# City of Albuquerque

## **Coronado**

## Metropolitan Redevelopment Agency (MRA) Area Designation Report

To Be Presented To the Albuquerque Development Commission August 18, 2016



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Matthew Butkus Development Coordinator (505) 924-3907 mbutkus@cabq.gov The proposed Coronado Metropolitan Redevelopment Area encompasses 72.75 acres, including 59.66 acres of private property and 13.09 acres of public right-of-way. The private property is a mixed use property that has the potential to have multi-family and various commercial uses located on the site. The area was a former landfill, and some remediation has been completed. However, there are still remaining portions of the landfill that exist. Additionally, much of the public infrastructure within the area is nonexistent or deteriorating. This plan would allow for public Metropolitan Redevelopment funds to be used to update aging infrastructure and provide for other publically funded projects within the proposed Metropolitan Redevelopment Area.

#### Introduction

In order to take advantage of the state Metropolitan Redevelopment Code, § 3-60A-1, et seq., NMSA 1978 ("MR Code"), the City of Albuquerque passed the Metropolitan Redevelopment Agency Ordinance, § 14-8-4-1, et seq., ROA 1994 ("MRA Ordinance"). The MR Code requires that a geographical area be declared "a blighted area" and there be a finding that the rehabilitation, conservation, redevelopment or development, or a combination thereof, in the designated area is necessary in the interest of the public health, safety, morals or welfare of the residents before a municipality can exercise the powers conferred by the MR Code (§ 3-60A-7, NMSA 1978). The Albuquerque City Council has reserved to itself the power to declare an area blighted, through the MRA Ordinance (§ 14-8-4-3 (A), ROA 1994). However, in creating the Albuquerque Development Commission ("ADC") as an advisory body and designating it the board of commissioners for the MRA, it is appropriate for the City Council to look to the ADC for recommendations regarding the existence, extent and eligibility of appropriate areas of the City to be declared blighted (§ 14-8-6-2 (C), ROA 1994). This designation report is submitted pursuant to this function of the ADC.

This designation report regarding the proposed boundary for the Coronado Metropolitan Redevelopment Area ("MR Area" or "Coronado MR Area") is based on analysis of existing conditions and public input from community meetings held on June 14, 2016 and \_\_\_\_\_\_. The questions and comments from those community meetings can be found in Appendix A.

As shown on the map in Figure 1, the proposed MR Area includes the area bounded by San Diego Avenue to the north, the southbound frontage road of Interstate 25 ("I-25") to the east, Modesto Avenue to the south and San Mateo Boulevard to the west in addition to the public right-of-way along San Mateo Boulevard between Modesto Avenue and Alameda Boulevard. The MR Area consists of 72.75 acres, including 59.66 acres of private property (the "Property"). As shown in Figure 2, the proposed Coronado MR Area and the surrounding areas are zoned a mix of industrial and commercial uses. There is also a sub-division of single family homes near the MR Area.

The Metropolitan Redevelopment (MR) staff believe it is clear that this proposed site would benefit from being designated a Metropolitan Redevelopment Area. Furthermore, the description of the current conditions of the site will confirm that the proposed designation qualifies under §3-60A-4, NMSA 1978 of the MR Code as a "blighted area."

The recommendation of staff is to approve the proposed boundary of the Coronado Metropolitan Redevelopment Area. Following consideration of the MR Area, the MRA then will present an MR Plan in order to promote real estate redevelopment, invest in infrastructure in the area, improve conditions for businesses and residents and improve the overall health, safety and economic diversity within areas of the Coronado Metropolitan Redevelopment Area.

#### "Blighted Area"

Means an area within the area of operation other than a slum area, which, by reason of the presence of a substantial number of deteriorated or deteriorating structures, predominance of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility or usefulness, unsanitary or unsafe conditions, deterioration of the site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land. Defective or unusual conditions of title, improper subdivisions or lack of adequate facilities on the area or obsolete or impractical planning and platting, or an area where a significant number of commercial or mercantile businesses have closed or significantly reduced their operations due to the economic losses or profit due to operating in the area, low levels of commercial or industrial activity or redevelopment, or any combination of such factors, which impairs or arrests the sound growth and economic health and well-being of a municipality or locale within a municipality or an area which regards the provisions of housing accommodations or constitutes an economic or social burden and is a menace to the public health, safety, morals or welfare in its present conditions of use (MR Code, § 3-60A-7, NMSA 1978).



Figure 1. Proposed Coronado Metropolitan Redevelopment Area

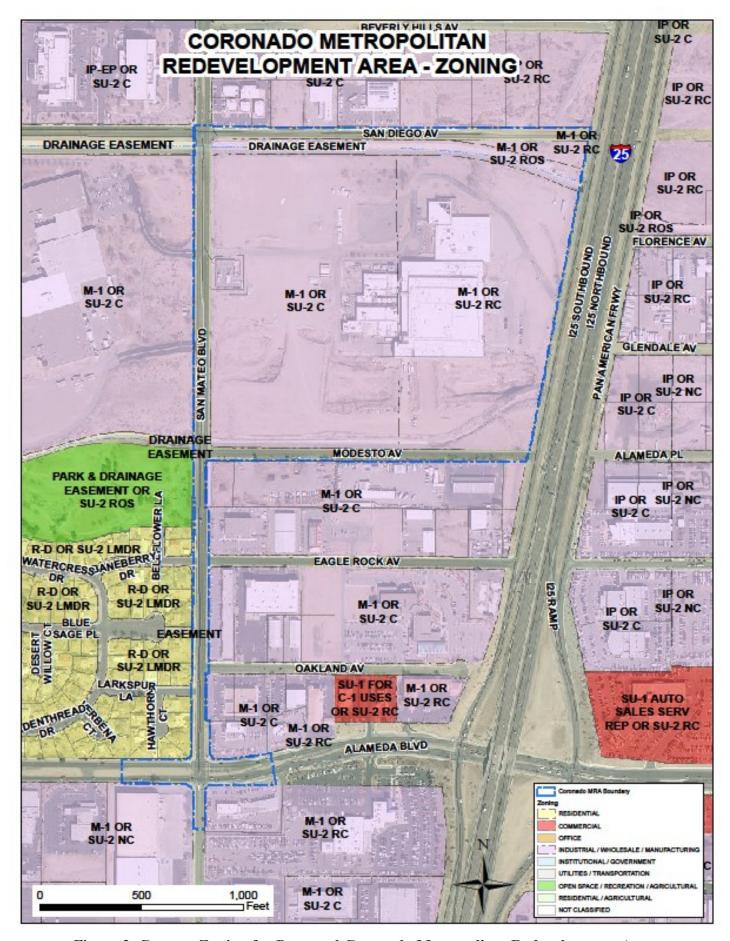


Figure 2. Current Zoning for Proposed Coronado Metropolitan Redevelopment Area

### Causes for Blight in the Coronado Metropolitan Redevelopment Area

In order for an area of the City to be designated as a Metropolitan Redevelopment Area, certain conditions of blight must be demonstrated as described in the state's MR Code (§ 3-60A-7, NMSA 1978). Through its analysis, the MRA has identified three categories of reasons that the proposed area should be considered an MR Area. The MRA acknowledges that other conditions that contribute to blight may exist.

#### 1. Poor/Aging Public Infrastructure

Public infrastructure consists of any improvements or facilities that are readily used by the public and are not privately owned. This includes, but is not limited to, public streets, sidewalks, street lights, street furniture and utility poles.

The overall condition of the roads within the MR Area is poor due to the ever changing condition of the land-fill that they were placed on, in addition to other factors. Likewise, there are no sidewalks on the north, south, east or west of the Property, which does not make the area safe for pedestrians.

Next, drainage is an issue for the Property as there are two drainage easements crossing both the north and south sides. The North La Cueva Channel managed by Albuquerque Metropolitan Arroyo Flood Control Authority ("AMAFCA") crosses the north portion of the Property. The City of Albuquerque's South La Cueva Channel crosses the south portion. The South La Cueva Channel was built to temporary standards and is maintained with temporary erosion and flow control measures. Examples of some of the existing infrastructure conditions can be seen in Figure 3.

The public infrastructure, or lack thereof, demonstrates that the proposed MR Area is blighted as defined by the MR Code as it creates "unsafe conditions" and it shows "deterioration of site or other improvements" (§ 3-60A-4, NMSA 1978).







Figure 3. Infrastructure Deficiencies in the MR Area. From Left to Right: Expanding and Contracting Road Conditions, Deteriorating Drainage Channel, Lack of Sidewalks

### Causes for Blight in the Coronado Metropolitan Redevelopment Area

#### 2. Environmental Issues

Much of the proposed MR Area was once a major landfill that operated for many years before its closing. As shown in Figure 4, there have been significant remediation efforts made to remove trash and debris from the former landfill in order to facilitate and encourage future development. Additional remediation and monitoring efforts are still needed. As seen in Figure 5, locations of trash and debris that sill remain include areas beneath San Mateo Boulevard, near San Diego Avenue, within the City of Albuquerque's South La Cueva Channel, within the AMAFCA North La Cueva Channel, and under and adjacent to the existing structure located at 9201 Pan American Freeway. The MR Code states the definition of blight includes: "insanitary or unsafe conditions" (§ 3-60A-4, NMSA 1978).



Figure 4. Excavated Landfill Waste on the Property

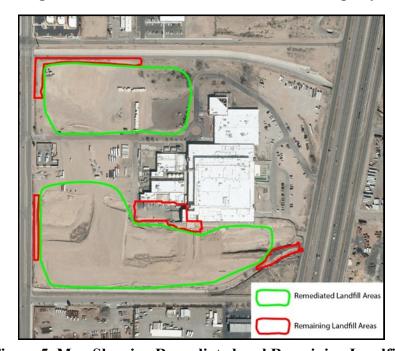


Figure 5. Map Showing Remediated and Remaining Landfill Areas

#### Causes for Blight in the Coronado Metropolitan Redevelopment Area

#### 3. Low Levels of Commercial or Industrial Activity

The Property (See Figure 6) consists of approximately 59.66 acres. As shown in Figures 7 and 8, much of the Property is currently vacant except for one large underutilized structure. Originally built in the early 1980's as a semiconductor facility, the 500,000 square foot building has become functionally obsolete and is in a state of disrepair.

In order for redevelopment to occur, major improvements would need to be made to the Property and the building currently located on it, in addition to the costs already incurred on the property. The owners have expended \$4.5 million dollars to prepare the site for redevelopment. The remaining costs of these improvements inhibit the economic feasibility for a private developer to begin work on the Property.

Estimated reaming costs include:

- \$2,000,000 for demolition of the existing facility
- \$250,000 for landfill remediation
- \$350,000 for a gas mitigation system
- \$800,000 for soil importation
- \$2,000,000 for reconfiguration and construction of the South La Cueva Channel

The current zoning allows for a wide variety of uses to be developed on the Property, including office, hospitality, restaurant and retail. Between 2006 and 2016, more than fifty prospective users received proposals from the Property's current owners. Due to the high costs of remediation, demolition, infrastructure improvement and construction that would need to be incurred to prepare the Property for redevelopment, the current owners have not been able to find a user in a decade.

The definition of blight, as expressed in the MR Code includes: "an area where a significant number of commercial or mercantile businesses have closed or significantly reduced their operations due to the economic losses or loss of profit due to operating in the area [and] low levels of commercial or industrial activity or redevelopment" (§ 3-60A-4, NMSA 1978).

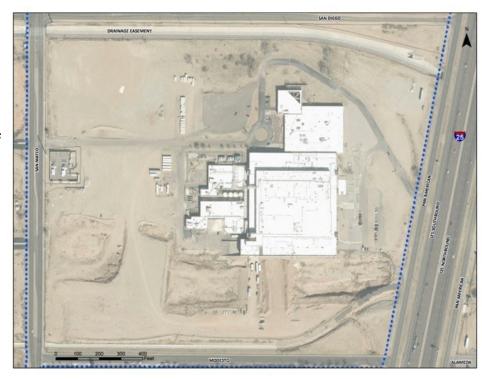


Figure 6. The Property within the Proposed MR Area

## **Existing Property Conditions**



Figure 7. Facility Currently on the Property



Figure 8. Facility Currently on the Property

## Findings, Determinations, and Conclusion

It is the determination of the MRA that the existing conditions within the proposed Coronado Metropolitan Redevelopment Area meet the definition of "blight" as required for the designation by the MR Code (§ 3-60A-8). The current condition of the proposed MR Area "substantially impairs or arrests the sound growth and economic health and well being of a municipality or locale within a municipality or an area that retards the provisions of housing accommodations or constitutes an economic or social burden and is a menace to the public health, safety, morals or welfare in its present condition and use" (§ 3-60A-4. NMSA 1978).

The MRA staff recommends the Albuquerque Development Commission recommend City Council approval of an MR Area designation for the Coronado Metropolitan Redevelopment Area based on the three points previously outlined. Those points include:

- **Poor/Aging Public Infrastructure**. The proposed MR Area includes poor/aging public infrastructure. Much of the area is completely lacking sidewalks, creating unsafe conditions for pedestrians and motorists. Additionally, the existing roadways in the area are deteriorating due to the ground subsidence below the surface.
- <u>Environmental Issues</u>. Environmental issues are present in the proposed MR Area. As there is still remaining debris from a formal landfill, remediation and/or monitoring is necessary before any future development can occur.
- <u>Low Levels of Commercial or Industrial Activity</u>. The area is comprised of high levels of vacant land and obsolete buildings, contributing to low levels of commercial or industrial activity.

Based on these findings, it is the determination of the MRA that this area should be designated as a Metropolitan Redevelopment Area. If the MR Area is approved by City Council, the MRA will utilize its powers made available through MR Code and work with the community to create an MR Plan to encourage revitalization and private investment within the Coronado Metropolitan Redevelopment Area.

## Appendix A

Comments and Questions at a Public Meeting on the Proposed Coronado Metropolitan Redevelopment Area on June 14, 2016 and August\_\_\_\_\_

- Can traffic calming measures be made to reduce the speed on San Mateo?
- Traffic is an issue on San Diego Avenue for the Balloon Fiesta.
- If the project site is developed will the intersection of Alameda and San Mateo have to be upgraded?
- Does the project site have any problems with the Frontage Road access?
- Will there be any access requested on the San Mateo Avenue (North) side of the site?
- Will the resident units be affordable?
- What are the issues with the North and South drains that cut through the site?
- The roadway of San Diego is constantly being patched because it was laid over the old landfill, will this need to be addressed?
- Can sidewalk improvements be done on the West side of San Mateo between San Diego Avenue and Modesto Avenue?
- There was an appreciation for the jobs that remained in the area due to the owner using the current building as a film studio.
- Will the site need a traffic study when the phased development takes place?
- Can San Mateo be made to reduce traffic for most of the year but for Balloon Fiesta could it be converted into multiple "temporary" lanes.
- Can San Mateo be made to reduce traffic and bike lanes and sidewalks added?
- Will monitoring wells be needed on the site as the site is developed?
- Are the original plans from 2008 for some Hotels to be located on the site still being considered?
- Will this designation make our taxes go up?
- Will there be plans to connect this site to any part East of I-25 with a fly over?