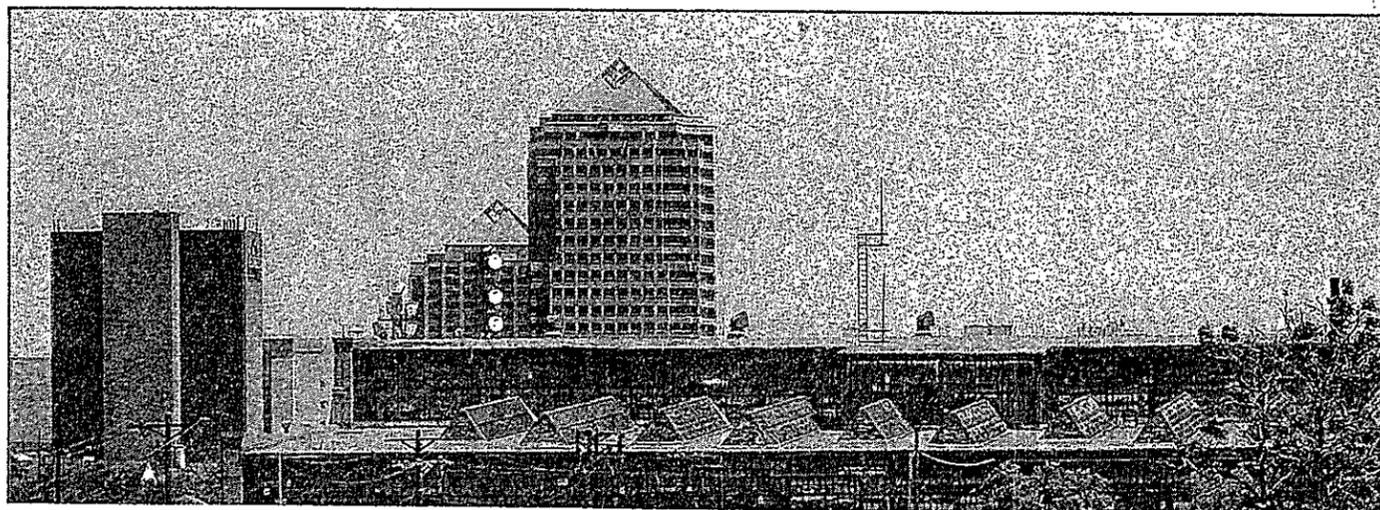
Wheels Museum board members say the Urban Council is pushing expansion to help its board members, underwriters and their relatives profit by investing in surrounding properties.

Ashcraft said the project needs the extra space and that additional investment by underwriters and others in surrounding property was important to the project's success.

Project director Franklin Conaway said the site would have one developer, but different investors for different projects.

"Restaurants may have different investors than a hotel," Conaway said.

The Wheels faction says



What equity does the Wheels Museum have in return for the money it has pumped into the project? (Urban Council says the answer is "none.")

Earlier this month, the Wheels Museum sent the Urban Council a demand letter asking for \$718,000 the museum says it invested in the project.

According to Bernalillo County records, the Wheels Museum spent more than \$500,000 on the shop site. That includes more than \$200,000 in interest on Urban Council's mortgage on the property and more than \$100,000 paid to Conaway.

Wheels raised the money from government sources, private donations and fund-raisers.

But Conaway said Wheels has no equity, describing Wheels as a conduit for money intended to save and develop the buildings. That doesn't guarantee a site for Wheels in one of the old shop buildings, he said.

Ashcraft concurred with Conaway's assessment.

Internal memos by Conaway show that early on there was no place for Wheels in the huge glass, steel and concrete shop buildings.

Records also show that Urban Council members saw the entire project as a private development in which the Wheels Museum had too high a public profile. They wanted all information released about the project to go through Conaway.

"It is a private development," Ashcraft said. "We're in sensitive negotiations for land now. We needed to keep things private."

Craig and Clark agree that saving the buildings was a priority, but also say that finding a home for the Wheels Museum was one of the reasons for saving them — and for attract-

the site's historical connection to the railroads, using the 12 buildings on the 27-acre site. The council wants to house the exposition center in the two large shop buildings. Other old buildings, like the fire station, would be part of the historic village theme and would be home to retail stores or restaurants.

The plans call for a new, \$5 million station for Amtrak, moving it from a city-owned facility — among the most controversial aspects of the project.

The Urban Council also proposes developing commuter trains using existing tracks to link Albuquerque to Santa Fe and other towns.

As envisioned, the development would expand outside the 27-acre tract — to the north,



PLENTY TO WORK WITH: The old railroad site now owned by the Urban Council covers 27 acres and includes numerous smaller buildings also planned for renovation.

"It is a private development," Ashcraft said. "We're in sensitive negotiations for land now. We needed to keep things private."

Craig and Clark agree that saving the buildings was a priority, but also say that finding a home for the Wheels Museum was one of the reasons for saving them — and for attracting public and private funding.

The paper trail for the city and county money shows public officials tied the museum and saving the buildings into one package.

The one time the Urban Council attempted to get money from the Legislature, the appropriation didn't make it out of committee.

The Wheels Museum has

See CITY on PAGE A7

Disagreements Forced Three Off Urban Board

When the Wheels Museum set out to raise the money to buy the Santa Fe Railway shops, board members Ron Ashcraft and John Bond suggested calling Ohio consultant Franklin Conaway.

Conaway was involved in various Ohio historical groups and had been involved in restoration projects there. Bond and Ashcraft, avowed railroad fans, had bought a restored Santa Fe Super Chief lounge car from Conaway.

Conaway's first advice was to use another organization to borrow the \$2.5 million because banks wouldn't lend to museums.

Before forming the Wheels

Museum, downtown businesswoman Leba Freed had formed the Urban Council of Albuquerque to help Downtown redevelopment.

The group decided to have the Urban Council borrow the money, which turned out to be more than a simple bank loan since neither nonprofit company could guarantee repayment.

In November 2000, a group

of underwriters was formed to secure the loan from the Los Alamos National Bank. The group consisted of Ashcraft Real Estate and Development Corp., headed by Ron Ashcraft's brothers Terry and Daniel; Waterman Inc., Ted Waterman president; TRK Management Inc., Robert and Roger Waterman; Thomas Duffy as manager of 3800-5th Street LLC; and Craddock Development Company Inc., James Craddock president.

At the end of November 2000, the Urban Council of Albuquerque paid \$2.5 million for the 27-acre site. Closing and other costs added \$318,000

to the total and the Urban Council was \$114,000 short at closing and had to scramble to come up with the money.

At that time, the board members of the Urban Council were also members of the Wheels Museum board.

Day-to-day office management was left to Alan Clark, who worked for free.

Clark retired from city government after 30 years during which he was head of the city's Cultural Affairs Department, oversaw city libraries and did a stint as manager of the city convention center.

It wasn't long before Clark and Conaway were butting heads.

The issues ranged from Conaway's failure to give the board written reports, to his hiring of engineering and planning firms without prior board approval.

Conaway said, "Everything I did was in line with my mission which was approved by the Urban Council."

Since Wheels was raising the money that was paying Conaway and other bills, Clark insisted that Wheels had the right to a strict accounting of how money was spent.

A split also developed between board members who wanted a general Wheels museum that would include Route 66, automobile, airplane

and train exhibits (Clark, Freed and Wheels board member Joe Craig) and those who wanted the site devoted to trains (including Bond and Ashcraft.)

Clark, Craig and Freed began coming out on the short end of votes until they were forced off the Urban Council board.

Later, the Urban Council entered into an agreement with Albuquerque Station LLC, headed by retired Intel executive Bill Garcia.

Garcia tried to find local investors for the project but met with little success.

→ MIKE GALLAGHER



CONAWAY: Albuquerque Station project director

City Railroad Yard Plan Comes Under Fire

from PAGE A6

been much more successful.

- Wheels received a federal Housing and Urban Development grant for \$277,500 in 2000 for feasibility and design studies for the Wheels Museum in the railroad buildings.

- Bernalillo County and the city of Albuquerque kicked in \$200,000 to the Wheels Museum project to help with closing costs on the railroad property and interest charges on the mortgage.

- The 2003 Legislature approved more than \$500,000 for Wheels, and Gov. Bill Richardson signed the measure into law.

- Wheels, which has no paid employees, also has had success in private fund raising, generating about \$100,000 a year in memberships, fundraisers, cash and in-kind donations in 2001 and 2002.

Financial statements show the Wheels Museum has more than \$500,000 cash on hand, while the Urban Council has \$400,000 in unpaid bills.

Ashcraft says Conaway hasn't been paid since Wheels cut off the cash, and that he is owed more than \$60,000. An engineering company and a design firm are owed more than \$300,000.

Meanwhile, the underwriters have been paying interest payments and some other bills. In return, they are building an equity position in the project.

Private vs. public

Outside observers say the split between the two boards spells trouble for development of the site.

"The biggest obstacle to this project are the differences between the Urban Council and the Wheels Museum," City planning director Victor Chavez said in an interview. "I was hoping mediation would bring them closer."

Mayor Chávez said he urged the two sides to go into mediation and is disappointed it didn't work.

"This project is not going to have any city involvement



DEAN HANSON/JOURNAL

DIFFERENT VISION: President of the Urban Council, Ron Ashcraft, says the split between the council and Wheels Museum was over different visions for redevelopment of the railroad shops.

unless the Wheels Museum is part of it," Chávez said.

Chávez also said he has "a lack of confidence" in Conaway.

And he echoed a refrain from the Wheels board members about being kept in the dark.

"I learned a long time ago that there are no secrets in government worth keeping, and they just won't share their information," Chávez said.

The mayor has tried to interest Christopher Leinberger, managing partner of the Historic District Improvement Co., in the project.

Leinberger oversees development of the 12-block Downtown entertainment district.

Leinberger said he would like the project to succeed but has serious doubts about the ability of a privately owned exposition center to compete against publicly owned and subsidized convention centers.

"I learned early on that private dollars have a hard time competing with public dollars," he said.

"In the best of all worlds, the Urban Council and Wheels Museum would kiss and make up," Leinberger said.

Crux of the dispute

Wheels officials maintained

the money Wheels "invested" through the Urban Council in the rail yards was to preserve the historic buildings and provide a home for the museum.

Urban Council members didn't see it that way.

"We have to find a viable way to develop the property, preserve the buildings and do it with 70 percent private money," Conaway said.

Minutes of Urban Council meetings show disagreements ran deep — even involving such arcane matters as how to approve the organization by-laws.

But the crux of the dispute comes from the Wheels group questioning the viability of Conaway's proposed exposition center.

There are now competing studies. One supports the idea of an exposition center to compete with Phoenix and other cities for convention business. Another found that Albuquerque already has too much convention center space and not enough downtown hotels to support it. Still another found that Albuquerque would be competing for a small share of the national market.

"We have done our due diligence," Ashcraft said. "We believe our studies show that

this project will work."

Tax matters

When he was president of the Urban Council until the fall of 2001, Joe Craig said he worried about the organization's tax-exempt status as a 501(c)(3) organization.

"One of the things we did was work out what was needed with the Attorney General's Office. But they haven't filed tax returns."

Ashcraft said the organization had less than \$25,000 in income and under IRS regulations doesn't have to file nonprofit tax forms called 990s.

He said he doesn't consider as income the money Wheels Museum put out because the Wheels Museum paid bills directly instead of funneling the money through Urban Council.

Instead of 990s, the Urban Council files a charitable organization report with the state Attorney General's Office. The one on file shows that between June 2001 and May 2002, Urban Council expenditures exceeded \$900,000, while its income was less than \$25,000.

The Attorney General's Office agrees that a nonprofit with less than \$25,000 income doesn't have to file a form 990. The source of the money spent doesn't have to be reported on the form.

According to a financial statement Ashcraft allowed the Journal to review in his office, the Urban Council is more than \$400,000 in debt.

That doesn't include any equity acquired by the underwriters, who have advanced the council money and paid interest on its bank loan. Ashcraft said he and his partner, Bond, are among the board members who have loaned the organization money in the last two years.

According to minutes of Urban Council meetings, Clark raised concerns about whether the council was actually operating as a nonprofit organization.

He was later voted off the board.

Historic Protection Of Buildings Stalled

City preservation officer Ed Boles says the shop buildings at the old rail yard are probably among the nation's best preserved examples of early 20th century industrial architecture.

"They definitely should have city landmark designation," he said.

But there has been no formal action to place the buildings on the state or federal historic registers. Nor has the Urban Council sought to get city landmark designation for the properties.

Placement on historic registers qualifies renovation projects for tax credits and grants. Landmark designation erects legal hurdles to tearing down the buildings.

Wheels Museum documents show that getting those nominations filed were top priorities for the Urban Council and Franklin Conaway in 2001 and again in 2002.

But Conaway said several of the underwriters "were not interested in doing that (filing the nominations)."

It can be difficult to force a designation on an uncooperative owner, and attempts by the city to designate some of the buildings on the site in 1986 failed when the Santa Fe Railway fought the landmark designation in court.

The rail yard roundhouse was then torn down, but the fire station on the property was given landmark status.

Conaway said nominations for the historic registrations are ready to be

filed and will be once negotiations on the sale by the underwriters are completed.

"I would think they will be filed in October, maybe September," Conaway said. "I've completed most of the research on that and it is being worked on as we speak."

Much of the research on the railroad buildings was done in the 1980s and is in files at the city planning department.

Wheels board member Joe Craig said engineering studies have found the buildings are in good shape physically and environmentally — partly because they were never used for diesel engines.

"Renovation isn't a problem," Craig said. "The real cost of renovation is a question."

Craig said the Urban Council is basing its plans on a renovation cost of \$97 a square foot, but estimates the real figure as being much higher — between \$150 to \$200 a square foot.

Conaway said he believes the buildings are protected even without the landmark or historic register designation because of the way the financing agreements are worded.

Alan Clark and Craig agree that even if the museum has to find another home, they and Leba Freed accomplished something.

"We don't think anyone can tear those buildings down now," Craig said.

→ MIKE GALLAGHER

AT & SF shops file

SURPLUS RISING

Revenue forecast put at nearly \$300 million, lawmakers told

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Film Studio Coming Into Focus

Parties sign letter of intent agreeing to start construction on the \$43 million facility in 8 to 10 months

BY DAN MAYFIELD
Journal Staff Writer

Albuquerque moved a step closer to a new full-fledged digital-film studio Wednesday.

Mayor Martin Chávez, the Urban Council of Albuquerque, Digital

Media Group and Build New Mexico all signed a letter of intent to build a \$43 million digital-film studio at the old railyard in Baretas.

Chávez said the letter means all the parties have agreed to start construction on the studio in eight to 10 months.

The studio would have as many as six sound stages, offices, screening rooms and more on a total of 11 acres of old Burlington Northern and Santa Fe Railroad property near Downtown.

But there's still a cloud over the project because of a federal lawsuit over control of the entire railyard property, which totals 27 acres.

The lawsuit, filed by Richard Maron, an Ohio developer, describes a financial relationship with the Urban Council that started in May 2003 but soured by November. The Urban Council is a nonprofit redevelopment corporation that has been seeking partners to develop the property.

In the lawsuit, Maron seeks control of the railyard property, claiming he gave the Urban Council \$410,000 and has an underwriting stake in the project.

On Wednesday, Urban Council director Ron Ashcraft couldn't be reached for comment.

Digital Media Group, which is headed by Elliott Lewitt, would run the proposed studio. Lewitt recently produced "Around the Bend," which was filmed in Albuquerque and starred Michael Caine and Christopher Walken. Because of the good experience of filming the movie, Lewitt said his company became interested in building a studio in the Duke City.

The proposed studio has plans to kick off with about 200 new employees. The studio could serve several feature films at a time, as well as facilitate television commercial work and multiple television series.



LOPEZ: Says residents have urged her to run for old seat



SALZWEDEL: "Smaller schools are more successful"

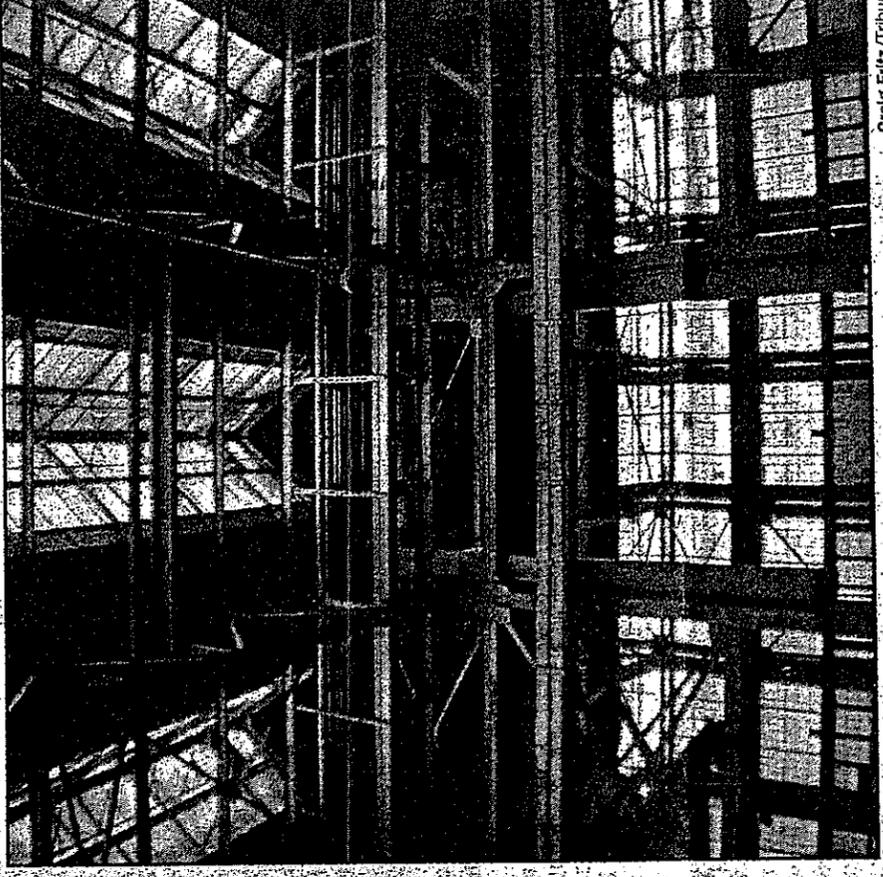
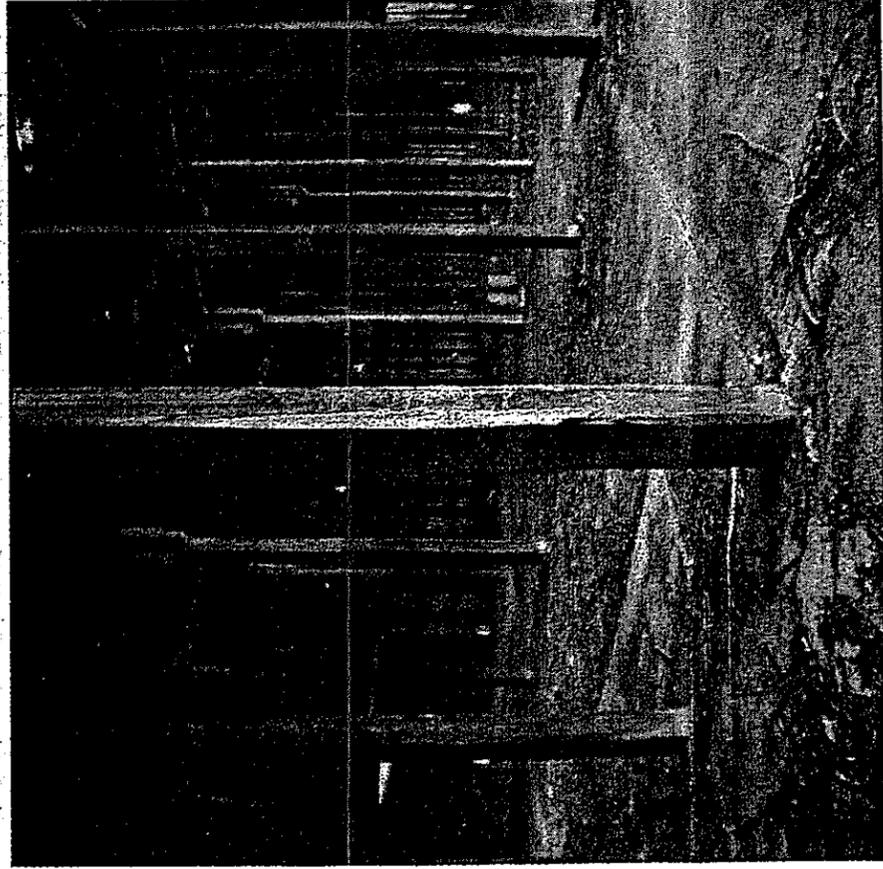
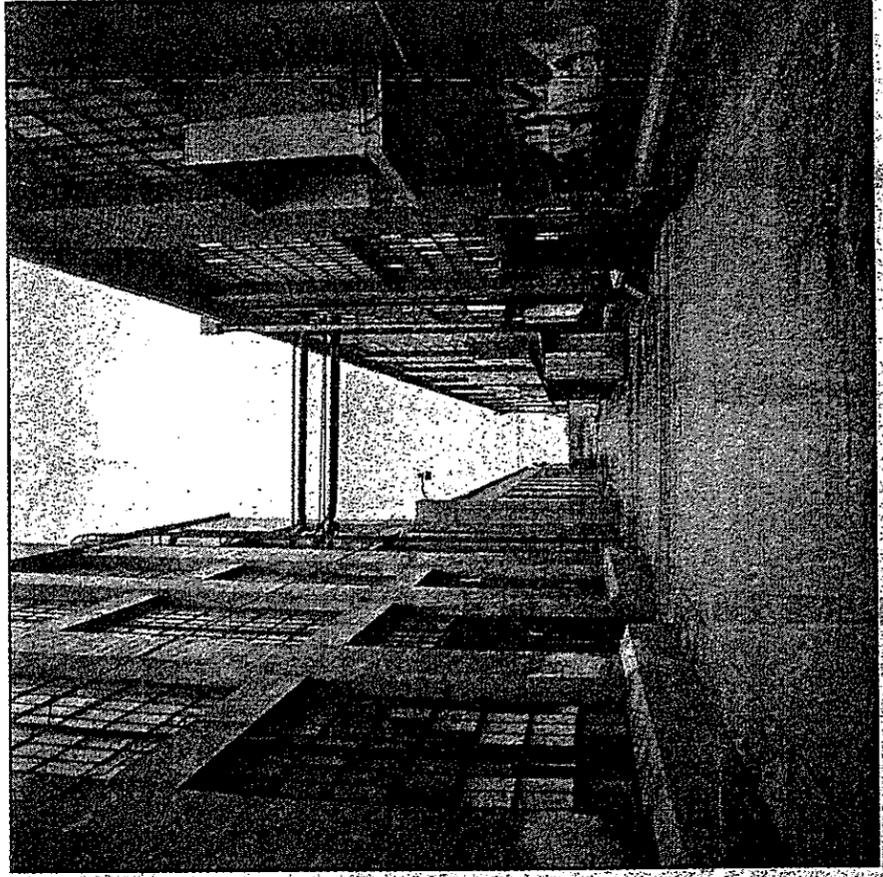
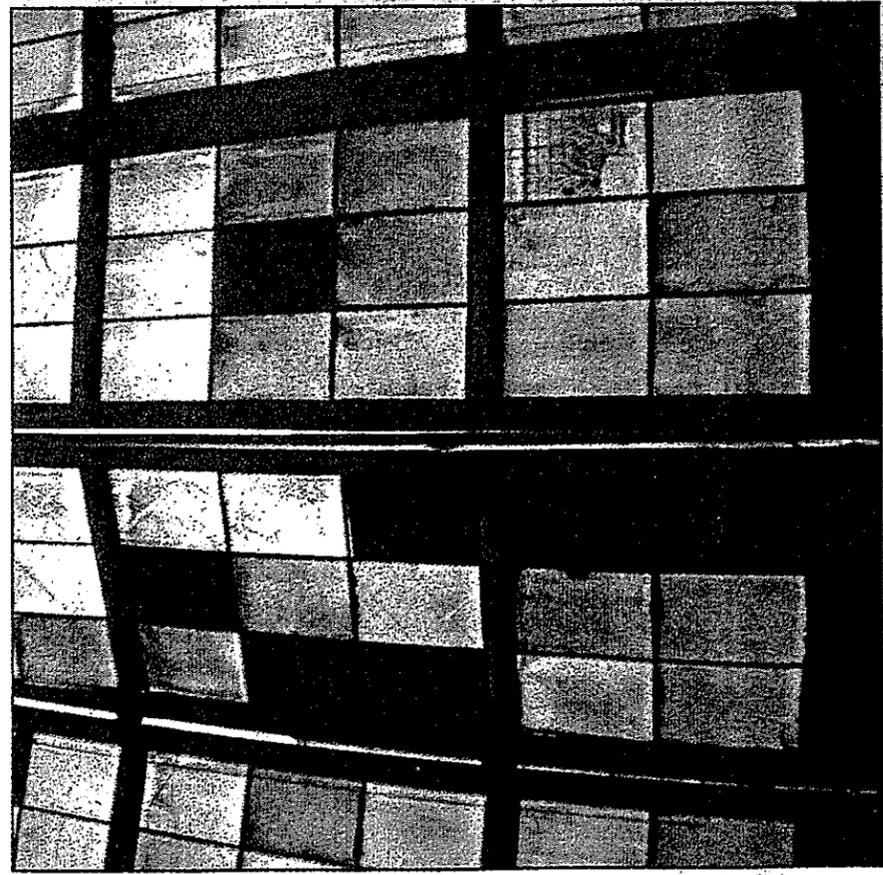
Candidates



Sandia Landfill Hearing Today

Waste Cleanup

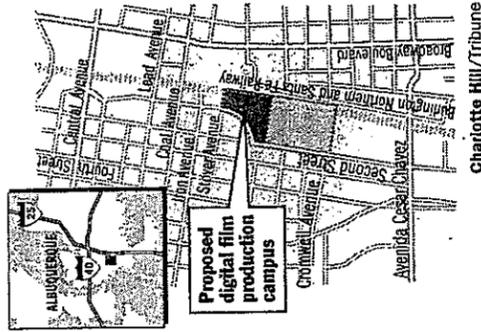
IMPOSING EDIFICES BIDDING THEIR TIME



Four views of buildings once used by the Santa Fe Railway that are proposed to be part of a film production complex south of Downtown Albuquerque. Craig Fritz/Tribune

Rail yard Rebirth

A film production complex is just one of the redevelopment plans for the site housing old Santa Fe Railway shops south of Downtown. But a lawsuit presents a potential stumbling block.



Charlotte Hill/Tribune

By Ed Asher
EASHER@ABQTRIB.COM / 823-3602

The shops at the old Santa Fe rail yards are merely shells now, but in their day they were architectural marvels.

They marked the transformation of Albuquerque from a farming town to a burgeoning metropolis, by the standards of the early 20th century.

From the Roaring '20s through the end of World War II, they were a beehive of activity in the midst of the Baratas neighborhood.

The machine shops and boiler shops, which once serviced steam locomotives, were abandoned decades ago. But the aura of Hollywood is descending on Albuquerque's ghost town.

Plans for redevelopment of the yards have been in the works for years, hampered by a series of legal squabbles.

Now comes a Hollywood movie producer who is teaming with local developers to convert a handful of the old buildings into what he calls a digital film production "campus."

Elliott Lewitt has produced a number of films, most recently "Around the Bend," shot in the Albuquerque area.

Albuquerque Tribune Dec. 20, 2004

Please see **REBIRTH/A3**

REBIRTH *from A1*

He wants to create a complex of soundstages on 11 acres in the yards. Lewitt's group recently signed a letter of intent with the Urban Council of Albuquerque and Build New Mexico to construct the \$43 million film center.

There is a stumbling block. The property Lewitt wants is tied up in a lawsuit between two developers, which has nothing to do with Lewitt.

The 11 acres he wants are part of a 27-acre parcel owned by the Urban Council of Albuquerque. The nonprofit development group bought the land in 2000 from the Burlington Northern & Santa Fe Railways Co. for \$2.5 million.

An Ohio developer claims he has a controlling interest in the property and is suing the Urban Council for control of the 27 acres.

An Albuquerque city councilor is trying to push the two sides in the lawsuit into a settlement under the threat of city condemnation of the land. That could erase all development plans now on the table.

But Lewitt is pressing forward with his own negotiations.

"The rail yard is kind of a once-in-a-lifetime opportunity to transform a turn-of-the-century industrial site into a 21st-century production center. It's an extraordinary opportunity to take an architectural landmark and bring it back to life," Lewitt said.

Lewitt is co-CEO of Digital Media Group, or DMG, with headquarters in Charleston, S.C. His partner is Debra Rosen, a former South Carolina film

commissioner. "It's once-in-a-lifetime opportunity to transform a turn-of-the-century industrial site into a 21st-century production center. It's an extraordinary opportunity to take an architectural landmark and bring it back to life," Lewitt said.

Lewitt is co-CEO of Digital Media Group, or DMG, with headquarters in Charleston, S.C. His partner is Debra Rosen, a former South Carolina film commissioner.

They are teaming with Build New Mexico, an economic development association.

The participants say the deal is still in its infancy and negotiations are ongoing. But Lewitt says — without elaborating — "We are fully financed."

The initial stages of the deal were facilitated by the offices of Gov. Bill Richardson and Mayor Martin Chavez.

"I think DMG brings a lot to the table," said Eric Witt, director of media industries strategy for the Governor's Office. "Elliott's background in production is very legitimate and accomplished. Their biggest challenge is getting all the various local parties to come together around a common goal."

"I think the financial viability is there. Now it's just a matter of negotiating the deal."

Fred Mondragon, Chavez's director of economic development, said DMG could have a contract with the various players by the first of the year.

Before Lewitt came along, developers already had grand plans for the property.

The Urban Council of Albuquerque is working with a Fort Worth, Texas, firm to develop a huge exhibition, entertainment and retail complex along the western edge of the railroad tracks.

That plan envisions a "boutique-sized" luxury hotel, a larger convention hotel, some type of housing and retail shops along a boardwalk. And plans include an exhibition center with 300,000 square feet of exhibition space.

It's a project estimated to cost \$300 million over the next four to five years, said Ed Casebier, president of Renaissance Development Co. of Fort Worth.

According to the plan, Renaissance and a subsidiary of the Urban Council would buy the 27 acres from the Urban Council. The partnership also would purchase an additional 40 acres from Burlington Northern & Santa Fe Railway, Casebier said.

But things changed, slightly, when the Digital Media Group entered the picture. Casebier says the master plan is being

Shops were 'cutting edge' of their time

By Ed Asher

EASHER@ABQTRIB.COM / 823-3602

The Santa Fe Railway began building its Albuquerque shops in 1914.

By the early 1920s, they included machine shops and boiler shops, a blacksmith shop, flue shop, tender repair shop and a sheet metal shed.

The centerpiece was a 35-stall roundhouse with clerestory windows and a 7/2-ton traveling crane.

tweaked to incorporate DMG.

The idea is that Build New Mexico would buy 11 acres out of the original 27 acres, Casebier said. Build New Mexico in turn would lease the 11 acres to DMG, Lewitt said.

James Trump, executive director of Build New Mexico, said: "Not everything is done. I'm not comfortable talking about the deal."

But he said: "I'm very excited about the deal. I can confirm there is definitely a deal in sight."

If negotiations work out, Lewitt would transform the 11 acres into a "campuslike environment" for movie making.

It would include six sound-stages, screening rooms and post-production, sound, digital-research and job-training facilities.

"It's not a film financing entity. It will serve filmmakers who come in to use the facility,"

A brown sandstone fire station — complete with a crenelated parapet — was built in 1920.

"They are some of the most significant buildings in the state of New Mexico. They were on the cutting edge of early 20th-century industrial architecture," said Chris Wilson, who is the J.B. Jackson professor of cultural landscape studies for the architecture school at the University of New Mexico.

What still remain are vast work bays — as high as 57 feet

Lewitt said.

Waiting on the sidelines is the Wheels Museum, a nonprofit group that has a small office near Downtown, but no museum. The group has invested \$750,000 to ensure its place in the rail yard redevelopment, said Leba Freed, museum president.

Alan Clark, museum executive director, said the museum has invested in environmental studies, appraisals and attorney fees on the 27 acres. It has an additional \$800,000 available to develop a transportation history museum within the yards, he said.

But the museum board is waiting to see how it fits in with the master plan.

"We feel we are invested in the redevelopment of the rail yards and it is our expectation to be somewhere on the yards," Freed said.

"We are optimistic the Wheels

and as wide as 86 feet — framed by steel columns and girders, continuous glass curtain walls and reinforced concrete facades.

Wilson wrote an assessment of the structures for the city of Albuquerque's Planning Department in 1986.

"Their use of a limited number of standardized parts, and their complete integration of machinery, structure, light and ventilation, make the shops comparable to the best industrial design of the period," Wilson wrote.

Museum will be included."

But all of these plans are far from a done deal. The shadow of a federal lawsuit looms over all of them.

The lawsuit was filed by Richard Maron and MRN Limited Partnership of Cleveland against the Urban Council earlier this year. Maron claims he gave the Urban Council \$410,000 in cash and has an underwriting stake in the property of more than \$1.1 million.

Ron Ashcraft, Urban Council president, declined to comment on the lawsuit. There was no word from Maron either.

"Mr. Maron is not available for comment," said Christy Harst, MRN marketing director.

But Casebier said: "That will have to be resolved before the property transactions occur, and those discussions are under way. We're hopeful we can resolve the

The floors can almost be described as bizarre. They are made of brick-sized wooden blocks.

"That was in case a worker dropped a part. It wouldn't shatter; it would bounce," said Alan Clark, executive director of the nonprofit Wheels Museum.

Wilson doesn't know how many buildings were on the rail yard site in the Barelás neighborhood in its heyday. He said about 17 of the structures remain.

issues."

There is a factor that could spur those discussions, says City Councilor Eric Griego.

Griego is sponsoring a bill to condemn the entire 27 acres. The city could take the land and put it up for new proposals, Griego said.

The city would have to pay fair market value to whoever wins the lawsuit, Griego said.

"The truth of the matter is, the property is tied up in litigation. My hope is that introducing this legislation will bring the parties together to resolve their differences," Griego said.

"If it looks like they are making progress, I'm happy to defer the bill. If it looks like a train wreck, I'll move the bill to the full council."

So, this vision of a new destination point for Albuquerque still comes down to a lot of ifs.

If the legal disputes are resolved, if the city doesn't condemn it, if the financing falls into place, the deal-making is consummated, the master planning finished and all the other nuts and bolts of a multimillion-dollar, multipartner development fall into place, there might be a huge exhibition, entertainment, retail and filmmaking complex, with a museum to boot.

The developers are quick to say the rebirth of the yards means an economic boost to the city and the state. But they also say it would boost the Barelás neighborhood.

The yards slid into decline at the end of the Korean War, when railways began converting from steam locomotives to diesel engines, said Clark of the Wheels Museum.

"Steam locomotives are labor intensive, they require high maintenance operations," Clark said. "Diesels were cheaper to operate, so they began taking over."

The shops were turned over to track maintenance, and jobs began to disappear, Clark said.

"The impact on the surrounding neighborhood was profound," he said.

All of the plans promise jobs for Barelás, said Robert Vigil, vice president of the Barelás Neighborhood Association.

But the studio has piqued particular interest, he said.

"I think it's an opportunity for our kids to learn the latest, cutting-edge technology. And what better place than our own backyard," Vigil said.

FREEING FALCONS

Program to release endangered birds raised in captivity

♦D3

Metro & New Mexico

THURSDAY, FEBRUARY 10, 2005

CLASSIFIED • 6 SECTION
DEATHS • 14 D
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Media Complex on Track

\$50 Million Studios To Be Built at Old Rail Yard

BY JIM LUDWICK
Journal Staff Writer

A \$50 million digital media production complex will be built on part of the old rail yard on the edge of Downtown Albuquerque, officials said Wednesday.

"I think we're introducing the future of Albuquerque," Mayor Martin Chávez said in announcing the project, which previously had been discussed as a tentative proposal.

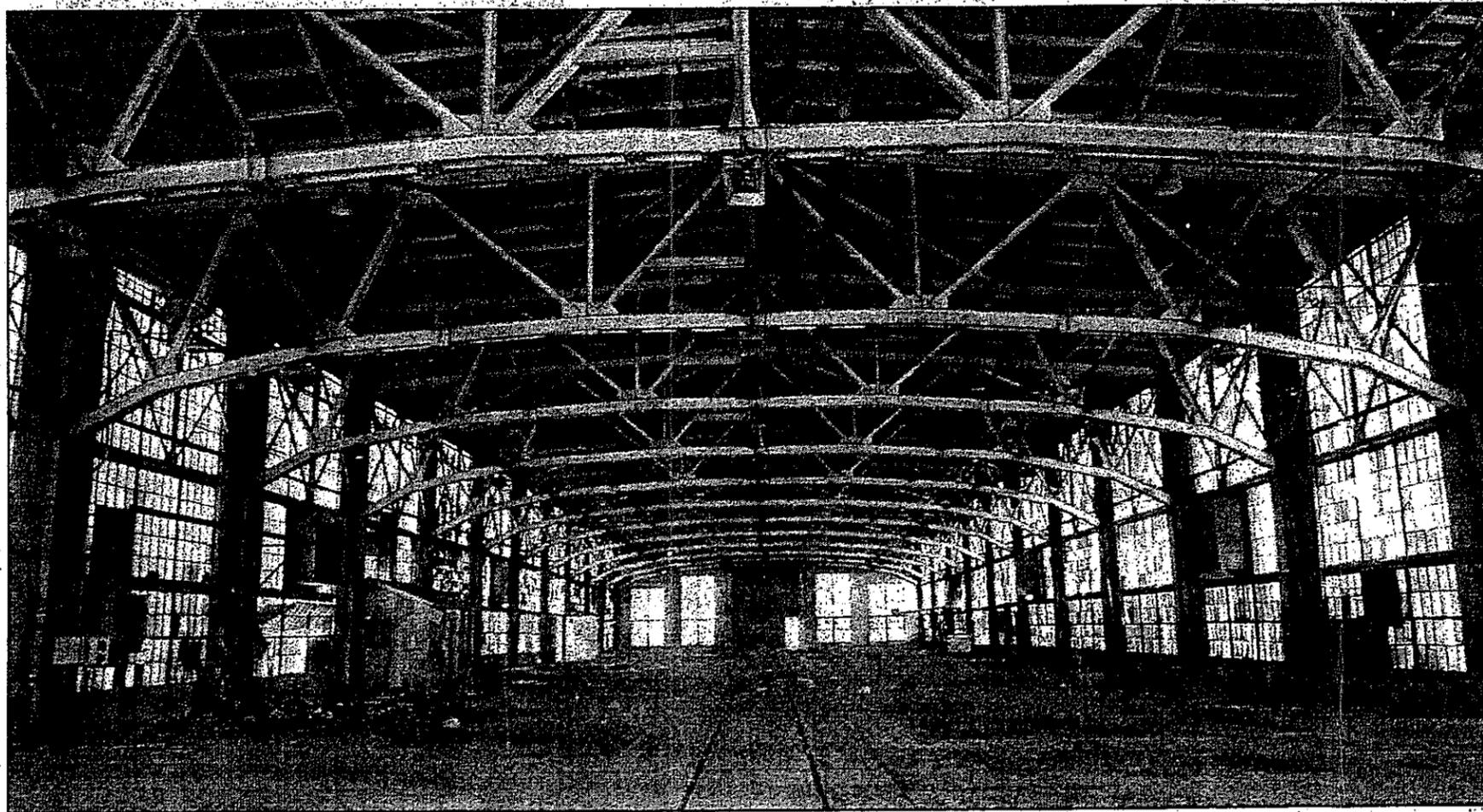
"This has national and international significance. The technology that will be processed through these marvelous buildings will change New Mexico," Chávez said.

Debra Rosen, co-chief executive of Digital Media Group, said her firm's project will have two aspects. It will offer a production facility that will lease services to motion picture, television, cable and commercial industries, and it will explore ways of using media technology for applications in medicine, defense and transportation.

"We plan on working in this community — involving the community in job development," Rosen said.

She emphasized that the business wants to be a good neighbor. Developers will be Build New Mexico and its allied Union Development Corp.

James Trump, executive director of Build New Mexico, said the complex will include 150,000 to 200,000 square feet



GREG SORBER/JOURNAL

The old Burlington Northern Santa Fe rail yard building near Downtown will be the new home for a \$50 million digital media studio complex.

(Blacksmith Shop)

of office space, about 50,000 square feet of studios and about 20,000 square feet of storage or warehouse space.

"We're also looking at a day-

care facility. We're looking at a restaurant, or two restaurants, on the site," Trump said.

The project drew praise from Gov. Bill Richardson.

"This facility could become the centerpiece of Albuquerque. ... The potential is enormous here for all kinds of exciting activity," he said.

He said New Mexico is "a state that is taking off. ... The Digital Media Group is a major step toward building a complete film industry in this

state."

The choice of a location for the project stemmed largely

See **PRODUCTION** on **PAGE D2**

Testimony during Martin Saiz's murder trial Wednesday focused on blood evidence—or the lack thereof.

Saiz, 22, is charged with first-degree murder, kidnapping and tampering with evidence in the 2003 death of Carolyn Rustvold, an occupational thera-

apist. The bloody shoe prints appeared to match prints made in the dirt outside Saiz's house. Nike tennis shoes that matched the prints were found in the bathtub of his home. The shoes were wet when Cumbie found them, he said, but he did not say if there was blood on them.

Cumbie initially described a bathroom sink close to Rustvold's classroom as "smeared" with blood, but

disappeared and also collected clothing from Saiz's Valencia County home about 36 hours after Rustvold's disappearance.

Blood did appear in a photograph

The bloody shoe prints appeared to match prints made in the dirt outside Saiz's house. Nike tennis shoes that matched the prints were found in the bathtub of his home. The shoes were wet when Cumbie found them, he said, but he did not say if there was blood on them.

Montezuma the day after the alleged murder, he noticed no janitorial work had been done the night before.

"I got the idea he (Saiz) didn't do anything as far as the work," he said. "Even though he (was) not always getting his work completely done, I hadn't ever seen that before."

Production Complex On Track

from PAGE D1

from the interest of Elliott Lewitt, who produced the movie "Around the Bend," filmed in Albuquerque. He was pleased with his experience in New Mexico, and it convinced him and his partners to consider Albuquerque for the production facility.

"This is really just the beginning," said Lewitt, one of the leaders of the Digital Media Group.

He said the business will be "attracting the best talent and allowing them to work in the best environment."

"We're humbled by the opportunity to be here. We're deeply aware of the responsibility," he said.

Fred Mondragon, who heads the city's Office of Economic Development, said the project might use industrial revenue bonds, which would require City Council approval. The city also could consider assistance with infrastructure and some transportation issues, he said.

IRBs are bonds that are used to finance business facilities. They are repaid by the companies that use them, not by the city, but the use of IRBs clears the way for tax incentives.



GREG SORBER/JOURNAL

Debra Rosen of Digital Media Group talks with Gov. Bill Richardson, center, and Mayor Martin Chávez after a news conference Wednesday about the company's plans to open studios in Albuquerque.

AROUND ALBUQUERQUE

Journal Staff Reports

Man Killed By Truck on Paseo

A pedestrian trying to cross Paseo del Norte near Coors was struck and killed by a passing pickup truck early Wednesday, authorities said. Bernalillo County Sheriff's

Federal Panel To Investigate Intel Emissions

Study will be first to specifically target microchip maker

By MICHAEL DAVIS
Journal Staff Writer

A federal agency has set its sights on Intel's emissions.

adverse health effects for more than a decade. Many of them blame Intel's emission stream.

Intel officials have repeatedly denied the allegations.

A team of environmental scientists from the agency will be in Albuquerque the week of Feb. 22 to evaluate existing information on Intel's emissions, agency official Leslie Campbell said in a

Environment Department, monitoring results from her group's infrared monitor, medical records and other documentation showing the need for additional study.

"We are very pleased with this," Brandenburg said of the agency's coming investigation. "It validates what we have been saying for some time. I don't think the agency would go to the expense of sending a team out here and

thing," she said.

Last summer, the state Environment Department completed a two-year study of the Corrales/southern Rio Rancho airshed that cleared Intel emissions of being the cause of any ill health effects.

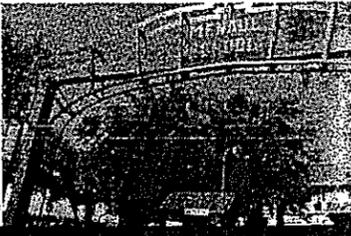
The ATSDR will analyze elements from last year's study of the airshed: an emissions inventory, a monitoring

Santa Fe Railway Shops file

Also in this issue:

- THE SPACE RACE
- COMMUNITY FOCUS: HOBBS
- WHAT'S YOUR BUSINESS PLAN FOR 2006?

The Arches of Menaul School



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Business Journal
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 VOLUME 29 NUMBER 17 • November 2005

TIMELESS DESIGN

Architects Preserve the Old and Shape the New

COVER STORY

"The village centers will be walkable, pedestrian friendly and attractive to local and small business. Parking will be adjacent to the amenities," he says. He adds that through zoning, open spaces will be preserved to maintain the rural character.

"Instead of developing a comprehensive master plan,

we've put together a small scale plan that is set in ordinance and regulation for land use."

"The community expressed a need for a sector plan. The county provided funding that came to RCRP for the advanced planning studio to conduct it. Previously, the county had completed a Southwest Area Plan that

provided guidelines and principles that the students used in the sector plan to establish ordinance and policies," Martinez says.

"This project is part of a broader South Valley strategy the community has participated in every step of the way," Córdova says.

Albuquerque's Railway 'Monument'

UNM Students Consider Plan for Preservation of Historic Locomotive Shops

The Albuquerque locomotive shops of the Atchison, Topeka & Santa Fe Railroad are among the last integrated and comprehensive rail maintenance and repair facilities still existing in the country. Made of reinforced concrete and steel-frame construction, with vast curtain walls of industrial glass, the shops are marvelous examples of early 20th century industrial architecture.

Because of their importance as a historic asset (viewed by many as on par with Route 66), the

shops were the focus of a September forum consisting of drawings and presentations on Albuquerque's railway shops by participants in the 2005 University of New Mexico School of Architecture's Southwest Summer Institute for Historic Preservation and Regionalism.

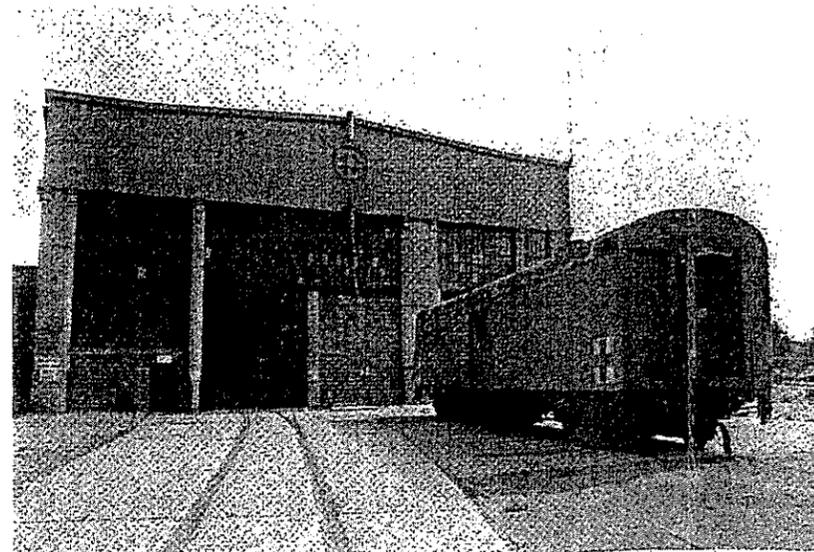
Eric Delony, institute instructor and retired chief of the Historic American Engineering Record, National Park Service, moderated the program. Albuquerque City Council member Eric Griego and UNM

School of Architecture and Planning Dean Roger Schluntz welcomed the forum's 50 attendants and opened the program. Forum presenters included Lisa Burkstaller, Dick Gerdes, Cynthia Martin and Meghan Bayer.

Starting the forum, Burstaller noted the historical significance of the complex as pointed out in 1986 by Chris Wilson, then-UNM professor and director of the preservation program.

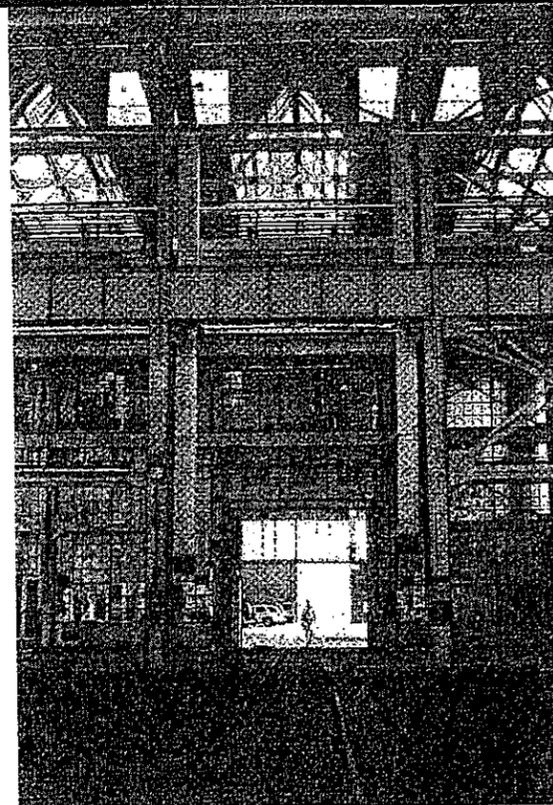
"...the 18 structures remaining from the locomotive shop complex (1914-24) constitute the largest historic industrial plant in the state," Wilson wrote in his assessment of the historical significance of the railyard complex.

In reference to the machine and boiler shops, Wilson's manuscripts state that they "were designed for the periodic major overhauls of locomotives, one of four such facilities on the ATSF Chicago-Los Angeles route. Their one story, steel frame structure with extensive glass curtain walls, their use of a limited number of standardized parts, and their complete integration of machinery, structure, light and ventilation make the shops



\$4.95





comparable to the best industrial design of the period," adding that "the simplified Neo-classicism of the track and town-side facades raises the Machine and Boiler Shops above the normal industrial buildings to the status of monuments of the Santa Fe system."

With Burkstaller having established the historic and present value of the railyard shops, Martin focused her remarks on the cultural heritage of Albuquerque as it specifically relates to the railroad and its place in the creation of a regional identity.

Upon considering economic development for the city and region, that she acknowledged might well include appealing to heritage tourism, Martin concluded that Albuquerque is uniquely positioned to capitalize upon its transportation history.

Albuquerque is *the* urban intersection where the Atchison, Topeka & Santa Fe Railway diesel locomotives, namely the *Chief*, crossed the "mother road," Route 66, she said.

Nevertheless, Martin warned that the creation of a local identity for the purpose of

marketing to tourists is fraught with perils, especially in relation to the local community – in this case, Barelás. She reminded forum participants of the way in which tourist development in Santa Fe led to the displacement of many local people who could no longer afford to own their ancestral homes.

The glamorous "Fred Harvey" Southwest, she pointed out, is also a part of Albuquerque's transportation history that became a

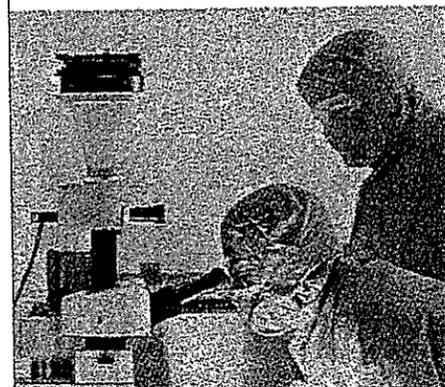
marketing tool for an exotic culture and ultimately resulted in the exploitation and refashioning

of Native American people and their identities.

Martin also cited the demolition of the Alvarado Hotel as an example of what can happen when money is the main consideration – for 30 years the site where the hotel once stood served as a parking lot. She encouraged the city and community to create an "oversight council" comprised of members of the Barelás community who would consider all development proposals for the historic Albuquerque locomotive shops.

She suggested the council should include state historic preservation office representatives, a cultural historian, a tribal representative, and professionals to provide the historic view of what and why

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and how to preserve and protect the buildings that are, Martin argued, a veritable local, regional and national treasure.

Forum participant Meghan Bayer made several recommendations for ensuring the future of the locomotive shops and maintaining the integrity of the Barelás Neighborhood:

- The Barelás community should take the lead on engaging other stakeholders.

- Interested groups join together to generate and renew excitement about the railway shops.

- Keep people from the community and throughout the city informed.

- Compile an inventory of cultural and architectural resources.

- Conduct an oral history project.

- Research funding sources and incentives.

- Make adoption of the Secretary of the Interior's Standards for Rehabilitation a priority.

A straightforward process for preserving the locomotive shops was presented by Dick Gerdes. It involves five steps, for which there are precedents.

By using the 1993 Barelás Sector Development Plan, which is currently under revision, and given that the Santa Fe Railway Depot (1920) and the Railway Fire Station (1920) have already been designated historic landmarks, the city should apply the Historic District and Landmarks Act to the rest of the complex, Gerdes said.

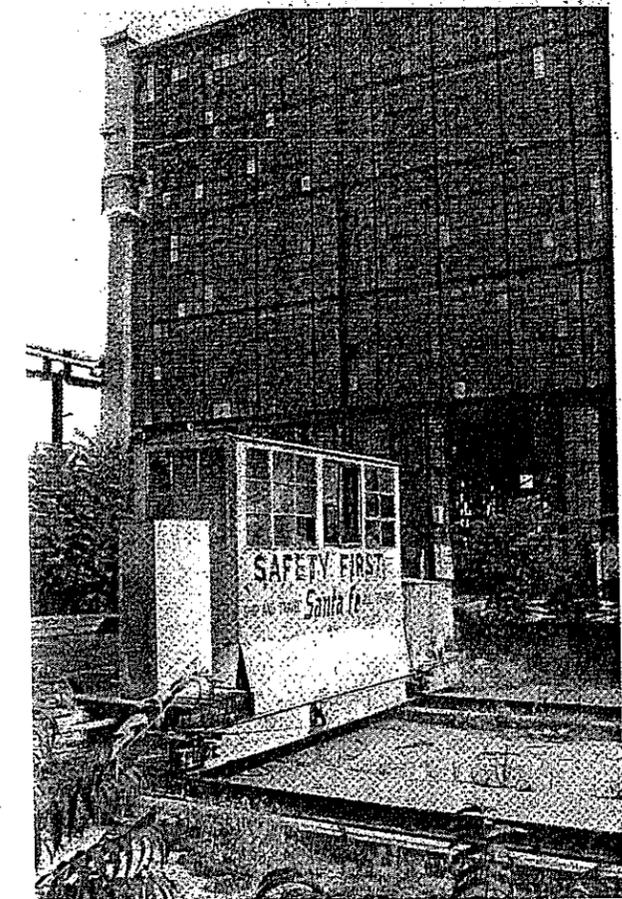
Specific language in the Sector Development Plan that identifies the need for state and national register nomination and identifies this as a high priority for the neighborhood is also needed, said Bayer. She also suggested the city should enact zoning and ordinance changes and initiate the process of eminent domain. In

this way, the city would be poised not only to enter into discussions with potential investors or developers, but also to provide for state and federal historic nominations and designations of the shops. Possessing the integrity of location, design, setting, materials, workmanship, feeling and association, the shops easily meet the criteria for state and national historic designation, she said.

"Using these standards as a guide to regulate development at the railway shops will help ensure that the site's eligibility to the National Register is preserved and the neighborhood's wishes are honored," said Bayer.

Forum participants also recommended the development of public-private partnerships like the one already resulting in the refurbishment of Albuquerque High School for adaptive reuse. Potentially, with assistance from different sources – the state Legislature, the city, private foundations and bank financing – funds would be secured to mitigate environmental hazards, replace basic infrastructure, undertake necessary restoration, and transform the 27-acre site to accommodate an approved and viable development plan.

Once the city acquires the property, it would issue a Request for Proposal for



developers to present ideas. Ideally, Bayer said, a new master plan should be conducted for the area. Any plan ultimately approved by the city should ensure the railway shops are protected from demolition and further degradation, preserve and reuse the shops in a respectful manner and take into consideration the historic, social, economic and cultural significance of the shops in the lives of Barelás Neighborhood residents as well as Albuquerque and the region, she said. The plan should include a strong community participation component, provisions for public space and access, and employment opportunities for neighborhood residents.

During his 30-year tenure with the National Park Service's HAER program, instructor Eric DeLony had his finger on the pulse of America's engineering and industrial heritage. HAER

documented most of the surviving railroad shop complexes in the United States including: the Baltimore & Ohio's Mount Clare Shops (Baltimore); the Martinsburg (W. Va.) Shops; the Erie Railroad's Susquehanna and Meadville (Pa.) shops; the Delaware, Lackawanna & Western's Scranton (Pa.) Shops (now Steamtown National Historic Site); and the Union Pacific's Sacramento Locomotive Shops, presently under redevelopment and adaptive reuse by the California State Railroad Museum and the city of Sacramento.

In Delony's opinion, successful redevelopment of the railway shops at Albuquerque would be the second-largest adaptive reuse of a historic industrial property in the U.S., overshadowed only by restoration of Bethlehem Steel's Saucon Works – the former steel producer's main plant on the banks of the Lehigh River in Bethlehem, Pa. There, investors and developers, forming a group called BethWorks, are now planning a mixed-use complex including stores, a multiplex cinema, housing units, a national museum of industrial history, an arts park anchored by slot-machine casinos in the vast rolling mills, blowing engine houses, machine shops and blast furnaces.

Like the Bethlehem Steel complex, redevelopment of the Albuquerque ATSF Shops will be challenging, requiring millions of dollars and incremental years of work, Delony said, the enterprise is "probably bigger than the city of Albuquerque and, bigger than the state of New Mexico."

Article compiled by Dick Gerdes and Cynthia Martin – graduate students, UNM Historic Preservation & Regionalism Program, School of Architecture & Planning – and Eric DeLony, consultant, Engineering & Industrial Heritage, PC, Santa Fe; chief (retired), Historic American Engineering Record, National Park Service.

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Tomás García, Class of 2001, is a Constituent Services Representative in New Mexico Governor Bill Richardson's administration. He graduated from Yale University in 2005, earning a bachelor's degree in political science. He plans to pursue a master's degree in public administration in the near future.



While at Yale, Tomás actively participated in the St. Thomas Moore Catholic Community, served on the Yale College Council, and helped with a local alderman's election campaign. "Menaul gave me an interest in community, so when I left Menaul, I had a desire to strengthen the community of which I was a part," Tomás says.

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For the Journal

11-5-07

Rail Yard Delay Was For the Best

Call it a small miracle, but the apparent movement on the dreadfully long redevelopment plans for the old rail yard Downtown qualifies. Mind you, until a gold shovel crunches into dirt down there, the optimism should be cautious as they say, but this latest plan is feeling doable.

Tonight the City Council considers a bill for the city to purchase the site with some strings attached. Namely, that at a minimum, 30 low-income housing units be built on the site.

I like the strings. Very much. The strings, however, should be a little longer.

At tonight's council hearing and vote, someone should propose to raise that number. Double — or more — would suit me just fine.

Call it a convergence, but it finally seems everyone involved has put aside their own dreamscape for the site. Recalling the twists and turns of this project, it's painful.

We've gone from the Wheels Museum itself taking up the bulk of the sites in version one. Following that, if memory serves we had a smaller footprint for the museum and a slicked up plan for high-end retail, pricey condos and the like. In between those ideas, there were a lot of voices, many in City Hall at the time, who wanted affordable housing across the entirety of the site.

And what was that cockamamie film studio idea at the rail yards a couple of winters ago about? Let's just pretend that press conference the mayor held, promising dirt being moved within a couple of months, never happened.

That's how it's been for this place. Empty spaces sometimes invite equally empty ideas.

What seems to be happening is that anyone with a stake in the project is finally listening to the Barelas neighborhood about what it wanted. That would include the council. It would be an understatement that in the seemingly 15 councils from the redevelopment early stages to now, the term "up service" would be appropriate.

Simply put, we needed a council in place that had some sensitivity to the area. It wasn't there before. We also needed a council representative in the neighborhood who got it as well. Good on Ike Benton, also sponsor of the bill.

There's a level of creativity and problem-solving at play here that is encouraging. The money, from the so-called, "work force housing trust fund," would be used to acquire the property, with an economic feasibility study to follow. The transportation museum would be included in any plans. Following, a master developer would be hired through a request for proposal process.

Beyond the mixed-income housing string, economic development would have to complement the commercial activity in the Barelas and South Fourth Street corridor.

Hallelujah. Now we're getting somewhere.

I've never bought that the Wheels Museum alone was enough to stand up this area. That idea was much too focused on just the footprint of the site at no appreciable benefit to the greater neighborhood.

This is government as it should operate, leavening the individual interests involved for a bigger picture and brokering better outcome for everyone.

It's been an eyesore and worse for much too long. It seems, however, that the maddening delay has turned out to be the right way to go.

Let's see how it plays tonight.

Gene Grant is a writer, actor, former congressional staffer and father of two. He can be reached by e-mail to: gene@genegrant.com

The former Santa Fe Railway locomotive repair shops in the Barelas neighborhood sat empty and abandoned in this July 1999 photo. Plans to breathe life back into the rail yard got a boost Monday when the City Council authorized its purchase for \$9.4 million.

Toby Jorin/Tribune file

PRESERVATION ON TRACK

Albuquerque City Council votes to buy Santa Fe Railway yard to create museum and affordable housing

By Erik Siemers
ESIEMERS@ABOTRIB.COM / 823-3674

Fred Garcia III remembers hearing the whistle.

The sound was meant to order men back to work at the Santa Fe Railway repair yards in Barelas.

Garcia, though, could tell time by it. "Growing up and attending Sacred Heart School, our lives were ruled by the whistles of the Santa Fe rail yard," said Garcia, 61, who now works with the Barelas Community Development Corp.

But like any industry that fell victim to modernization, the need for steam-engine repair faded, and so did the Barelas landmark.

A bill passed Monday by the City Council, however, clears the way to rebuild the long-dormant rail

yard in a way that both preserves about 25 buildings from the old rail yard, including one that's 166,000 square feet — would be used in a long-awaited

Wheels Museum and at least 30 affordable housing units, as dictated by the legislation.

Railroad advocates said the move is a significant step in preserving the history of one of the last remaining steam-engine repair shops in the country.

Alan Clark, executive director of the nonprofit Wheels Museum, said the Santa Fe Railway in 1915 approached Albuquerque about building a nearly \$3 million repair facility. By Clark's estimate, that's the equivalent of \$40 million today.

Online inflation calculators put the number at closer to \$60 million. "That was a major investment to make in a village like Albuquerque,"

Clark said.

At its height, he said, the rail yard employed a quarter of the city's work force. It remained vital until the emergence of diesel engines brought about its decline around the 1950s. The Barelas yard was later used for track repair, but finally closed in the early '80s, he said.

The buildings now, while sturdy, are deteriorating, Benton said.

But operating as a Wheels Museum, it is estimated to attract thousands of visitors annually, said Leba Freed, president of the Wheels Museum.

"Our premise at the Wheels Museum is to do a cultural attraction for Barelas and Albuquerque," Freed said.

Questions over the rail yard's fate have lingered for years. Failed

deals to buy the property stretch back to at least 2000, and ideas for the site have included a series of Hollywood-ready soundstages, an events center, a boutique and even a small wind farm.

Benton said he hopes to see some form of mixed-use development that can help Barelas grow and thrive.

"We want a really healthy mix of neighbors and people that can bring tax revenue to the community," Benton said.

For Garcia, the rail yard where his father once worked can continue to be a vital part of his community.

"The rail yards played a big part in my life," he said. "I see the rail yards in Barelas as a key to evolving from just a dream to an economic reality."

Funds for Rail Yard OK'd

Revitalization Planned for Site

By DAN MCKAY
Journal Staff Writer

The old Barelas rail yards look closer than ever to redevelopment.

City councilors on Monday unanimously approved the last piece of funding needed for the city to acquire the 27-acre property, which lies roughly near Second and Coal SW. The rail yards site includes

shops — some 70-foot tall — built in the early 1900s. Private efforts to redevelop the area have failed over the past decade.

"We've come a long way," said Councilor Isaac Benton, who sponsored Monday's resolution. The repair shops "are built like a battleship. There's nothing like them left in the country."

The council resolution approves the last \$3 million in funding needed for the \$9.4 million purchase. The rest of the money was already available through state funds

grants and other sources. The last \$3 million would come from the city's "work force housing trust fund," which is backed by general obligation bonds.

The bill calls for the redevelopment plans to include at least 30 units of affordable housing and space for the nonprofit Wheels Museum, which will focus on transportation.

Benton said an economic analysis of the site will be performed in January. After that, the city will likely issue a request for proposals from private developers, he said.

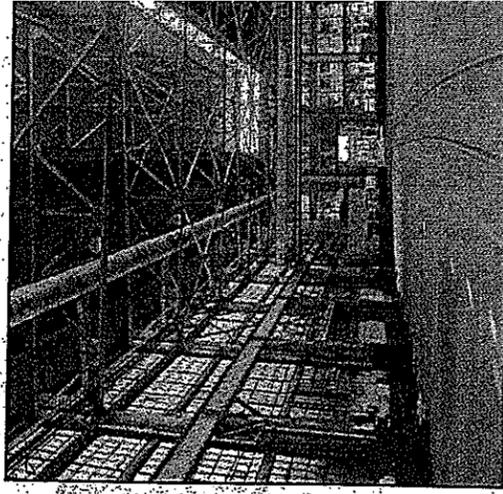
"It's an opportunity to have a very deliberate process," he said.

Ultimately, then, most of the land may be sold to developers, allowing the city to recoup some of its investment, Benton said.

Several Barelas residents backed the project, as long as they have a say in the development plans.

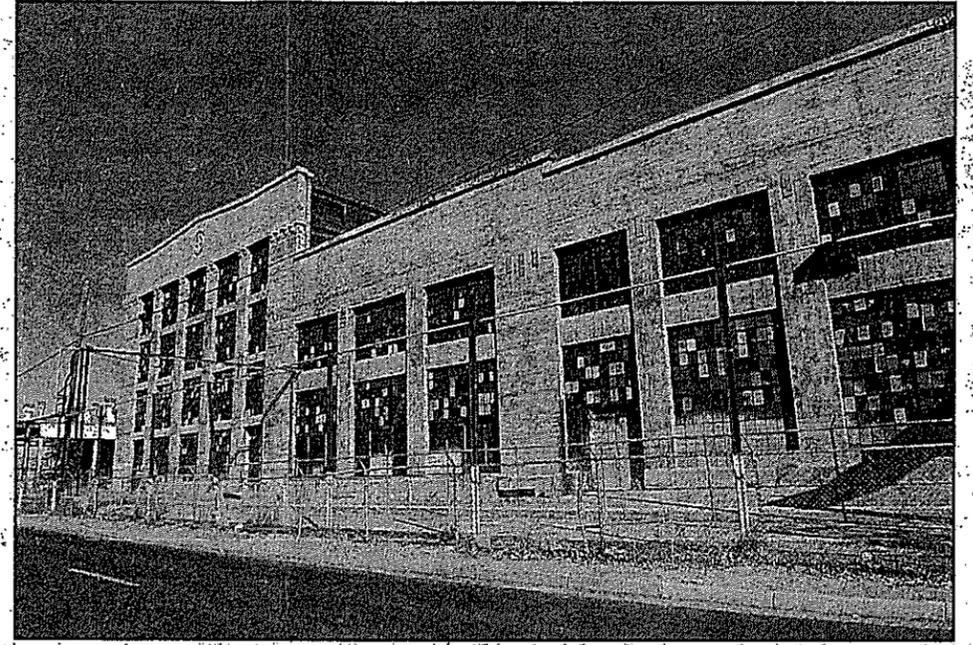
"We have to be a part of the process along the way," Andrea Serrano said.

See \$3M on PAGE C2



The Barelas railyards are to be acquired by the city. ADOLPHE PIERRE-LOUIS/JOURNAL

METRO & NEW MEXICO



ADOLPHE PIERRE-LOUIS/JOURNAL

The unique Barelas railyards, to be privately developed and include affordable housing, feature turn-of-the-century buildings that contained shops, some 70 feet tall.

\$3M for Rail Yard Project OK'd

from PAGE C1

A city affordable-housing committee will review the project. If the committee rejects the rail yards redevelopment, the city will have to reimburse the housing fund for the \$3 million.

Council President Debbie O'Malley said that the

process was "unorthodox" and that she had some reservations about it. But she said she didn't want to let the property deteriorate.

Councilor Ken Sanchez said it was important to act fast. The city's option to buy the property expires next month.

"It's part of Albu-

querque's history," he said. "We cannot afford to lose this."

The request for proposals for a master developer is to be issued by spring or summer next year.

The bill now goes to Mayor Martin Chávez.

EDITORIALS

City Spends Housing Money at Yards Sale

If \$348,000 an acre sounds reasonable for long vacant heavy industrial property, \$9.4 million for 27 acres of rail yards that include a massive structure unique in New Mexico should sound like a bargain.

But the City Council didn't have \$9.4 million in regular funds to buy the old Barelás rail yards and locomotive repair shops south of Downtown. The \$10 million Workforce Housing Trust Fund just approved by voters provided the solution. Although the process to evaluate land acquisition and projects is not in place, the council decided to put \$3 million of the trust's \$5 million earmarked for land into the deal.

It could be a lucky stroke for the city, if there's a renaissance that transforms the blighted property into a New Urban dream that mixes housing, jobs and cultural amenities like the Wheels Museum. It could be an ugly roll of the dice if there's a hidden legacy of the heavy industrial use that requires cleanup.

With so much at chance, this expenditure of trust fund money can hardly be called an "investment" — not as long as there is property available for workforce housing with much clearer prospects.

The resolution did leave the council an escape hatch. Plans for affordable housing on the site, like any other proposals vying for the trust fund's blessing, must be approved through a process expected to be in place early next year. Lacking that approval, the city must repay the \$3 million to the trust.

Remember: Every two years, the council must ask voters to approve new infusions into the housing fund. Does it inspire more trust to think of this as the equivalent of a no-interest pay-day loan, or a wager on the prettiest pony since the city bought the old Albuquerque High School?