

# APPENDIX J:

## ULI Report (2008)

AN ADVISORY SERVICES PANEL REPORT

# Albuquerque Rail Yards Albuquerque, New Mexico



Urban Land  
Institute

# **Albuquerque Rail Yards Albuquerque, New Mexico**

**Redeveloping the City's Historic Rail Yards**

February 24–29, 2008  
An Advisory Services Panel Report

ULI—the Urban Land Institute  
1025 Thomas Jefferson Street, N.W.  
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# About ULI—the Urban Land Institute

**T**he mission of the Urban Land Institute is to provide leadership in the responsible use of land and in creating and sustaining thriving communities worldwide. ULI is committed to

- Bringing together leaders from across the fields of real estate and land use policy to exchange best practices and serve community needs;
- Fostering collaboration within and beyond ULI's membership through mentoring, dialogue, and problem solving;
- Exploring issues of urbanization, conservation, regeneration, land use, capital formation, and sustainable development;
- Advancing land use policies and design practices that respect the uniqueness of both built and natural environments;
- Sharing knowledge through education, applied research, publishing, and electronic media; and

- Sustaining a diverse global network of local practice and advisory efforts that address current and future challenges.

Established in 1936, the Institute today has more than 40,000 members worldwide, representing the entire spectrum of the land use and development disciplines. Professionals represented include developers, builders, property owners, investors, architects, public officials, planners, real estate brokers, appraisers, attorneys, engineers, financiers, academics, students, and librarians. ULI relies heavily on the experience of its members. It is through member involvement and information resources that ULI has been able to set standards of excellence in development practice. The Institute has long been recognized as one of the world's most respected and widely quoted sources of objective information on urban planning, growth, and development.

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# About ULI Advisory Services

**T**he goal of ULI's Advisory Services Program is to bring the finest expertise in the real estate field to bear on complex land use planning and development projects, programs, and policies. Since 1947, this program has assembled well over 400 ULI-member teams to help sponsors find creative, practical solutions for issues such as downtown redevelopment, land management strategies, evaluation of development potential, growth management, community revitalization, brownfields redevelopment, military base reuse, provision of low-cost and affordable housing, and asset management strategies, among other matters. A wide variety of public, private, and nonprofit organizations have contracted for ULI's Advisory Services.

Each panel team is composed of highly qualified professionals who volunteer their time to ULI. They are chosen for their knowledge of the panel topic and screened to ensure their objectivity. ULI's interdisciplinary panel teams provide a holistic look at development problems. A respected ULI member who has previous panel experience chairs each panel.

The agenda for a five-day panel assignment is intensive. It includes an in-depth briefing day composed of a tour of the site and meetings with sponsor representatives; a day of hour-long interviews of typically 50 to 75 key community representatives; and two days of formulating recommendations. Long nights of discussion precede the panel's conclusions. On the final day on site, the panel makes an oral presentation of its findings and conclusions to the sponsor. A written report is prepared and published.

Because the sponsoring entities are responsible for significant preparation before the panel's visit, including sending extensive briefing materials to each member and arranging for the panel to meet with key local community members and stakeholders in the project under consideration, partici-

pants in ULI's five-day panel assignments are able to make accurate assessments of a sponsor's issues and to provide recommendations in a compressed amount of time.

A major strength of the program is ULI's unique ability to draw on the knowledge and expertise of its members, including land developers and owners, public officials, academics, representatives of financial institutions, and others. In fulfillment of the mission of the Urban Land Institute, this Advisory Services panel report is intended to provide objective advice that will promote the responsible use of land to enhance the environment.

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# Acknowledgments

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The panel also recognizes the numerous other entities that contributed to its success, including the Albuquerque Convention and Visitors Bureau, Bernalillo County, the Albuquerque Hispano Chamber of Commerce, Albuquerque Studios, Build New Mexico, the City of Albuquerque Landmarks and Urban Conservation Commission, the City of Albuquerque Planning Department and Historic Preservation Planner, the Greater Albuquerque Chamber of Commerce, the Mid-Region Council of Governments, the National Hispanic Cultural Center, the Romero-Rose Company, the state of New Mexico, and the Urban Council.

The panel extends particular thanks to Roger Schluntz, dean of the School of Architecture and Planning at the University of New Mexico, for preparing comprehensive briefing materials and serving as an ongoing source of technical information about the site; to Tom Pederson of the University of New Mexico for technical and graphic support; to Kara Shair-Rosenfield of Councilor Benton's staff for her guidance and knowledge of the Albuquerque scene; and to Leba Freed, president of the WHEELS Museum.

Finally, the panel appreciates the participation of the many community members, including residents of the Barelás and South Broadway neighborhoods, and other individuals who contributed their time, experience, and knowledge of all things Albuquerque, to the visioning process for the rail yards. Your participation was vital to recommendations set forth in this report.

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# Foreword: The Panel's Assignment

**A**t the invitation of the city of Albuquerque, the WHEELS Museum, and the University of New Mexico School of Architecture and Planning, a ULI Advisory Services panel was convened to evaluate redevelopment opportunities for Albuquerque's historic rail yards. Founded in 1912, and in use through the 1960s before closing its doors in the early 1990s, the rail yards, a once-thriving steam locomotive repair operation, were at one time the city's leading employer.

In 2007, the city of Albuquerque and the WHEELS Museum formed a partnership to purchase the rail yards from Old Locomotive Shops LLC. The acquisition was made possible, in part, by grants from the New Mexico state legislature and Governor Bill Richardson. The Albuquerque City Council appropriated more than 50 percent of the total cost to purchase the property, and the city became the new owner of the old Santa Fe Railway rail yards on November 28, 2007.

The city, the WHEELS Museum, and the University of New Mexico School of Architecture and Planning invited the panel to “evaluate and consider the site and its historic structures in the context of the city and its neighborhoods, and include the WHEELS Museum in addition to economically viable commercial and/or housing options for redevelopment of the rail yards.”

## Background

The rail yards officially lie within the Barelás neighborhood, one of Albuquerque's oldest, and adjacent to the South Broadway neighborhood. Settled as a farming community and later shaped by the establishment of the railroad in the 1880s, by the early 1900s, Barelás had flourished. Many of its residents were employed by the Atchison, Topeka and Santa Fe Railway.



Location map.



Regional map.

In the mid-1920s, South Fourth Street in Barelás was designated part of Route 66 and the Pan American Highway (U.S. 85), which helped establish a thriving commercial corridor active from the 1930s through the 1950s. The decline of the railroad industry and the construction of Interstate

In the background of this aerial view of Albuquerque, the Rio Grande flows along the city's northwestern edge.



Downtown Albuquerque's central business district.



Right and right below: The historic Baretas neighborhood, flanking the northern edge of the rail yards site, has deep ties to the property and is poised to benefit economically from its revitalization.



25 negatively affected the community, as did the urban renewal program of the 1970s, which led to industrial development replacing much of the housing stock in south Baretas. However, the historic Baretas neighborhood has added new amenities in recent decades, including the National Hispanic Cultural Center and the Albuquerque Hispano Chamber of Commerce, which have bolstered its history and community character.

Along the eastern edge of the rail yards is the South Broadway neighborhood. Much of the community's growth took place between 1885 and 1925, following its founding by Antonio Sandoval, a wealthy landowner responsible for constructing the Baretas ditch, which drained and irrigated the surrounding area. As in Baretas, many of South Broadway's residents made their living through agricultural pursuits before transitioning to jobs at the rail yards and the local iron foundry.

South Broadway urbanized rapidly during this period, only to suffer similar economic and population decline concurrent to that of the railroad industry. Presently, efforts of organizations like the United South Broadway Corporation have provided affordable housing for residents of the community. Coupled with local businesses, many automotive-repair related, those efforts contribute to the neighborhood's identity.

The redevelopment of the rail yards provides opportunity for Baretas, South Broadway, and downtown Albuquerque to enrich their respective individual identities while rallying around a new collective identity to whose development each is crucial. Over time, residents of these communities have expressed both excitement and reservations regarding redevelopment plans for the rail yards and, given the personal ties many have to the history of the rail yards, for good reason. Nevertheless, successful redevelopment truly has the potential to be a force of unification for the communities, the city, and the state of New Mexico—also known as the Land of Enchantment.

## Study Area

Located just south of downtown Albuquerque, the 27.3-acre rail yards property is situated between Baretas and South Broadway—to the west along

2nd Street in Baretas and to the east along Commercial Avenue in South Broadway. The north end of the property bottlenecks and shares its edge with a 7.2-acre parcel owned by the BNSF Railway. Over the south edge of the rail yards, BNSF is still operationally active. Erected in the decade from 1914 to 1924 and coinciding with what is considered one of the greatest periods of industrial design and advancement in building technology, the 14 buildings currently on the property are each original. The majority of these historic structures occupy the northern half of the site, while the southern half contains an operable turntable used to rotate train engines for entry to or exit from the site.

## The Panel's Assignment

The sponsors provided the ULI Advisory Services panel the following four nonnegotiable parameters for considering the redevelopment of the rail yards site:

- The major buildings and smaller significant historic buildings on the site must be rehabilitated, with the exception of the wooden building, which should be relocated, and the north shower building, which is too dilapidated to save.
- The WHEELS Museum will locate its operations into one or more of the historic buildings.
- Redevelopment must have a mixed-income housing component, including at least 30 units of workforce housing. (*Workforce housing* is defined by Albuquerque ordinance as follows: "Dwelling units serving residents and their families whose annualized income is at or below 80% of the Area Median Income for Albuquerque ... as adjusted for household size and determined by the U.S. Department of Housing and Urban Development, and whose monthly housing payment does not exceed 30% of the imputed income limit applicable to such unit or 35% under special conditions to be defined in the Workforce Housing Plan.")
- The redevelopment must benefit and not harm the adjacent neighborhoods.

Using these premises, the panel was asked to focus on addressing the following questions:



The 27-acre rail yards with downtown Albuquerque in the background: promoting pedestrian connections between the two is a primary goal proposed by the panel.

- Rehabilitation or adaptive use of historic buildings
  - What ideas can be applied to a high-quality rehabilitation and adaptive use of the main buildings in addition to the WHEELS Museum?
  - What sustainable design elements are appropriate for the buildings?
- General uses
  - What mixture and types of public and private uses should be sought on the 27.3 acres?
  - Fourth Street in Baretas is a local business district that serves the neighborhood. What kind of retail or other development will complement and be compatible with, rather than create competition for, small businesses that are serving the Baretas and South Broadway communities?
  - If the seven-acre site directly to the north of the 27-acre study site is also acquired, what would be the best use or mix of uses for that land?
- Housing
  - What types, density, price points, and design of mixed-income housing are feasible now and in the future?
  - What tax benefits and other housing subsidies are available and advantageous in creating mixed-income housing at this site?
- Transportation, transit, and connectivity
  - What additional transit links to the site are possible?





Configuration of existing primary buildings on the rail yards site.

- How can the effect of automobile traffic on Barelás be minimized?
- What are the best methods for ingress and egress to the property by both the public and local residents (street reconfiguration and pedestrian overpass connections)?
- Does a set of design ideas or concepts exist that would maximize the links between the redeveloping downtown areas and the rail yards?
- What steps can be taken to avoid redevelopment pressures, such as displacement of existing residents, property tax increases, and loss of cultural identity?

#### • Implementation

- What is the best way to ensure that high-quality job opportunities are available for residents of the Barelás and South Broadway neighborhoods?
- What phases of development are recommended, and in what order should they be implemented?
- What role should city, regional, state, and federal governments play, including minimization of permanent subsidies, in redeveloping this site?
- What financing mechanisms, sources, and schemes are recommended, and what tax benefits are achievable and advantageous in the public and private sectors at this site?
- What is the best way to deal with the various easements—utilities, railroad, and the like—that constrain the site?

### Summary of Recommendations

Following an intense week of interviews, site tours, and discussion, the panel recognized significant opportunity for the city of Albuquerque to steer a redevelopment of its historic rail yards. The recommendations set forth were formulated to create a large-scale, mixed-use redevelopment program appropriate within the context of the city, the neighborhoods surrounding the study area, and the existing business climate. Summarized below, these recommendations are described in more detail later in this report.

#### Market Potential

Opportunities exist for various uses—specialized manufacturers, performing arts facilities, a public market, film studio operations, departments or specialized training programs of the University of New Mexico, a charter school—on portions of the rail yards property; however, an anchor use, in addition to the WHEELS Museum, will have to be found and is not likely to emerge from the current market. The site's master developer, working in partnership with the city and the state—and being mindful of the needs of the surrounding

communities—will need to seek out this anchor user, whether conventional retail, commercial, or industrial.

**Planning and Design**

Because no single use is likely to absorb the full development capacity of the site, a sustainability-oriented phased development program is appropriate. It should be dedicated to enhancing the property’s environmental quality; preserving and celebrating the iconic, historic character of the existing buildings; establishing permanent, attractive workforce housing; and integrating the rail yards with the surrounding neighborhoods. The report describes each phase in detail and provides architectural and landscape renderings.

**Development Strategies**

The city should select a sound master developer for the redevelopment of the rail yards. The planning process for the property must follow, and not precede, the selection of the developer. The property must be rendered as appealing as possible by eliminating existing hurdles to successful development before exposing the property to the marketplace. Several predevelopment considerations, namely, addressing easements held by BNSF Railway, ensuring environmental remediation of the site, and creating a special zoning district for the rail yards with use categories and incentives specific to the site, should each be settled.

**Implementation**

Predevelopment implementation strategies include appropriate marketing of the rail yards, emphasizing the importance of job creation and economic development as a result of the redevelopment, and appointing an advisory board to oversee the development process. At the project level, the panel advises ensuring connections are made from the rail yards site to downtown Albuquerque and surrounding neighborhoods, as well as performing site-specific activities, including environmental remediation, demolition of nonessential buildings, and selection of a nonprofit entity to oversee the construction of the 30 units of workforce housing.

**Figure 1**  
**Existing Buildings on Albuquerque Rail Yard Site**

Facility	Year Built	Square Feet	Stories
Machine Shop	1921	165,000 <sup>1</sup>	1 <sup>2</sup>
Boiler Shop	1923	58,100 <sup>3</sup>	1
Transfer Table	Pre-1919	36,000	0
Blacksmith Shop	1917	24,867	1
Storehouse	1915	18,900	1
Tank Shop	1925	18,564	1
Sheet-Iron Shed	Pre-1919	13,950	1
Turntable	1915	11,309	0
Flue Shop	1920	8,878	1
Firehouse	1920	3,936	2
Washroom	1919	3,640	1
Locker Room	1919	2,964	1
Assembly Hall	1922	2,800	1
Babbit Shop	1924	2,250	1
Motor-Car Garage	Pre-1931	1,512	1

<sup>1</sup> 3.8 acres.    <sup>2</sup> With mezzanine.    <sup>3</sup> 1.3 acres.

Source: Chris Wilson, “History of the Rail Yard Site,” University of New Mexico.

# Market Potential

**P**lanning for the redevelopment of a major site begins with determining what market support exists for alternative uses. Developers seek land uses that can sustain them over the long run and ideally attract significant private investment to pay for the site improvements. Market analysis provides guidance about the demand for certain types of uses by looking at comparable developments in the local market to understand how much space is needed and what people are willing to pay for that space.

To assess the market potentials of the Albuquerque rail yards, the panel reviewed the full range of traditional uses, but this site does not lend itself to traditional solutions. The unique nature of the site, its historic buildings, and its location will demand a special set of uses. Given the size of the site, long-term sustainability will demand multiple uses that feed on and support each other, allowing the project to change over time as market support ebbs and flows for different types of uses. Around the country, strong developments and communities that attract and retain users, tenants, and residents over several years benefit from the synergies of combining commercial, residential, arts, and other uses in a high-quality environment that encourages pedestrian activity and interaction.

## Economic Overview

To set the overall context, the Albuquerque area is a medium-sized metropolitan area with a population of roughly 835,000 residents. The area has enjoyed steady growth in recent years, and the Mid-Region Council of Governments projects the region's population will reach 1 million in the next 13 to 15 years. That represents an annual growth rate of 1.34 percent. Within the region, the city of Albuquerque represents 60 percent of the regional population and is growing slightly faster than the region as a whole (1.37 percent annually).

Historically, the economy has been driven by governmental activities—Kirtland Air Force Base, Sandia National Laboratories, and the University of New Mexico. More recently, the technology industry has become a major economic generator, including Intel Corporation, optics, biosciences, renewable energy, and digital media/film. Metropolitan area employment has grown from 357,400 jobs in 2000 to 397,500 jobs in 2007. Government provides 20 percent of all area jobs, followed by 16.1 percent in professional and business services, and 12.2 percent in educational and health services. Unemployment is relatively low, averaging 4.0 percent in 2006.

Turning to individual land uses, the panel considered office, industrial, hotel, residential, and retail uses, examining the current market conditions, the demand for space, the competition that development on the rail yards would face, and the future prospects and what they mean for the rail yards.

## Office Market

For many developments, office is a major use and economic generator that funds the site improvements and attracts daytime activity. Albuquerque's office market is relatively limited with 12.8 million square feet, compared with 96 million square feet in Denver and 61 million square feet in Phoenix. The market is relatively slow, with vacancies of 10.8 percent in the region as compared with an ideal of 5 to 10 percent.

Grubb & Ellis reports average office rents of \$22 per square foot for Class A space and only \$14.32 for Class B space. These rates compare with average Class A rents of \$26 in Denver and \$30 in Phoenix. As a result of these low rents, construction is limited to build-to-suit buildings for owner-occupants. Last year saw construction of only 303,000 square feet of new office space across

the region. Demand totaled less than 280,000 square feet in 2007 as measured in terms of net absorption.

Geographically, the North I-25 submarket represents 23 percent of the region's inventory (2.9 million square feet); Downtown is close behind with 2.6 million square feet, or 20 percent of the regional inventory. Uptown represents another 1.8 million square feet, or 14 percent of the regional total.

Into the foreseeable future, rents do not support new construction of speculative, multitenant space rather than single-tenant build-to-suit space. To justify private investment in a new building, the developer would need to receive rents in excess of \$30 per square foot—substantially higher than prevailing rents of \$22 per square foot for Class A space.

The rail yards site does not offer a prime office location. It lacks the easy transportation access and the concentration of other office users that attract tenants. This finding means that the site has no market potential for office space except a small amount ancillary to another use.

## Industrial Market

Albuquerque's industrial market represents almost three times as much space as the office market with a total inventory of 35 million square feet. Industrial space encompasses a variety of products. In the Albuquerque market, almost one-half of the space is general industrial space for manufacturers, contractors, and industrial services. Warehouse/distribution represents 40 percent of the space, and the rest of the space is research and development (R&D)/flex space (single-story buildings that can be configured for a mix of office and warehouse/showroom space). At the end of 2007, the region had 2.1 million square feet of vacant space, 5.9 percent of the total.

Demand for industrial space averaged 1.1 million square feet in 2007, distributed 52 percent in general industrial space, 25 percent in warehouse/distribution, and 23 percent in R&D/flex space. New construction added less than 150,000 square feet in 2007.

**Figure 2**  
**Albuquerque Metropolitan Employment by Sector, 2006**

Industry	Employment	Percentage
Information	9,400	2.4
Transportation, Utilities	10,500	2.7
Other Services	12,200	3.1
Wholesale Trade	13,300	3.4
Financial Activities	19,300	4.9
Manufacturing	24,000	6.1
Mining/Construction	31,200	8.0
Leisure and Hospitality	38,400	9.8
Retail Trade	43,800	11.2
Education and Health Services	47,900	12.2
Professional and Business Services	63,200	16.1
Government	78,600	20.1
<b>Total</b>	<b>391,800</b>	<b>100.0</b>

*Source: U.S. Census, 2006.*

Almost one-half of the space is located in the North I-25 submarket. The South Valley, Airport, and Mesa del Sol market includes 3.75 million square foot, 11 percent of the region's inventory. Mesa del Sol is a major new industrial development with recent development for digital media and film studios, solar array manufacturers, and an announced electric car assembly plant.

The rail yards suffer from difficult road access for trucks because of the distance from I-25 and the need to travel through a residential area to reach the site. This access deficiency will inhibit demand from conventional industrial users, particularly warehouse/distribution uses that depend on efficient truck movements. Those users will continue to favor low-cost sites with superior accessibility. The rail yards site is also less competitive because of its distance from other industrial users and the operational efficiencies provided by location within a cluster of industries.



**Figure 3**  
**Residential Units Authorized by Building Permits,**  
**City of Albuquerque**

Year	Single Family	Duplex	Multifamily		Total
			3–4 Units	5+ Units	
2006	3,420	–	27	730	4,177
2005	4,764	–	41	273	5,078
2004	5,119	–	54	324	5,497
2003	5,084	298	97	702	6,181
2002	4,217	–	91	1,121	5,429
2001	3,671	–	24	646	4,341
2000	3,412	–	40	70	3,522
<b>Average</b>	–	–	–	–	<b>4,889</b>

Source: U.S. Census, 2006.

The specialized facilities at the rail yards may have appeal and use for specific manufacturers who can benefit from a southwest location with good rail access. The building heights, overhead cranes, and load-bearing floors of rail yards facilities may offer opportunities for such industries as prefabricated housing. They have already proven to be attractive to film studios that can make good use of the high ceilings and clear spans.

### Hotel Market

Albuquerque has more than 16,700 hotel rooms: 2,746 in downtown and Old Town. Albuquerque attracts 5 million overnight visitors annually, including tourists from around the country who come to enjoy the Albuquerque/Santa Fe/Taos region. About 71 percent are leisure visitors, with the remaining 29 percent split between business visitors and those attending conventions, meetings, or training. The city's convention business has lagged over the last decade or two as other cities have invested in their convention facilities, hotels, attractions, and downtown amenities.

Overall, the region's hotels achieved a 62 percent occupancy rate with an average room rate of \$70.96 per night in 2007. Typically, a healthy hotel market will have an overall occupancy rate in excess of 70 percent.

Downtown's hotel market has been constrained by the limited inventory of hotel rooms and limited support infrastructure. Associations, trade shows, and meeting planners seek locations that will attract attendance and typically want to see enough hotel rooms close to the convention center and each other to house their delegates in one place. They also want to see walkable access to good restaurants, entertainment, services, and attractions. Compared with other convention destinations, downtown Albuquerque has trouble competing. With the renovation of La Posada Hotel, extension of the Rail Runner to Santa Fe, and other investments in downtown attractions, the demand for additional hotel space will grow.

Currently, the rail yards cannot compete for a hotel. The site does not have the access and visibility typically required by hotels, and it is too far from downtown and the convention center. However, a dynamic mixed-use development on the rail yards may create an environment sufficiently active and attractive to support an extended-stay hotel in a later phase, either on the site itself or on the 7.2-acre site to the north, closer to downtown.

### Housing Market

With Albuquerque's rapid growth, the region has seen construction of an average of almost 4,900 new housing units annually from 2000 through 2006. Much of that development has moved outward from the city and is now focused to the northeast and west, well away from the rail yards. The region's development pattern is relatively low density with single-family units accounting for 87 percent of all new residential construction since 2000. Although the trend has been toward the city's urban fringe and beyond, the renovation of the old Albuquerque High School in East Downtown to residential units, as well as several other residential infill projects downtown, shows promise for future housing market viability proximate to the rail yards.

### For-Sale Housing

In the residential for-sale market, 5,410 single-family units were sold in the Greater Albuquerque Area in 2007. They had a median price of \$197,000 and an average price of \$242,000 in the first half of



2007. Townhouses and condominiums accounted for another 582 units with a median price of \$149,500 and an average price of \$161,000. Those figures mean that not much more than 300 units sold for less than \$150,000 in the entire region.

Median prices have increased 34 percent since 2003, but trouble in the mortgage financing industry has led to a slowdown in development. Permits issued in September 2007 were about half the number issued in 2006.

### Rental Housing

In the regional rental-housing market, the Apartment Association of New Mexico surveyed almost 7,500 apartment units in the city. Just under 5 percent of the units were vacant, which indicates a market in healthy balance between supply and demand. The age of rental apartments in the city averaged 24.2 years, reflecting the limited construction of new rental apartments in recent years.

In the summer of 2007, rents for a one-bedroom apartment averaged \$575 per month without utilities; a two-bedroom, two-bathroom apartment averaged \$761 per month without utilities. These rents compare with the roughly \$1,500 monthly rent that would be required to justify private new construction on fairly inexpensive land.

### Workforce Housing

Workforce housing is in high demand. The median income for all households in the city in 2006 was \$43,021. To afford a two-bedroom, one-bathroom apartment at \$585 per month, a household would need an annual income of at least \$25,000. More than 57,000 Albuquerque households have incomes below that level. Of Albuquerque households, 37 percent had documented housing problems in 2000, according to the U.S. Census. That means they were spending more than 30 percent of their income for housing or they were living in overcrowded housing or in units with physical defects.

Among renters, the problems are even more widespread. More than 18,700 renter households spent a higher share of their income for housing than the U.S. Department of Housing and Development (HUD) judges to be affordable. In 2006, only 331 affordable rental-housing units were built.



### Downtown/Barelás/South Broadway Developments

The Downtown 2010 Sector Development Plan emphasizes development of downtown and near-downtown housing to provide greater vitality during nonwork hours and to support downtown restaurants, retail, and amenities. Almost all of the new downtown housing has occurred north of Coal Avenue. A major new development has been announced for the old Greyhound site opposite the Alvarado Transportation Center. It will bring 120 workforce housing units, live/work units, and 72 market-rate townhouses to the area. Prices of new townhouses range from \$240,000 to \$495,000, or \$220 to \$240 per square foot. This rate compares with development costs of \$190 to \$200 per square foot. Rental housing is only affordable with outside financial support from low-income housing tax credits or other federal or city incentives.

Housing in the Barelás and South Broadway neighborhoods is only about one-half owner occupied; the remainder is rented. The neighborhoods have seen a few new small infill developments to date. Some new households are being attracted to buy in the neighborhoods by the availability of good-quality historic houses at relatively affordable prices close to downtown. Some reports indicate significant buying activity in the area as spec-

New infill housing project recently constructed in the Barelás neighborhood.

ulators buy properties, anticipating that housing demand and prices will increase in future years.

For the rail yards, these market conditions mean that new housing development should include workforce units with permanent affordability protections. Although mixed-income housing will be important for the community's development, the private market will be unable to build mixed-income developments without continued financial support from the public sector.

Market-rate housing of any size will need to wait a few years until stronger connections to the downtown can be created and current projects begin to create a new image and market acceptance for the area. Attracting a major user for the rail yards could accelerate residential development by bringing new jobs and activity to the area. Ideally, new residential development would be focused on the 7.2-acre site to the north of the rail yards and on infill lots in both the Barelás and South Broadway neighborhoods.

In the short term, opportunities exist to develop some workforce housing on the site, which would have particular appeal for artists and young people. Industrial loft space is very appropriate for artists who need large work spaces that can accommodate large pieces of art and quasi-industrial fabrication techniques (for example, welding or kiln firing).

In the longer term, the demand for market-rate housing in the area is likely to focus on younger single people and childless couples who value proximity to work or transit and do not depend on local schools. New developments will need to emphasize the quality of public spaces and provide a variety of units to appeal to different segments of the market, including townhouses, duplexes, loft apartments, and conventional three- to four-story apartment buildings.

## Retail Market

The potential for retail as a major part of the rail yards redevelopment is critical for two reasons. First, it is the presence that people often first see and most easily recognize on a site; thus it will play a major role in defining the project's identity.

Second, retail can help cross-subsidize other desired, but less profitable, uses in the project's overall mix.

For this reason, it is important that retail potential for the site is analyzed in depth so specific recommendations can be made. The following analysis addresses relevant factors and constraints of the site, assesses potential competition, references key demographic data, and introduces market possibilities.

## Site Factors and Constraints

Despite the rail yards' prominent location in downtown Albuquerque, the following factors both support and limit the property's potential for redevelopment.

**Visibility and Access.** The rail yards site is visible from I-25 because of the sheer size of its buildings, namely the machine shop. This factor alone positions the property's redevelopment as high profile and will generate attention, giving the chosen project a chance to establish itself while effective retail anchors will provide longer-term exposure to the target market.

The streets abutting and leading to the rail yards are primarily residential in character and therefore lightly trafficked. Both 2nd and 3rd streets accommodate 3,600 cars per day; 4th Street, 7,000.

Conversely, the nearby Avenida Cesar Chavez is a major arterial road connecting Yale Boulevard to the southwest side, offering access to and from I-25 and providing one of the few crossings of the Rio Grande in the Albuquerque region. It accommodates 39,000 cars per day.

In terms of regional access to the site, motorists coming from I-25 would rely on 3rd Street (via Lead Street) or 4th Street (via Avenida Cesar Chavez). Switching 3rd Street from one way to two ways would mean that those using Avenida Cesar Chavez would take 3rd Street rather than 4th. In either case, development on the site would generate additional automobile traffic on local roads.

An alternative is to build an off-ramp from Avenida Cesar Chavez westbound into the rail-road-owned property to the immediate south of

the site. Access from I-25 would then be more direct. Current estimates place the cost of such infrastructure at \$2 million to \$4 million.

With regard to pedestrian access, residents of Barelás can use perpendicular side streets like Pacific Avenue or Santa Fe Avenue to access the rail yards. No crossing to or from the South Broadway neighborhood exists between Coal Avenue and Avenida Cesar Chavez, however, and little prospect exists of one at grade (street level).

**Historic Buildings.** Two of the existing buildings on the site—the 165,000-square-foot Machine Shop and the 58,100-square-foot Boiler Shop—offer the large, high-ceilinged, open spaces that can be easily adapted for big- and medium-box retail, although these sorts of tenants tend to prefer to stack merchandise and shelving along walls, which in this case could block natural light from entering lower portions of the buildings. Other structures, such as the 24,867-square-foot Blacksmith Shop, the 18,900-square-foot Storehouse, and the 18,654-square-foot Tank Shop, do not have the proper dimensions for such users, but could be appropriate for smaller retailers or even vendor-filled markets.

Stand-alone buildings, such as the 3,936-square-foot Firehouse, have been considered for sit-down restaurants. They would be just large enough for such purposes, but buildings smaller than 3,000 square feet would have to content themselves with fast casual food or specialty food/drink operators.

**Site Planning.** Retail use will present certain practical challenges to site designers, with parking being the most formidable. In addition, particular retail categories might have a locational bias. Grocery stores and other convenience-oriented uses, for example, would want to be placed on the edge of the development, with in-front parking, to facilitate easy in-and-out access for residents from surrounding communities.

At the same time, on-site retail will benefit from the traffic generated by other uses. For example, the WHEELS Museum would function synergistically with food and drink operators, while the residential housing component would direct customers to convenience-oriented businesses. Care should be taken, however, not to overestimate the level of

such on-site demand: the sales generated by up to 30 workforce housing units, for example, represent just a drop in the bucket in comparison to what merchants would need to be viable.

**Adjacent Neighborhoods.** The retail mix on the rail yards site would need to complement the businesses that exist (or could materialize) on the nearby commercial corridors of 4th Street and South Broadway. Currently, not much impact would occur, given the limited offerings on each of those two streets, but successful redevelopment would almost certainly generate new customers for what does exist. This possibility is especially pertinent for the 4th Street corridor and its existing retailers, because many are a short two-block distance from the property and located near several key access points to the rail yards.

Retail possibilities complementary to what currently exists downtown, however, are another story. The region views the rail yards site as part of downtown, but in certain categories, some retail categories would compete directly with existing downtown businesses or with ones that would otherwise consider locating there in the future. Sit-down restaurants are a prime example.

### Competition

An analysis of competitive retailing is essential to the task of determining how the property's retail potential may fit within the larger marketplace and what niches it might try to occupy or capture. Moreover, retail will have to contend not only with existing competitors in the community but also with ones that will materialize after redevelopment is underway. The panel has made redevelopment recommendations for both consumers and tenants on site.

**Regional Shopping Destinations.** At present, the Albuquerque region consists of four shopping areas with the ability to draw from across the region. Two are conventional enclosed malls, one is a lifestyle center, and the fourth is a traditional business district.

The Coronado Center is in the city's Uptown district, on Louisiana Avenue north of I-40. Opened in 1964, it is now owned by General Growth Properties, the nation's second-largest mall developer.



Right and below: Retail mix in Nob Hill, Albuquerque's vibrant, walkable shopping district.



At 1,150,000 square feet, Coronado Center is New Mexico's largest mall. With Sears, JCPenney, Mervyn's, Macy's, and Barnes & Noble as anchors, it can be characterized as a middle-market center, and with sales of roughly \$350 per square foot as of 2003, as an average performer.

The Cottonwood Mall is in the West Mesa area, at the intersection of Coors Boulevard and Coors Boulevard Bypass. Opened in 1996, it is owned by Simon Property Group, the nation's largest mall developer. At 1,041,000 square feet, it is New Mexico's second-largest mall. Sears, JC Penney, Mervyn's, Macy's, Dillard's, and United Artists anchor the complex, making it another middle-market center, with sales in the \$300s per square foot as of 2003. It, too, qualifies an average performer.

The newest addition is ABQ Uptown, in the Uptown district on Louisiana Avenue north of I-40. Developed by Hunt Development Group and opened in 2006, it is New Mexico's first lifestyle

center. Its 220,000-square-foot retail space, in the form of an open-air, faux-downtown setting, consists primarily of upmarket national comparison goods (for example, clothing, shoes, and furniture) and sit-down restaurant brands, most of which are new to the state. Future phases will include residential and hotel uses as well as additional retail.

Nob Hill, on Central Avenue, roughly between Girard Boulevard and Carlisle Boulevard, is Albuquerque's most vibrant and successful walkable shopping precinct, with a stylish mix of boutiques and restaurants, including a smattering of smaller national and regional "chain-lets" (for example, Buffalo Exchange, Il Vicino, El Paso Imports, Flying Star/Satellite Coffee). Although driven largely by its proximity to the University of New Mexico, this area has become the region's consensus "cool" business district.

With a clutch of bars and clubs as well as a movie multiplex, Downtown is a regional nightlife destination for the 20-something set, but it has yet to establish itself as a serious dining or shopping alternative. It has a surprisingly small number of sit-down restaurants and a limited collection of high-end boutiques (on Gold Avenue) that are reportedly struggling. Furthermore, its focus on an "events center" with a decidedly mass-market orientation is unlikely to change its current underlying dynamic.

Finally, East Downtown, while not yet a regional force in terms of location, is fast emerging as Albuquerque's newest "hip" district, largely a result of Rob Dickson's energy and creativity. Indeed, East Downtown is developing the restaurant cluster that Downtown has been unable to realize, and with its effective branding and superior visibility, it will be increasingly competitive for retailers as well. Also, with an inventory of available ground-floor space, it will be able to take advantage of a spillover from Nob Hill in regard to attracting new business.

**Regional Shopping Destinations: The Future.** The 12,500-acre Mesa del Sol project, being developed by Forest City Covington to the south of the Albuquerque International Sunport, will likely create a fifth major shopping destination for the Albuquerque region. The project includes plans to

develop in 2010 an “urban center” (that is, a big-box/faux-downtown hybrid) at the project’s primary gateway, a new I-25 interchange, less than five miles from the site.

**Community Draws.** The rail yards site has the potential to look to other community-level draws as anchors for retail development. Examples include discount department stores (general merchandise) and full-service supermarkets or supercenters (general merchandise plus full-service supermarket).

Target’s current locations in the Albuquerque region suggest the possibility of an additional store in the South Valley. However, a Super-Target is planned as part of a large-scale development at the intersection of I-40 and Unser Boulevard, roughly 4.5 miles from the property. Meanwhile, two Wal-Mart Supercenter stores already exist approximately 3.6 miles away, on Coors Boulevard Northwest and on San Mateo Boulevard Southeast.

The surrounding neighborhoods include a number of smaller or second-tier grocery operators. The closest full-service chain is Albertsons, with branches at Central Avenue and Coors Boulevard, and at Isleta Boulevard and Rio Bravo Boulevard, both less than four miles away. Smith’s operates a smaller, 30,000-square-foot location at Yale Boulevard and Coal Avenue, less than three miles away.

In regard to ethnic specialty markets, Pro’s Ranch Market, a small regional chain with locations in California’s Central Valley, Arizona, and Texas, is opening its first Albuquerque store. It is a 60,000-square-foot category killer in a former Wal-Mart space at Central Avenue and Atrisco Drive, just across the Rio Grande from downtown Albuquerque. El Mezquite, a smaller local chain, operates a 9,000-square-foot grocery at Isleta Boulevard and Rio Bravo Boulevard, also across the river.

**Basic Demographics.** At least 35,000 people live within a five-minute drive of the rail yards. Income levels are low, with a median of roughly \$29,000—and even lower in subareas like Barelás. About 65 percent is characterized as Hispanic, with that population rising. Almost 16 percent of the households do not own cars, and this percent-

age is likely higher in the neighborhoods closest to the site.

Within a ten-minute drive of the property are roughly 186,000 people. The median income of this larger radius is higher, approximately \$38,000.

### Retail Potential

The rail yards site is unlikely to be the location for Albuquerque’s next regional shopping destination. Presently, the city’s southwest quadrant is the most undersupplied, and the demographics suggest the possibility of midmarket draws. But the big-box centers to the west of the Rio Grande and the highway-accessible retail development planned for Mesa del Sol will absorb a considerable amount of consumer demand and tenant interest in the South Valley going forward. Furthermore, the redevelopment of this site cannot accommodate the retail square footage or the accompanying parking that would be needed to create such a regional-scale retail destination.

**Community Draws.** Given the low income levels in nearby neighborhoods and the SuperTarget planned at I-40 and Unser Boulevard, a Target store is probably unrealistic at this juncture. Wal-Mart is more likely to be interested, although with either of these operators, the parking requirement—ranging from 500 to 1,000 spaces, depending on the size of the store—would prove prohibitive.

Given the absence of a top-tier, ethnic-oriented brand (for example, Pro’s Ranch Market or El Mezquite) east of the Rio Grande, and the niches left unoccupied by the conventional (Albertson’s, Smith’s) and low-cost (Wal-Mart) operators, the site could probably support a specialty grocer. In this case, it should be a crossover hit similar to Talin Market World Food Fare, merchandised to cater directly to this particular market’s heavy concentration of ethnic households as well as its growing number of white loft-dwellers: for example, a cross between an El Mezquite and a Sunflower Farmers Market.

Such a store would need one parking space per 150 to 200 square feet and a location on the edge of the development with storefront parking. Furthermore, better pedestrian access to surrounding neighborhoods would need to be secured. Never-

theless, a specialty grocer would indeed help anchor other retail uses, such as a growers or public market, and promote nonretail uses, such as housing, not to mention respond to the oft-stated wishes of local residents.

Smaller, convenience-oriented businesses, such as a coin-operated laundry, have also been proposed as a needed amenity accompanying redevelopment. Unlike a grocery store, however, such businesses could be accommodated on 4th Street or as part of a larger, targeted local economic development effort focused on promoting commercial activity nodes on Avenida Cesar Chavez and Pacific Street. There, they would be more convenient to the residents of Barelás, would not have to compete so fiercely for access or parking, and would not require space that might be more attractive to a wider range of potential retailers interested in the rail yards redevelopment.

**Public Market.** A growers market or public market that includes a more substantial crafts component would help generate activity as part of the redevelopment program and promote an emerging brand of the project at large. Examples from across the country should be analyzed and consulted, not only the well-known ones, such as Philadelphia's Reading Terminal Market, but also lower-profile, more ethnic-specific successes, such as Grand Central Market in Downtown Los Angeles and Mercado Central on Minneapolis's Lake Street corridor.

A growers or public market would not be a money-making use in this case and would require considerable subsidy. Some sort of anchor store, however, would help increase general traffic and sales. At Plaza Fiesta, an ethnic-themed mall in suburban Atlanta, the central flea market, with its nearly 300 vendor booths, is provided a stream of possible customers by the presence of a Burlington Coat Factory and Marshalls. At the rail yards, such a large-footprint retailer would require too much parking, but a smaller-format specialty grocer, as previously mentioned, would have a similar effect.

**Food and Drink.** Food and drink concepts—sit-down and “fast-casual” eateries (for example, Panera Bread, which offers higher-quality ingredients),

cafés, and so on—can take advantage of on-site traffic generators like growers markets, university departments or programs, and film studios. Also, restaurants are an appropriate “pioneer” use in untested areas, because diners are often willing to travel significant distances and suffer great inconveniences for destinations with distinctiveness, reputations, or “buzz.” Local examples in this case include the Barelás Coffee House and the Red Ball Café.

## Market Conclusions

Traditional uses will not provide sufficient economic support for a feasible development. Successful redevelopment will need a major user or group of users that can do any or all of the following: take advantage of the historic buildings with limited changes, bring their own funding, and draw regional support.

The following uses offer potential for portions of the site:

- specialized manufacturers;
- artist studios;
- a growers market;
- film studios;
- departments or specialized training programs from the University of New Mexico or Central New Mexico Community College focused on media arts or film-related programs;
- a charter school specializing in the media arts; and
- possible increases in mixed-income and market-rate housing.

After a major user anchors the site, joining the WHEELS Museum, additional users will follow to take advantage of the new environment created, the pedestrian activity, or connections to the anchor use. The mix of uses can expand, and the project will be able to achieve the synergies of a mixed-use development.

That anchor user is not likely to emerge from analyzing the current market. The uses cannot be

prescribed or the site planned in advance. The anchor user will need to be sought out and recruited to the site by the master developer, working in partnership with the city, the state, and other entities. The city will need to attract the developer and the major user and then plan the redevelopment together with the community.

# Planning and Design

**B**ecause the redevelopment of the rail yards is expected to provide the city of Albuquerque and its surrounding neighborhoods with “a unique physical asset,” the development scenarios in this section represent a mix of uses potentially feasible for the property.

The assessment of market potential indicates that to achieve its objectives for redevelopment of the rail yards, the city needs to take several steps to ensure that the economic sustainability of the site can support the anticipated anchor and supporting uses. In addition to economic sustainability, numerous opportunities to embrace sustainability that fosters resource conservation, energy efficiency, and sustainable landscaping are pertinent to the redevelopment vision for the site. Toward the goal of achieving LEED (Leadership in Energy and Environmental Design) certification for the redevelopment project, the panel has carefully considered numerous principles of sustainable development. Mindful of this goal, the panel proposes including sustainable design principles for their community benefits.

In this section, the panel’s report begins with site plan review and master planning, then discusses sustainable design, and finally introduces the development scenario itself. The panel hopes that the developer ultimately selected for the redevelopment of the property will pursue these planning and design recommendations to the greatest extent possible.

## Site Plan Review and Master-Planning Guidelines

Site planning gives strong professional leadership and technical expertise for all predesign, master planning, design, and construction activities. The city of Albuquerque should provide leadership during the planning phase and can be the bridge and coordinator between different stakeholders

and agencies involved in the rail yards redevelopment. Stakeholders typically include the developer, city public works departments, and the design review committee. A comprehensive planning approach involves providing support and guidance to the developer regarding all preconstruction issues, as well as coordinating specialty consultants—environmental, architectural, urban design—that might take part.

The greatest benefits of a master-planning approach to project development in an existing historical site derive from sound decisions made during the project’s planning phase. At this point, sufficient flexibility still exists to identify major planning objectives, such as community linkages and open space (discussed later). Facilities for joint use by services (businesses) and the public can be planned without the constraints of other project demands, such as cost and time limitations, and built into the project.

In addition, the project should be committed to creating high-quality environments—places that provide well-planned, high-performing, healthy environments that foster tenant satisfaction and well-being, as well as centering the community.

Master planning for adaptive use of the rail yards should create strategies for development of the physical environment, recommend planning and implementation guidelines, and established design characteristics. The planning process should achieve the following goals:

- Plan for the following specific uses: WHEELS Museum, public market support shops, restaurant at the Firehouse and other locations.
- Use outdoor gathering spaces as shared spaces for community integration, and place smaller outdoor spaces within each level of project use.





Left and below: In addition to any new construction that may take place on the rail yards, the panel believes the existing historic buildings are ideal candidates for rehabilitation using the highest standards of sustainable design. The Boiler Shop is shown at left and the Machine Shop below.



What is and what could be: Architectural renderings of adaptive use design styles potentially appropriate for the large interior spaces of the Machine Shop and other existing buildings on the rail yards property.



ARCHITECTURAL RENDERINGS BY GVK WORKS



- Provide for general use facilities, including a library, media center, fitness center, and dance centers.
- Ensure that each level of land use occupies identifiable, contiguous vertical or horizontal space.

Planning for the physical environment should address strategies for the use of public spaces among users of the rail yards and adjacent neighborhoods. Specifically, planning should

- Establish a unifying “identity.”
- Identify flexible/general-purpose spaces.
- Plan shared spaces to accommodate community joint uses.
- Use outdoor gathering spaces as shared spaces for community integration, and place smaller outdoor spaces within each level of project use.

During the planning process, design characteristics should be established to guide future development in the rail yards. The design characteristics should:

- Shape the identity and focus of the design with a shared and compelling vision for each land use level.
- Integrate open space with adjacent communities.
- Organize spaces for teaming and collaboration within each level of land use.
- Use flexible design for flexible and convertible programs.

These elements will work to guarantee that buildings are “flexible and convertible” and that other spaces are able to support a range of market potentials, including those proposed here and others yet to be identified.

## Sustainable Design

The panel advocates the objective to build out the property as a sustainable community of multiple uses that supports energy conservation, minimizes long-term maintenance of buildings and grounds, and uses water resources conscientiously.

## Landscape Approach: High-Performance Green Spaces

Any adaptive use project can be sustainable and include high-performance facilities that are restorable or designed, built, and operated in an ecological and resource-efficient manner. The panel recommends the following as a goal of potential redevelopment:

- Integrate the open spaces on the property with existing structures to create a residential live/work community.
- Develop adjacent community parks, strategically placed, that promote joint use of open spaces and buildings to serve the larger community.
- Include tree planting of native species that shade structures and minimize the use of air conditioning, encouraging the use of operable windows to let fresh air circulate through buildings.
- Choose permeable xeriscaping as a stormwater management strategy to capture rainwater, which can then be reused as graywater in the operations of some buildings.


These strategies ultimately will allow the rail yards buildings and their surrounding landscapes to function in harmony as both independent and collaboratively sustainable environments.

## Architectural Approach: Sustainable Building Design Goals

Because many of the rail yards buildings are intact and retain their stately character, their context, history, and service to the community should be considered in the context of overall redevelopment of the property. With sustainable building design goals in mind, the panel recommends considering the following issues for retrofitting existing buildings, where applicable, and new construction:

- Explore contemporary architectural solutions to enhance existing buildings.
- Maximize daylighting in buildings, and consider orienting views toward open spaces to connect interiors and exteriors.



- |   |   |
|---|---|
|  Pedestrian Greenway |  Turntable Plaza Linkage |
|  Barelas Linkage     |  South Broadway Linkage  |

Proposed community links to and from the rail yards. The linear greenway along 1st and 2nd streets would strengthen the city's urban fabric by promoting greater pedestrian activity between downtown and the rail yards.

- Choose building materials that have low emissions of volatile organic compounds, are regional in origin, are renewable, and are recycled.
- Consider building orientation and photovoltaic systems as a renewable energy source, given the abundance of sunlight in New Mexico.
- Improve building energy performance by using high-performance heating, ventilation, and air-conditioning systems; energy-efficient lighting systems and fixtures; and Energy Star-approved appliances.
- Consider other on-site alternative or renewable energy sources (wind, biomass, geothermal).
- Consider locally generated or cogeneration power systems if new infrastructure is required on site.
- Install low-flow plumbing fixtures for water conservation.
- Reduce the heat-island effect by installing high-albedo roofing or skylights.

## Community Links

Given the rail yards' location between two communities, a primary goal of the redevelopment vision is to embrace the history and cultures of the Barelas and South Broadway neighborhoods and to ensure adequate public amenities are included for their residents. The dedication of workforce housing and community open space can help achieve this goal.

First, however, a review of the importance of design conformity to complement and link the adjacent neighborhoods is relevant. In traditional neighborhoods, design conformity works to ensure that each planning element evolves in unison and ultimately provides a sense of place to the project. The approach to the development of such a design vision begins with a full understanding of existing land use plans and community expectations to ensure conformity of the following elements:

- Pedestrian scale;
- Visual corridors;

- Open space/village greens/natural features;
- Residential corridor links;
- Urban edges;
- Opportunities for recreation and education;
- Appropriate barriers;
- Specified planting;
- Appropriate scale and proportion;
- Adequate pedestrian/bicycle linear corridors;
- Consistent design style; and
- Sensitive use of color and materials.

For the rail yards, a workforce housing component may use characteristics and elements of neighborhood housing styles together with design elements derived from space and function, as well as influences of neighboring architecture, traditional to New Mexico.

To preserve and restore elements of the property's historic character, rehabilitation of the Transfer Table to a plaza and of the Turntable to community parkland can serve as interpretive, archeological open space with graphic depictions of the historical significance of the site. This use will remind community members of their connection to the site and serve to introduce visitors to the rich history of the rail yards.

The introduction of a community park, a “green” amenity including a pavilion for activities such as weddings, Cinco de Mayo festivities, and cookouts, as well as the potential inclusion of a soccer field, can provide the entire community with much-needed open space for active and passive recreation. This proposal for interpretive space that both preserves elements of the site as archeological remnants and offers “meeting space” is included in the Landscape Program section of the following Development Scenario.

## Development Scenario

Thorough examination of relevant planning processes has informed and shaped the panel's development program for the rail yards. Proceeding



Proposed Phase II and III development program.





- |                                |                     |                                      |
|--------------------------------|---------------------|--------------------------------------|
| 1. Workforce Housing           | 3. Community Center | 5. Zocalo                            |
| 2. Turntable Interpretive Park | 4. WHEELS Museum    | 6. Transfer Table Interpretive Plaza |

Summary of phased development program.

with site development, however, will require taking some preliminary steps to prepare the property, including the abatement of soil contaminants presently on the site.

### Predevelopment Phase

The predevelopment phase will prepare the rail yards for future development by addressing environmental challenges and creating infrastructure. Specific actions include the following:

- Environmental remediation of the site, as necessary, including removal of contaminated soil;
- Demolition of structures determined to be nonessential;
- Creation of surface-level parking at the north end of the project site (entry/exit adjacent to the Firehouse) to accommodate approximately 240 automobiles;
- Infrastructure improvements to accommodate new development, including sewer trunk lines, stormwater management systems, and electrical upgrades;
- Community links via Cromwell Street, Pacific Street, and Garfield Avenue improvements; and
- Development of a linear greenway park to eventually connect the project site to downtown Albuquerque.

### Phase I Development Program

Phase I will begin the process of rehabilitating historic buildings on the site and creating new uses, including the following:

- Architectural upgrades of the Storehouse, Blacksmith Shop, Tank Shop, and Flue Shop, including remediation of potential lead and asbestos present in the buildings;
- Constructing at least 30 loft units of workforce residential housing in the Storehouse and adjacent new construction (totaling a minimum of 37,800 square feet), using historic tax credits as a funding source;
- Housing the WHEELS Museum and gift shop in the Blacksmith Shop;
- Locating a public market in the Tank Shop; and

- Putting a 4,000-square-foot family restaurant in the Firehouse.

### Phase II Development Program

Phase II will continue the development process by adding new residential and retail uses. Specific actions include the following:

- Architectural upgrades of the Boiler Shop for potential Phase II or new uses, including remediation of potential lead and asbestos present in the building;
- Possible introduction of a medium-sized grocery facility to the Tank Shop; and
- Alternative uses, including include retail space dedicated to live/work artisan studios (for example, jewelry, pottery, textiles).

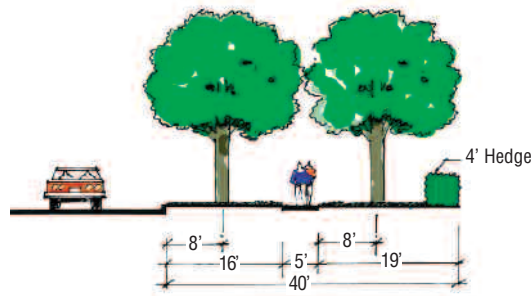
### Phase III Development Program

This phase of the development program features architectural upgrades of the Machine Shop, including remediation of potential lead and asbestos present in the building, for future development yet to be determined. It offers possibilities for sound stage production, light manufacturing, or vertical loft convertible space combining office and apartments.

### Landscape Program

The panel proposes an extensive landscape program designed to connect the rail yards to adjacent neighborhoods and create dynamic public spaces within the rail yards:

- Linear greenway (connection to downtown);
- Community links at Cromwell Avenue and Pacific Street;
- Turntable interpretive park;
- Transfer Table interpretive plaza; and
- Zocalo (central town square or plaza).



Landscape rendering of proposed design for pedestrian greenway and community links connecting the rail yards to downtown Albuquerque and surrounding communities.

### Potential Parking Needs

The panel notes that parking assumptions made in this report may not reflect actual parking demand for the proposed uses. The site is both parking and circulation constrained, and traffic studies should be completed during the predevelopment phase to validate actual parking needs or the feasibility for alternative modes of transport most relevant for serving the project selected.

As indicated in the description of the predevelopment phase, the panel estimates that initial parking needs for the proposed development—totaling approximately 240 spaces—can be built as part of site remediation and infrastructure development. A second parking development will be necessary in conjunction with Phase II development. A second level could be constructed on top of the existing surface parking area to accommodate 200 additional automobiles (projected for Phase II demand).

Parking at the south end of the Machine Shop building can accommodate the approximately 120 spaces projected for Phase III (the Machine Shop building).

# Development Strategies

**F**ollowing the extensive analysis of market potential and the planning and design vision, the panel believes a specialized set of strategies will be necessary to put the city of Albuquerque on a bold and exciting path toward building on existing historical and cultural character to achieve a unique identity and thriving future for the rail yards.

## Goal for the Study Area

The city's goal for the study area must be to ultimately reach a development agreement with a highly qualified and financially sound master developer who will be in a position to repay all of the city's investment, bring jobs to the property, and include substantial components of permanently affordable housing and neighborhood-serving retail in the mix of uses on the rail yards site.

## Strategic Approach

To achieve the stated goal, the city must have the planning process follow, not precede, the selection of a master developer. The city should solicit a request for proposal (RFP) to initiate this process. Ideally, developers who respond to an RFP will control users (for example, light manufacturing, R&D, public marketplace, artist cooperative) who will form the basis of an economic engine for the redevelopment project. Maximum flexibility must be maintained in the process to allow these engines to surface. After a developer is selected, the city can complete the planning process in collaboration with the selected developer and negotiate the public benefit features to be included in the scope of the overall plan.

## Predevelopment Steps

To maximize the number and quality of applicants, the rail yards property must be rendered as appealing as possible by eliminating existing hurdles

to successful development before exposing the property to the marketplace. To this end, before initiating the development process, the city should consider taking the following predevelopment steps that the panel believes are imperative.

## Legal Considerations

The deed from the BNSF Railway to a predecessor owner reserves two very broad easements for the railroad that could have a material and adverse effect on development of the site. The first easement reserves extensive rights over a broad area to access the Turntable and reserves the right to use, replace, and reconstruct the Turntable and the surrounding area and tracks. The easement is so extensive it is the functional equivalent of retained ownership.

The second easement seems to reserve the right to repair and replace tracks, utilities, and the like anywhere on the site where necessary for the operation of the railroad. This easement is extremely broad and not well drafted. Its interpretation, including its time limit, if any, is not free from doubt. Both of these easements should be eliminated or at least clarified and limited.

The same deed passes all responsibilities for environmental cleanup to subsequent owners and contains an extremely broad indemnity in favor of the railroad. These provisions may very well be enforceable, but an aggressive negotiating position with the railroad should test the public policy limitations of such provisions. The environmental remediation of the property is critical. If appropriate, the cause of these conditions should participate in the solution.

Currently, a practical and realistic short-term management agreement is in place for the property. Subsequent agreements with the selected developer, any tenants (including the WHEELS Museum), and all residents (tenants or purchasers) should be drafted with the highest standards of





Before redevelopment, the city must address easements held by BNSF Railway, which, if not eliminated or at least clarified, could adversely affect successful revitalization of the rail yards.

care and include clear statements of operational and financial obligations to protect the city's investment and avoid subsequent, unintended subsidies of noncity operations.

### Planning and Zoning Considerations

The city's ownership of the property presents unique planning possibilities. Because the city is now in complete control of all design and development issues, it should, as noted in the "Planning and Design" section, use this period of ownership to pursue an intense and creative master-planning process. The planning for the site should be dynamic and evolutionary. During this period, the city can control the issues usually subject to zoning through deed restrictions, land disposition agreements, and short- or long-term lease arrangements.

Nevertheless, planning and zoning are different functions. With the input of a qualified land use consultant who has extensive national experience, planning should lead to the creation of a special zoning district for the rail yards with use categories and incentives specific to the site. The zoning district should contain provisions regarding an application process that requires appropriate documentation and studies of traffic, parking, environmental impacts, noise, design guidelines, landscaping, methods for determining public benefits, standards for seeking relief, incentives, and the like.

The establishment of this zoning district gives the city the opportunity to address use issues, such as the incorporation of affordable and workforce housing, density bonuses, parking bonuses and flexibility, and LEED-related building standards. The zoning district should also be drafted with the adjoining Barelás and South Broadway neighborhood sector plans in mind but should be entirely separate. The current SU-2 special neighborhood zone is not sufficiently comprehensive.

The zoning district should specify the process for negotiating and implementing a development agreement that will vest the rights of any developer working with the site. This type of development agreement relates to the entitlement process and should be distinguished from the Alvarado or Paradigm Development agreements.

The panel believes that the city should also adopt a flexible and creative regulatory approach to dividing the property into separate lots or ownerships. The site parcel is large yet tight. It is likely too large for one owner to own and develop, or more important, for funding by one source of financing. A nontraditional approach to creating separate ownership will be required. Most likely, comprehensive cross-easement agreements, operating agreements, shared parking, and utility agreements similar to those for a large shopping mall will be required.

# Implementation

**T**he redevelopment of the historic rail yards is a project that has been highly anticipated because of its size, history, and location within the downtown area of Albuquerque. The effect of the redevelopment on the adjoining neighborhoods of Baretas and South Broadway has also been greatly anticipated. These neighborhoods grew in response to activity on the rail yards and now are challenged to redefine their future while not losing their intrinsic character.

Guided by the themes of the assignment posed by the sponsors, the panel has carefully considered the following implementation strategies. They are relevant to both predevelopment planning and on-site development activities and begin by identifying “big-picture” strategies—marketing, job creation and economic development, oversight of the development process, and the role of the WHEELS Museum as it relates to implementation of the rail yards redevelopment vision—that can be initiated before redevelopment on the rail yards property. The panel then addresses two categories of tasks appropriate at the project level: connections to

downtown and surrounding neighborhoods, and site-specific activities.

## Marketing

The implementation of this redevelopment project will require a very broad view of all the components that can create a great plan. The rail yards property needs to be properly marketed and needs to be made attractive for redevelopment. The marketing program should include the identification of target industries and target markets that the site can serve.

New Mexico has been very successful in attracting and retaining business through aggressive business incentives. The Albuquerque metropolitan area and the state of New Mexico provide the following incentives to reduce the overall cost of doing business:

- Double-weighted sales option;
- Technology-jobs tax credit;
- Manufacturing investment tax credit;
- Gross receipts tax exemptions (Industrial Revenue Bonds);
- Property tax abatements (Industrial Revenue Bonds);
- High-wage-jobs tax credit;
- Job-training incentive program;
- Interstate WATS tax exemption;
- Out-of-state tuition waiver and lottery scholarships; and
- New Mexico film incentives.

The city should also evaluate the potential of developing a Foreign Trade Zone (FTZ) on the site or using the site as an extension of an existing FTZ

If Albuquerque's rail yards are to flourish again and serve both business and community needs, the implementation of predevelopment planning strategies as well as on-site development activities is crucial.



as a means of extending the marketability of the property and maximizing the use of the active rail. The purpose of the FTZ is to attract and promote U.S. participation in international commerce and trade. Merchandise in an FTZ is considered to be outside U.S. Customs territory and is subject to duty only when it leaves the FTZ for consumption in the U.S. market. Exported FTZ merchandise is not subject to duty liability.

The Albuquerque FTZ is just in the process of being activated. In fact, the Barelás Sector Plan identifies the establishment of an FTZ as a recommended program enhancement for the community.

## **Job Creation and Economic Development**

The Enterprise Zone Act was enacted to stimulate the creation of new jobs and to revitalize distressed areas in qualified communities and counties throughout New Mexico. With a strong public/private partnership and a focused strategic plan, such areas can be redeveloped to enhance the business and job opportunities for local businesspeople and residents. The program offers special incentives to businesses in the zone or who locate in the zone. The urban New Mexico zone is in the southwest quadrant of Albuquerque. This program should be reviewed to identify any incentives that could benefit job training and job creation, particularly for the communities of Barelás and South Broadway that are adjacent to the rail yards.

## **Program Implementation and Oversight**

The implementation of the panel's recommended plan must be guided by qualified professionals with experience in development and management of complex projects. These professionals include a highly qualified asset manager to perform the pre-development work, including contracting for the demolition of buildings that will not be incorporated in the final plan and removal of hazardous materials. The firm should have national standing to write, disseminate, and manage the RFP process recommended to identify the developer for the project. Furthermore, the services of an MAI appraiser with extensive experience in appraising industrial buildings should be engaged to

determine the market rent for the WHEELS Museum and any other buildings that will be leased to private entities.

The city has the opportunity to establish an implementation and oversight process that is transparent and inclusive of all the stakeholders who will be affected by the redevelopment of Albuquerque's rail yards. In addition to engaging professionals who are dedicated to the redevelopment process (city government representatives, community representatives, the University of New Mexico, local developers), the city should establish an advisory board. The responsibilities of such an advisory board should include the following:

- Hiring and supervising the asset manager;
- Hiring and supervising the appraiser;
- Supervising the property manager;
- Hiring the writer of the RFP;
- Selecting finalists for the RFP;
- Selecting the master developer; and
- Negotiating the development agreement.

The panel suggests the following membership for the advisory board:

- An elected representative from the Barelás neighborhood;
- An elected representative from the South Broadway neighborhood;
- A professor of architecture from the University of New Mexico whose additional duty would be to protect the architectural integrity of the existing buildings and assist in the negotiations for landmark designation;
- A professor from the University of New Mexico Business School whose duty would be to vet the financial strength of the developer applicants and the viability of the financial plans presented by the finalists;
- A representative from the mayor's office;
- A representative from the governor's office;
- A representative from the state legislature;



The rail yards parcel is occupied by a complex of large industrial buildings, formerly used by the BNSF Railway for locomotive repair operations.



the rail yards property would not exist. Their commitment to the history of the railroad and its significant effect on the development of Albuquerque has brought the redevelopment of the rail yards to this level of discussion and evaluation. The panel, therefore, recommends that the WHEELS Museum is deserving of an honored position in this development process. Given the significant amount of public monies that have been invested and that will be required to bring this project to fruition, however, the museum needs to demonstrate its viability and make an economic contribution to the success of the project ultimately undertaken.

The panel proposes the following terms for the WHEELS Museum's involvement in redevelopment procedures:

- A representative from the City Council; and
- A highly respected local developer whose duty would be to assess the feasibility of proposed uses and the project as a whole.
- The WHEELS Museum should be granted occupancy of the Blacksmith Shop on a leased basis as part of Phase I of the development program.
- The lease should be for a term of five years with recurring five-year options. No payment will be due in the first year.
- Beginning in the second year, the museum should pay market rent for the space. The rent will be determined by the MAI appraiser.

### Role of the WHEELS Museum in Moving Forward

But for the persistence, energy, and dedication of the sponsors of the WHEELS Museum, the current motivation to discuss the redevelopment of

- During the first year, the museum must obtain possession of at least two vintage locomotives and establish a \$60 million endowment for the purpose of covering operating and rent expenses without depending on public subsidy.
- The WHEELS Museum may have a right of first offer, with 30 working days' notice, on adjacent space, provided the museum is current in its obligations.

Museum planning and development is a specific niche activity within the broader world of institutional development. Museums serve a particular educational and cultural function within a community. In addition, museum operations are a critical component to ensure viable programming based on a strategic collection plan and supported by adequate staffing, an appropriate budget, and a generous endowment sufficient to allow a museum institution to serve its mission.

Albuquerque currently is home to several museums, some located on the University of New Mexico campus. The Albuquerque Museum of Art and History, for example, had an attendance of 113,799 in fiscal year 2007. Given the metropolitan population base in combination with 5 million annual visitors, the city seems to be particularly well served by this market. As a result, the proximity of the rail yards to downtown Albuquerque is a significant asset and can provide a link for those 5 million visitors to visit a new destination. The WHEELS Museum needs to determine a reasonable "capture rate" for these visitors, as well as for local, regional, and statewide residents.

Hard at work since 1999, the WHEELS Museum has been laying the foundation for a transportation museum in the city. The museum sees as its mandate providing an appropriate venue to preserve artifacts and educate New Mexico natives and the broader community about the importance of transportation, particularly railroads, to the formation and growth of the state. The objectives of the WHEELS Museum are to collect pertinent artifacts, assemble and preserve a collection pertaining to transportation, display and make the collection available to the public, interpret the meaning behind the objects through both temporary and

permanent exhibitions and educational programming, and provide excursion rail trips.

The WHEELS Museum board has done considerable planning and consensus building relative to carrying out its mission at the rail yards and now must turn its attention to taking advantage of the consensus and goodwill engendered by its efforts thus far to work with local stakeholders to put in place a viable plan that can birth a new museum at this seemingly natural location. Next steps should include the following:

- Developing a realistic startup budget;
- Coming to agreement on the appropriate space to begin operations within the rail yards, including negotiation of a formal lease;
- Inventorying the railroad companies and other parties for artifacts suitable for exhibition (whether temporary or permanent);
- Raising a collection budget of \$50 million;
- Raising an endowment of \$10 million;
- Developing a staffing plan with minimal reliance on city funding;
- Developing realistic attendance targets for the short and long term;
- Cultivating a relationship with the Smithsonian Institution;
- Developing a five-year program of work; and
- Engaging a third-party museum specialist who can measure progress of the WHEELS Museum.

The panel thinks the best location for the WHEELS Museum in its startup phase is in the rail yard's Blacksmith Shop, on the eastern portion of the property. The panel has recommended that the entire 27.3-acre site be developed in phases. Similarly, the WHEELS Museum should develop a phased approach for its own potential growth and development on the rail yards property, based on specific and measurable achievements. Such achievements should be based in demand, economic, and programmatic-oriented measures. Accepted methods exist for measuring success

The presence of the WHEELS Museum as part of the redevelopment plan for the rail yards would serve to both educate the public and celebrate the city's cultural history tied to the railroad industry.



among nonprofit institutions, including museums. The WHEELS Museum's potential expansion beyond the Blacksmith Shop should be predicated upon such success measures.

In addition, the museum's planning and development activities should be integrated with the overall planning vision for the property. The rail yards site, as envisioned by the panel, will be mixed use, made up of workforce housing, open spaces and exhibit spaces, a public market, restaurants, light industrial (such as a film studio) uses, retail uses, and parking.

Historically, the rail yards have been an employment center within the city of Albuquerque as well as for the Baretas and South Broadway neighborhoods. This connection has been severed, and the rail yards have now been dormant for several years. A viable redevelopment plan for the property can renew this economic connection. Such a renewed economic connection can serve to revitalize these challenged neighborhoods and can at the same time build upon the cultural identities that are intrinsic to these communities.

To ensure such a revival of the rail yards, this process should be framed within the following themes:

- Reconnect the rail yards with Albuquerque's central business district and humanize this corridor of connection through business promotion.
- Invest in districts that surround the rail yards.
- Establish a new focus and identity for the future of the rail yards.

The WHEELS Museum is a critical component in establishing a new focus and a new identity for the rail yards redevelopment and that of its surrounding neighborhoods by building upon the neighborhood's traditional identities. The Baretas neighborhood is rich in history and proud traditions. It is a cradle of Hispanic migration to the Albuquerque area in search of employment with the railroad. Thus a long-term link exists between the Baretas community and the rail yards. This link is both economic and social in nature. Because so many members of the city's Hispanic population claim roots in the Baretas neighborhood, they have strong connections to family, friends, and the place itself. This factor provides strength for the area and gives the community a competitive advantage in capturing its share of the economic growth that will result from successful redevelopment.

Finally, the city's Great Streets initiative can be an important element in upgrading transportation infrastructure leading to the rail yards. In combination, these assets will ideally overcome liabilities such as real and perceived crime and safety concerns. Another potential liability exists in the city government's strained financial resources, which make the range of physical, social, and economic problems relevant to redevelopment of the rail yards and surrounding neighborhoods difficult to deal with.

A viable redevelopment plan for the rail yards that includes a measured role for the WHEELS Museum can elevate the area to a point where the assets override the liabilities—thus potentially returning Baretas and South Broadway to their former roles as key cultural identities inextricably linked with Albuquerque's rich history as a major hub of the railroad industry.

### **Connection to Downtown and Surrounding Neighborhoods**

During the interview process, the panel heard suggestions from various stakeholders regarding the need to "connect" the property to downtown. Residents of the surrounding neighborhoods were especially vocal about their desire to see the rail yards reconnected in a manner that will not negatively affect their communities. At the project



level, the following tasks can improve connection and access to the rail yards:

- Acquire the 7.2-acre parcel to the north of the rail yards, and evaluate the purchase of property to the south for enhanced accessibility and future expansion.
- Build a bicycle/pedestrian trail from the expanded site to Albuquerque's central business district with appropriate landscape treatment and amenities.
- Create an access point to the site from Avenida Cesar Chavez.
- Implement sector plans that address capital and infrastructure needs.
- Construct 30 units of permanent workforce housing in the existing Storehouse building (and expansion thereof).
- Remediate hazardous materials on site, taking advantage of the state's Voluntary Remediation Program. Specific remediation actions should include removing wood-block flooring in shop buildings, establishing a groundwater monitoring program, thoroughly testing the site for additional environmental contamination, encapsulating lead paint, and remediating lead-contaminated soil and volatile organic compound-contaminated soil. The panel recommends leaving remediation of asbestos-containing window glazing for cleanup by the master developer.

## Site-Specific Activities

In addition to the zoning overlay described in the "Development Strategies" section, other site-specific tasks must be executed to implement the planning design and redevelopment vision for the rail yards, including the following:

- Develop a business marketing plan for the site that addresses the strategic positioning of the property and identifies development incentives that will attract the private sector to the site. Development incentives may include the designation of the site as an Enterprise Zone or the establishment of a Foreign Trade Zone.
- Negotiate with a utility company to provide services, including burying the gas line on the west side of the rail yards, and to construct a new electrical substation.
- Retain the services of a nonprofit corporation for the development of the workforce housing.
- Seek reimbursement from the railroad for hazardous materials remediation.
- Demolish nonessential buildings.
- Reach agreement with the WHEELS Museum regarding its occupancy of the Blacksmith Shop and possible expansion options.

## Implementation Sequence

The procedures described here outline the panel's proposed steps for successful redevelopment of the rail yards. Prior to redevelopment, all organizational requirements should be put in place, regulatory standards should be established, and traditional predevelopment activities, such as clarifying title issues and remediation activities, should be attended to. Subsequent activities, following the selection of the proper developer, should be implemented concomitantly during the phased-development scenario defined in the "Planning and Design" section of this report.

# Conclusion

**T**he city of Albuquerque is respectful of both the historic significance and the future potential the rail yards possess. Their history and future are, in fact, inseparable, and this understanding helped the panel craft recommendations it believes will facilitate the city's ability to guide the redevelopment process and ultimately brand a new identity for the property that benefits not only the city but also its communities and their residents, the greater Albuquerque region, and the entire Land of Enchantment.

For this grand vision to reach fruition, however, both practical and creative steps will need to be taken to ensure success. A redevelopment effort of this magnitude will take time, patience, and of course, sound management, and the city should pursue each step with precision and diligence. To initiate this exciting course of action, the panel reemphasizes the following steps, which it deems imperative prior to redevelopment of the rail yards:

- Address the two easements held by the BNSF Railway so they can be eliminated, or at least clarified and limited, before development.
- Identify responsibility for environmental remediation of the rail yards to render the property as appealing as possible to potential master developers before exposing it to the marketplace.
- Establish an advisory board responsible for hiring and supervising an asset manager, an MAI appraiser, and a property manager, who will be the author of the RFP to be solicited and the eventual selection of a master developer.

- Upon selection of a master developer, and to initiate the planning process, create a zoning overlay district for the rail yards with use categories and incentives specific to the site.

Following these steps, the city will be positioned to maximize the potential outcomes of a large-scale, mixed-use development scenario that includes each of its desired elements—dedicated workforce housing, adaptive use of historic buildings, improved connectivity to the surrounding communities of Baretas and South Broadway as well as to Albuquerque's central business district, use of sustainable design principles, and the future home of the WHEELS Museum—initially outlined in this report. With progress, Albuquerque's urban fabric will significantly strengthen as infill development of this nature helps knit its distinct neighborhoods into a more seamless, prosperous, livable urban tapestry.

To this end, the panel challenges the city, as the purveyor of civic leadership, to implement a vision for the rail yards that is beyond everything that has been discussed in the past. Such an ambitious achievement can instill a new sense of pride among neighboring communities, as residents whose histories are deeply tied to the rail yards again are connected to and unified by a shared past and prospects of a future legacy. When complete, successful redevelopment of the rail yards is sure to be heralded as iconic as both the buildings and history that define them.



# About the Panel

## Christopher W. Kurz

*Panel Chair  
Baltimore, Maryland*

Kurz is currently president and chief executive officer (CEO) of Linden Associates, Inc., a regional real estate services and mortgage banking company engaged in the financing, acquisition, development, and management of commercial property. The firm also consults for corporations on real estate matters. Previously, he was a cofounder, chairman, and CEO of McGill Development Company, which grew into the fourth-largest commercial real estate development company in the Baltimore metropolitan area.

Kurz served as chairman of the board of directors and cofounder of Columbia Bancorp and the Columbia Bank, a billion-dollar, publicly traded bank holding company. As a principal at Alex Brown Real Estate Group, Inc., he acquired investments for pension fund clients. Other companies with which Kurz has been involved include J.G. Smithy Company, Maryland National Corporation, and the Rouse Company.

His professional affiliations include membership in the Urban Land Institute, where he has been a member of the national leadership group, chair of the Baltimore District Council, vice-chair of the Small Scale Blue Development Council, and a National Program Committee member. Kurz is also a member of the International Council of Shopping Centers, a past member of the National Association of Industrial and Office Properties (NAIOP) and the Mortgage Bankers Association, and a past board member of the Catherine McAuley Housing Foundation in Denver. He holds an MBA from the Wharton School at the University of Pennsylvania and a BA from the University of Pennsylvania.

## Guillermo Aguilar

*Irvine, California*

A member of the American Institute of Architects (AIA), Aguilar has more than 25 years of experience managing and developing large complex projects. As a project executive, he has provided professional services including development services, architectural design, program management, environmental planning and design, master planning, and real estate development for construction projects totaling over \$3 billion.

With his strong management approach and extensive development planning, design, and construction experience, Aguilar has successfully completed projects to meet program, design, and aesthetic goals, simultaneously meeting timetables and budgetary requirements. The types of projects he has worked on include areawide development strategies and project implementation, retail/mixed-use development, medical/hospital facilities, hotels and resorts, residential multifamily buildings, and office and multiuse developments. Aguilar has proven his knowledge, professionalism, and ability to work in various areas of the development and program management field in multiple projects with many types of private and public institutions, including the Irvine Co., Walt Disney Co., the city of Los Angeles, and the Los Angeles Schools Bond Program.

Aguilar is a registered architect in California, a full member of the Urban Land Institute, a council member of the ULI's Residential Neighborhood Development Council, and a thesis adviser for the Graduate School of Architecture at the University of Southern California. In addition, he serves as a member of the Blue Ribbon Citizens Oversight Committee for school construction in Los Angeles, overseeing over \$15 billion of school bond construction.

Aguilar received a bachelor of architecture from the National University of Mexico, a master of architecture from Tulane University, and a master of landscape architecture from Harvard University. His work has been published in the *Los Angeles Times*, *Women in Architecture*, *Landscape Architecture*, and *California Architects*.

### **Luis Belmonte**

*San Francisco, California*

Belmonte is a principal of Seven Hills Properties, developers of retail, multifamily, and industrial real estate in California, Oregon, and Nevada. Previously, he was an executive vice president of, and one of the founders of, AMB Property Corporation, where he ran the development program (\$250 million per year) and supervised management of assets (50 million square feet) in the western United States. During his tenure at AMB, Belmonte spearheaded its effort to enter the Mexican market and developed its headquarters building on the San Francisco waterfront.

Before his tenure at AMB, Belmonte was a partner with Lincoln Property Company, responsible for industrial development projects in northern California. Over the course of 16 years, he developed in excess of 18 million square feet of industrial buildings. His responsibilities included site selection, financing, construction management, leasing, and property management.

Belmonte spent three years on active duty with the U.S. Navy, during which time he rode a destroyer escort on coastal patrol in Vietnam and spent 13 months as the Naval Gunfire Liaison Officer, Fire Support Coordinator, and forward observer with the First Marine Regiment.

He is a member of the Urban Land Institute, where he chairs one of the Industrial and Office Park Councils. He is a past president of the San Francisco chapter of NAIOP. He is a board member of Boys Hope Girls Hope San Francisco and Edgewood Center for Children, where he serves as finance chair. Belmonte graduated from the University of Santa Clara with a BA (cum laude) and did graduate studies in political science at the University of Chicago and the University of California, Berkeley.

### **Michael Berne**

*New York, New York*

Berne is the president of MJB Consulting, a New York City-based retail real estate consulting concern. MJB is retained by a mix of municipalities, quasi-public/nonprofit organizations, and private, for-profit developers to work on market analyses, merchandising plans, revitalization strategies, tenant recruitment, and training sessions. The firm's assignments span North America, with recent engagements in Atlantic City, New Jersey; Cleveland, Ohio; Las Cruces, New Mexico; Minneapolis-St. Paul, Minnesota; Mobile, Alabama; Saskatoon, Saskatchewan; Wilmington, North Carolina; Winnipeg, Manitoba; and, of course, New York.

Berne has written extensively for *Urban Land* and has served on expert panels for the Urban Land Institute and the International Economic Development Council (IEDC). He has presented at the annual conventions of the IEDC, the International Downtown Association, the Local Initiatives Support Corporation, the National Main Street Center, and the International Council of Shopping Centers' Alliance Program, as well as numerous statewide conferences. He has lectured at the University of Pennsylvania's Graduate School of Planning and created his own course on urban retail for the Newman Real Estate Institute (City University of New York). Last, he has appeared in a wide range of periodicals, including the *Washington Post* and the *Financial Times*.

Berne received his undergraduate degree at Columbia University, New York, and an MPhil from Columbia University in the United Kingdom.

### **Modesto Bigas-Valedon**

*Philadelphia, Pennsylvania*

AIA-member Bigas-Valedon is currently the project architect at Wallace Roberts & Todd (WRT) for the new Fraser Centre mixed-use project in State College, Pennsylvania, for Susquehanna Real Estate, LP. Most recently, he served as project architect for Charlottesville, Virginia's new transit station in its historic Downtown Pedes-

trian Mall, which is the city of Charlottesville's first new construction seeking to achieve LEED certification. The project is part of WRT's larger urban design proposal developed for the city.

While at WRT, Bigas-Valedon has been involved in the design of other projects of varying scale and complexity. They include the award-winning Broad & Washington high-rise complex in Philadelphia for Pitcairn Properties, the Tempe Town Lake project in Arizona for Namwest, and the Armed Forces Retirement Homes Initiative in Washington, D.C., for Clark Realty Capital. Prior to joining WRT, Bigas-Valedon was a senior designer at Machado & Silvetti Associates, where he participated in a wide variety of projects, such as the One Western Avenue Graduate Student Housing for Harvard University, the Atelier 505 mixed-use development for the Druker Company, the Honan-Allston Branch of the Boston Public Library, and the Getty Villa renovations in Malibu, California.

Bigas-Valedon received a bachelor of architecture from Cornell University and a master of architecture in urban design from Harvard University. He is a registered architect in Massachusetts and a LEED Accredited Professional. At Harvard, he was a teaching assistant to Professor Rodolfo Machado, and he has served as part of the design faculty at the Boston Architectural Center.

## **Diana Gonzalez**

*Miami, Florida*

Gonzalez is the president of DMG Consulting Services, Inc., and the Consulting Group of South Florida, Inc. Both firms engage in management consulting services in the areas of project management and facility development for nonprofit, government, and for-profit clients. Current clients include the Beacon Council, Carter Goble Lee, Fitch and Associates Dade Community Foundation, Miami-Dade County, and MGT of America.

Before entering the private sector, Gonzalez was employed by Dade County as the director of the Department of Development and Facilities Management. This agency provided central support services in the areas of real estate acquisition and leasing, facility management, and building con-

struction. She began her career with Metro-Dade County immediately following the completion of her master's degree from Northeastern University in 1979.

Beginning as a management intern, Gonzalez worked for most of her county career in the capital improvement field. County land acquisitions, architect and engineer selection, and capital budget expenditure oversight were some of her responsibilities in the Capital Improvements Division. This division was responsible for the development and implementation of the \$200 million Criminal Justice Program. This general obligation bond program modernized the county's criminal justice system through the development of new courthouses, jails, police, and support facilities. In 1989, the Capital Improvements Division was merged with the county's facilities and construction management divisions and Gonzalez was named director of the new Department of Development and Facilities Management.

She received her BA from the University of Florida. In 1989, she attended the Senior Executive Program in State and Local Government at the John F. Kennedy School of Government.

## **John J. Griffin, Jr.**

*Boston, Massachusetts*

Griffin joined Edwards Angell Palmer & Dodge LLP in the fall of 2002, bringing with him over 34 years of experience in the field of real estate law. During the course of his career, he has represented real estate developers, lending institutions, and educational institutions.

Griffin has represented the lender, developer, or institution in such varied projects as Copley Place, Natick Mall, Shopper's World, the expansion of the Boston College football stadium, Point West Office Center and Point West Place in Framingham, Massachusetts, and University Place, University Green, Cambridge, Massachusetts. In addition, he recently represented Parametric Technology Corp. in connection with the development and safe-leaseback of its new corporate headquarters in Needham, Massachusetts.

In addition to his development and lending experience, Griffin supervised, strategized, and successfully argued before the Supreme Judicial Court of Massachusetts the case that secured the development permits for the quarry site on Route 128 in Weston, Massachusetts. This case was probably the longest-running land use battle in the history of the commonwealth.

Griffin began his career at Herrick, Smith, Donald, Farley & Ketchum and moved to Bingham, Dana & Gould. After Bingham, Dana, he spent 18 years as a partner, member of the executive committee, and three years as managing partner of Rackemann, Sawyer & Brewster in Boston. He then spent nine years as a partner at Hutchins, Wheeler & Dittmar before coming to Edwards & Angell. For more than 20 years, Griffin has been listed in the real estate section of *The Best Lawyers in America*.

Very active with Urban Land Institute on a national level, Griffin has served on various councils and as chairman of one of ULI's councils. He has spoken frequently at ULI meetings and is also program chair of the ULI District Council for Boston. Griffin has served on the executive committee of NAIOP and currently serves on the Programs Committee, which he has previously chaired. His speaking engagements and publications include "Legal Aspects of the Development Process," Urban Land Institute Real Estate School, 1986-2001, and "Professional Service Firms and the Real Estate Economy in Boston," NAIOP, February 2003.

## Philip Hart

*Los Angeles, California*

Hart is executive director of the Urban Land Institute Los Angeles (ULI LA) District Council. ULI LA was the first of the 62 ULI District Councils in the United States, Europe, and Asia to reach 2,000 members. Hart also owns two small businesses located in Hollywood, California, one a real estate development company and the other an entertainment company.

A ULI member for over 20 years, Hart initially joined when he lived in Boston. With ULI LA,

Hart has been active with the Executive Committee, the Program Committee, and the Inner City and Urban Policy Committee, which organizes the annual Urban Marketplace. He has also been named a Senior Fellow at the University of California, Los Angeles (UCLA)'s School of Public Affairs for the 2007-2008 academic year.

Hart took early retirement as professor of sociology and director of the William Monroe Trotter Institute at the University of Massachusetts, Boston, in 2002, after over 25 years with the university. While there, he was also a Senior Fellow with the John W. McCormack Institute of Public Affairs for three years. On two separate occasions, Hart was a visiting research sociologist at UCLA's Ralph Bunche Center for African American Studies.

As part of ULI Advisory Services panels, Hart served in New Orleans in 2005 after Hurricane Katrina, helping guide the city's redevelopment, and in Washington, D.C., in early 2006, assisting that city with its \$100 million, four-year Great Streets initiative. Hart has also cosponsored ULI advisory services panels, including a 2001 visit to Hollywood, California. That ULI report, "A Strategy for Hollywood's Comeback," has been guiding redevelopment of this iconic neighborhood.

Hart's 25-plus-year history as a real estate developer includes serving as master developer of CrossTown Industrial Park in Boston's Roxbury neighborhood—a 75-acre urban business park with high-tech, biotech, university, office, retail, industrial, textile manufacturing, hotel, public utility, and residential tenants that opened in 1980. He was project manager for the \$60 million, 5,000-seat West Angeles Cathedral in South Los Angeles, which was dedicated in April 2001. He is senior adviser for the West Angeles Building Strategy Team for the West Angeles Campus and West Angeles Village developments and part of a team involved with brownfields remediation and development in Carson, California.

Active with issues of urban mass transit in both Boston and Los Angeles, Hart directed the Southwest Corridor Special Mobility Study in Boston in the early 1970s, an origin-destination study that was an element in the regional Boston Transporta-



tion Planning Review that led to the relocation of the Massachusetts Bay Transportation Authority (MBTA) Orange Line, the creation of the MBTA Silver Line, and the creation of a new cross-town arterial, Melnea Cass Boulevard. In Los Angeles, Hart was active with the Hollywood Chamber of Commerce in support of the Metropolitan Transit Authority (MTA) Red Line and currently serves on the MTA Expo Line Construction Authority Urban Design Committee.

Hart has published widely on a variety of topics and produced documentary films and syndicated radio programs over the past 25 years. His documentary films *Flyers in Search of a Dream*, the story of America's first black aviator, and *Dark Passages*, the story of the Atlantic slave trade, have been best sellers in the PBS Video catalogue for over a decade.

Hart earned his BA in sociology from the University of Colorado, Boulder, where he was a cum laude graduate as well as a student-athlete. He was inducted into the university's Distinguished Alumni Gallery in 1995. He earned master's and doctoral degrees in sociology at Michigan State University.

## Anita Morrison

*Washington, D.C.*

Morrison manages Bay Area Economics (BAE)'s Washington, D.C., office, directing BAE assignments for the eastern United States. Since 1977, she has specialized in market and financial feasibility analysis, public agency land disposition, affordable housing, economic development for major urban centers, and economic and fiscal impact analysis.

She has extensive experience directing revitalization strategies, including work for neighborhoods adjacent to downtown Hampton, Virginia; the Butchertown neighborhood in Louisville, Kentucky; and the Park Place neighborhood in Norfolk, Virginia. In Dayton, Ohio, Morrison evaluated revitalization and redevelopment options for nine obsolete shopping centers. She has developed special expertise in urban entertainment and arts districts through work in Pittsburgh's Cultural Dis-

trict, the Illinois River waterfront in Peoria, Uptown Charlotte, and downtown Cleveland.

In addition, Morrison has recently focused on economic development through tourism, including work on the National Road Scenic Byway and Anacostia Trails Heritage Area. She is also expert in structuring and negotiating public/private partnerships for major urban projects. She served for 15 years as real estate adviser to the Pennsylvania Avenue Development Corporation in Washington, D.C., facilitating \$1.4 billion of private investment in commercial and residential development projects. She has also structured partnerships and conducted business planning for military base reuse projects, including the Fitzsimons Army Medical Center (Colorado), the David Taylor Research Center (Maryland), the Naval Ordnance Station (Kentucky), and Newark Air Force Base (Ohio).

Morrison's housing work includes formulating an asset management strategy for the affordable portfolio held by the Albany, New York, Housing Authority; analyzing the market support for mixed-income housing in New Haven, Connecticut; evaluating affordable housing legislation in Washington, D.C.; preparing the North Suburban Consortium's Consolidated Plan in Massachusetts; and analyzing the feasibility of a planned new urbanist neighborhood for Pennsylvania State University.

She also has extensive background in feasibility analysis and development planning for bioscience and R&D parks, including assignments for the Oregon Health Sciences University, Colorado Bioscience Park Aurora, the University of Wisconsin-Madison, and the Virginia Biotechnology Research Park. She has prepared a wide range of economic and fiscal impact analyses, including studies for the Johns Hopkins University, the Washington Opera, the University of Maryland Medical System, and the District of Columbia. Her detailed analyses of the fiscal impacts of proposed historic preservation tax credits in the state of Oregon and housing/economic development incentives in the District of Columbia have supported elected officials' legislative considerations.

Morrison earned a master of public policy from the University of Michigan. She is a member of Wash-

ington's Committee of 100 on the Federal City, the International Economic Development Council, the Urban Land Institute, and the National Association of Installation Developers. She served on a ULI Advisory Panel to develop guidelines for strip commercial development and redevelopment.



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