



Rail Yards Advisory Board

Monday, November 14, 2011

3:00 PM

Albuquerque/Bernalillo County Government Center
Council Committee Room
9th Floor, Suite 9081

MINUTES

Members Present:

Gilbert Montano for Mayor Berry
Isaac Benton, City Councilor, District 3
Diana Dorn-Jones, South Broadway Neighborhood
Leba Freed, Wheels Museum
Rep. Miguel Garcia
Sen. Eric Griego
Rep. Rick Miera
Sen. Jerry Ortiz y Pino
Ron Romero, Barelas Neighborhood

Members Absent:

Commissioner Art de la Cruz
Jay Rembe, ULI – New Mexico

Staff Resources:

Suzie Lubar, Manager, Real Property Division
Diane Dolan, Council Services
Kara Shair-Rosenfield, Council Services
Andrew Webb, Council Services
Ben Ortega, Manager, Metropolitan Redevelopment, Planning Dept.

Others Present:

Jim Trump (Build New Mexico), on behalf of Samitaur
John Myers (Myers, Oliver and Price), on behalf of Samitaur

- 1. Negotiations Update:** **Suzie Lubar** provided the Board with an update on the status of negotiations for a Master Development Agreement with Samitaur Constructs. She conveyed that the main sticking points in the negotiations include a request from Samitaur for a \$3 million "loan" to fund the development of the Master Plan and provisions that attempt to define "fair value" of parcels. She explained that City staff was looking to the Board for direction regarding continuing negotiations with Samitaur.
- 2. Board Discussion:**
 - a. Leba Freed** read a statement from the WHEELS Museum that recommended ceasing negotiations with Samitaur altogether based on concerns about Samitaur's request for planning funds and provisions in the agreement that discuss the relationship between Samitaur and WHEELS that were unsatisfactory to WHEELS.

- b. **Diana Dorn-Jones** questioned if it would even be legal to enter into an agreement that clearly goes against what the RFP said.
 - i. Suzie Lubar stated that City staff was having discussions about that same issue and was seeking direction from both the Board and the Purchasing Division.
- c. **Rep. Garcia** asked if there was any way to meet half way on Samitaur's request for funding assistance.
- d. **Sen. Griego** noted that representatives from Samitaur (Jim Trump and John Myers) were present and asked that they be given a chance to respond.
- e. **Sen. Ortiz y Pino** asked if Samitaur, perhaps, wanted out of the deal altogether.
- f. **Diana Dorn-Jones** stated that she shares some of Leba's concerns but was not prepared to say that the deal is off just yet. She asked that Samitaur and the City sit down with WHEELS and address their issues. She also stated that the \$3 million for planning concerned her and that it might be necessary to reissue the RFP if that was something the City wanted to consider.
- g. **Ron Romero** expressed that he thought it would be heartbreaking to not have this deal with Samitaur go through. But he also expressed concern about changing the rules of the game at this point and not following what the RFP said.
- h. **Gilbert Montano** explained that the Administration was starting to build the FY/13 budget and that \$3 million for a Master Plan is like a lead balloon from their perspective. He stated that the Administration is very eager to get the project going but that they would be very uncomfortable with contributing \$3 million for planning.
- i. **Sen. Griego** asked what the City's to-date contribution is and stated that the City has already put valuable assets on the table.
- j. **Councilor Benton** explained that, in addition to the cost to acquire the property (just under \$9 million), the City has invested a lot in the way of staff time and expenses for undertaking environmental studies.
- k. **John Myers** spoke on behalf of Samitaur and stated that Samitaur is not looking for an out. He explained that Samitaur was concerned about bearing all of the risk and up-front soft costs without being given assurances for absolute rights to develop the property. In particular, Samitaur was concerned that the City could ultimately reject the Master Plan after they had invested significant funds in developing it. Samitaur's proposed compromise was to have the City pay for third-party costs while Samitaur would cover its internal costs and that, in the event the City approves the Master Plan, Samitaur would repay the City for the third-party costs it incurred.
- l. **Jim Trump** explained that the City had asked Samitaur to come up with a proposal and that this is what they came up with. But, he said, if the proposal isn't acceptable, they'd like to work with the City to come up with something else.
- m. **Councilor Benton** stated that he thought there might be certain types of studies, such as environmental reports, that would be useful to the City and that the City might want to consider paying for certain studies.
- n. **Sen. Griego** expressed concern about setting the tone for future conversations and asked everyone to try to maintain a reasonable amount of goodwill. He echoed what Councilor Benton said about being open to idea of the City paying for certain studies that everyone agrees are the "responsibility" of the City. He also stated that he risk-sharing and profit-sharing need to be considered together.
- o. **Gilbert Montano** stated that he thought the Administration could generally support that approach but that there was a very tight budget for soft costs.

3. Next Steps/Adjournment: The Board gave general direction to City staff to continue negotiations with Samitaur, look into what studies it might be reasonable for the City to pay for, and requested that City staff and Samitaur meet with WHEELS to address their issues. The meeting adjourned at 4:30 PM.