



## **Rail Yards Advisory Board**

July 12, 2018 11:30 AM

Albuquerque/Bernalillo County Government Center  
City Council Committee Room, 9<sup>th</sup> Floor

### **MINUTES**

#### **Members Present:**

Isaac Benton, City Councilor, District 2  
Sen. Jerry Ortiz y Pino  
Rep. Miguel Garcia  
Michelle Luna for Comm. Steven Michael Quezada  
Lawrence Rael, COO  
Alex Romero, Governor's representative  
Eddie Garcia, South Broadway  
Eric Griego, Barelvas  
Jay Rembe, ULI-New Mexico  
Leba Freed, WHEELS Museum

#### **Members Absent:**

Rep. Javier Martinez  
Sen. Michael Padilla

#### **City Staff and Other Resources Present:**

Diane Dolan, Policy Analyst, City Council Services  
David Campbell, Director, Planning Department  
Karen Iverson, MRA Manager  
Gabriel Rivera, MRA Staff  
Matt Butkus, MRA Staff  
Leslie Naji, Historic Preservation Office, Planning Department  
Jim Trump, Samitaur Constructs  
Former Rep. Rick Miera  
Bart Ferris, COA Environmental Health Department  
Kevin Morrow, COA Legal Department

- I. Call to Order  
Councilor Benton called the meeting to order.
- II. Welcome & Overview

Attending as the Mayor's representative: Lawrence Rael, Chief Operating Officer

Attending on behalf of Commissioner Quezada: Commissioner's assistant,  
Michelle Luna

Introductions were made. Director Campbell introduced new MRA manager.

Councilor Benton gave a brief history of the Rail Yards and role of the advisory board.

- III. Approval of Minutes: April 4, 2018 RYAB Meeting  
Councilor Benton made a motion to approve the minutes. Rep. Garcia seconded the motion. The motion passed unanimously.

- IV. Annual Progress Review:  
Councilor Benton noted that the ADC will conduct an annual review of Samitaur on Thursday, July 19.

- a. City Administration (Planning Department/ Metropolitan Redevelopment Agency) Progress Report

COO Rael stated that the Mayor is very interested in this project and seeing it move forward. Admin is working diligently to package a project in a way that gets results, shows progress and urgency, protects the historic integrity and is good for the city. It may be that we break it up into phases.

Director Campbell provided the Planning Department update:

We have looked at this as a public-private partnership, would add also there are nonprofit, philanthropic, public/community components.

City steps to date: In prior Administration, there was a request that project funding be through a LEDA. This was not supported by last Admin, did not move forward. Continue to be challenges to using LEDA; still being explored.

Project at a standstill in 2016 over environmental remediation and the need for someone to come up with the funds to pay for it.

Director Campbell visited Samitaur/the Smiths and saw how they approached remediation in Culver City. They expressed continued interest in the project and working with the City. Did not reach an agreement with

respect to timeline and moving forward. He requested that Samitaur provide City with a development concept plan. City has convened internal project team to drive the project. Includes MRA, EHD (Bart Ferris), City Attorney's office (Kevin Morrow and Alan Varella), Finance Dept., will be adding someone from Cultural Services Dept. Full environmental assessment of the site was completed. Metals in the soil, some liquids such as petroleum in some limited areas. Structure floor tiles and grout around the glass contain asbestos. Need to get permission from NMED for voluntary remediation plan, working with them now.

Approved Master Plan: Councilor Benton clarified that the Master Plan is land use, what uses will go where, and the pictures/conceptual drawings are not regulatory.

COO Rael asked Dir. Campbell to identify which parts of the site, buildings are on the register. COO Rael noted that it is important to understand all of the constraints of the site, including historic designation. BNSF has an easement for the turntable.

Mr. Miera asked about the water table. Is it the city's responsibility? Mr. Ferris explained that there are 10 monitoring wells on site. Three on southern end are above water standards for contamination, the rest are clean. City is working with NMED to come up with a plan to address it.

Ms. Freed noted stated that next to WHEELS, there is a concrete dock which is cut in half between the City and BNSF. This could be used for City/WHEELS purpose and we need to work through it. To the east of WHEELS, there is a piece of track. Who owns it? Councilor Benton explained that the City owns everything; the only area that we do not have control over is the easement to the turn table.

Mr. Garcia reported that a few years ago in neighborhood, a monitoring well was placed. Is that related to site? Mr. Ferris was not aware of the well but would like more information, as the city could use it.

Rep. Garcia asked if the materials in the water are cancer-causing. Mr. Ferris answered that some not, but benzene is in there, which is a known carcinogen.

Sen. Ortiz y Pino asked if it qualifies for brownfield. Yes, the levels qualify for brownfield, we are in conversations with the state and feds about potential funding.

COO Rael noted that the EPA processes can get extended for a long time, drawn out. The City is considering all funding sources but also have to consider the requirements.

Mr. Griego asked if based on contamination levels, are there any parcels that we can start on? For example, the fire station? Dir. Campbell stated that we have looked at how we can remediate segments of it so that we can begin moving more quickly rather than waiting for funding to do the whole thing. He noted that the Rail Yards Market is very successful and popular. It brings people to the site and gets them interested and excited.

COO Rael stated that we're going to need to phase this in. Admin wants to see what we can get done with what we have. Certain levels of remediation can be done. North end of the site seems to have not as much contamination as the south. North end of the site lends itself to starting work there. We also know that we need to upsize water and sewer lines to increase capacity to get water to the site. PNM will need a transformer/substation. There are a lot of moving parts. Staff are getting an assessment for all of those and looking for a way to start the process as well as looking at what funds are available. We can knock down buildings that are not as significant and not planned to remain.

Mr. Griego stated that during selection of developer, financing has always been a question. What is the appetite for a campaign to raise 10s of millions/significant amount of money at once for the project? Is there a strategy for a really big ask? Considering the current status of expected capital outlay in the next legislative session, there is an opportunity.

COO Rael responded that it is incumbent upon the City to come up with a strategy, plan, presentation for the state. We have a little bit of more work before we are ready to make an ask. We want to put our best foot forward.

Mr. Miera asked what is the present Admin's position on LEDA funding? Dir. Campbell said this is still in the mix in discussions with the developer. City has set aside capital funds over the years. Some has been spent on security for site, Storehouse. Other financial mechanisms are part of our discussion.

The state has given a number of tools, and TID, SAD, PID are all possibilities to invest in this and get a return.

Councilor Benton stated that it is better when requesting state capital outlay funding that we find local matching funds. In terms of incremental work, we should consider state funding asks for that as well.

COO Rael said that remediation is a known piece and we are already working with the state. It's a big number \$4-\$8 million. Depends on how the remediation will be done – remove soil, pave for parking lot, etc – depending on use.

Mr. Griego stated that we should do anything we can do now/in near future to put a proposal together when there is opportunity.

Sen. Ortiz y Pino said it is very discouraging that the City lost state money that had been granted for the roofs. Thinks remediation is something that we can go to the next Governor and should be part of the state's capital initiative rather than leaving it to individual legislators.

Ms. Freed reported that WHEELS gets calls every day about people who want to develop the site or visit the museum. She would like to be included in conversations about the site.

Dir. Campbell reported that the Mayor toured site last Tuesday night and is interested in supporting cultural opportunities on the site. The City has been working on securing the site: replacing fences, getting fence repaired at front gate, installing motion detector alarm system. Moving forward, we will begin to demolish buildings approved by SHPO, proceed with environmental remediation process. He expects to have submitted a voluntary remediation plan before RYAB meets again.

Mr. Rembe said that it might be helpful for the board to have a one-year timeline of objectives we want to achieve.

Dir. Campbell distributed a memo of steps taken and steps about to take. (Memo attached.)

Rep. Garcia stated that in terms of capital outlay, legislators will have a lot but also a long list of projects not funded in past years when there was not a lot of funding available. He suggests a two-pronged approach – roof repairs and remediation with different set of legislators for each. We need a

tangible list of things we can do for remediation and people on the ground talking to legislators – staff and high level both talking to legislators. We need a coordinated message. Also the City needs to have matching funds; legislators like to see that.

COO Rael stated that the Admin is working with Council to get an earlier start on legislative requests this year.

- b. Samitaur Constructs, Jim Trump  
Mr. Trump thanked Campbell for going to California to meet with the Smiths. Karen Iverson has been in good communication. They are glad that the new Admin is focusing on remediation. He stated that Samitaur has been suggesting that for 3 years.

Dir. Campbell and Ms. Iverson has asked Samitaur to make a proposal to the City for remediation plan. They plan to have a proposal by the ADC hearing.

- V. RYAB formal recommendation to the ADC  
ADC meeting is a week from today 2 pm. Councilor Benton explained that the ADC has met several times in the last 2 years to review progress, or lack of progress as its been characterized.

COO Rael explained that the City has asked developer for a proposal, and suggested a statement that urges the ADC to make a decision that moves us forward. He thinks it's important for Samitaur and the ADC to know of the community's and board's interest in getting something done. This project should be on a critical path, things happening.

Dir. Campbell stated that for the board to encourage movement and urgent action would be very appropriate and helpful.

Mr. Romero asked what the ADC was considering. Councilor Benton explained that it was a quarterly/annual review. Last year, ADC made a determination of not satisfactory progress. This year if not satisfactory, the City can terminate the agreement. Is Samitaur still interested? Mr. Trump responded yes, very interested. Councilor Benton stated that there is something to be said for staying on a horse that wants to take a next step, even if that horse doesn't carry us to the finish.

Mr. Garcia attended ADC meeting where developer was given 90 days to come up with a plan and after 90 days, no plan was presented. They've been given chances, aren't doing anything, don't even have a plan.

Ms. Freed expressed shock that Samitaur is not here to give a presentation. They were not just given 90 days, they've been given several years and they haven't done anything.

Mr. Rembe stated that he is not comfortable making a decision as he doesn't think the board has all of the info, including copy or presentation of the development agreement.

COO Rael stated that he feels we need to honor time requirement and request to developer for a proposal and presentation for ADC meeting. This is the reason he is suggesting presenting a sense of urgency rather than a recommendation to end the contract. They will have something for the ADC to consider, but it would be good for the RYAB to convey a sense of urgency to do something.

Sen. Ortiz y Pino said that both sides have been waiting for the other side to be the leader. He's very pleased with the meeting today; it's the first time the City has presented a plan for moving forward and what we're doing.

Councilor Benton agreed that there has been a lot of foot dragging on both sides.

Mr. Griego noted that the neighborhood played a role in selecting the developer. We have been communicating sense of urgency but nothing is happening. He is also glad to see the City stepping up to move things forward, glad we're driving it now. Could we say that we are giving X amount of time? Something definitive in terms of timeline? He also thinks we need to make clear the commitment to remediate.

Director Campbell said that if the board is inclined to give a date, he thinks it would be helpful to set a date for the commencement of remediation. There is not much we can do without remediation.

COO Rael commented that ADC will evaluate next Thursday and are already concerned with lack of progress.

Councilor Benton suggested that the statement could be directed to Samitaur, the Administration, and the ADC.

Mr. Rembe asked if they presenting an amendment to the development agreement. Wouldn't that be needed before a plan? Dir. Campbell explained that the plan is more of a path forward, but we have discussed potential changes to the contract.

Ms. Freed asked if the contract up in July? Dir. Campbell explained no, that the ADC could determine no satisfactory progress a second time in this annual review, and this would give the City the option to terminate the contract.

Mr. Griego suggested that putting the commitment by the City to pursue remediation in the development agreement would be helpful.

Sen. Ortiz y Pino suggested a positive statement to the ADC:

“The advisory board is heartened by the newfound sense of urgency that the City is demonstrating in tackling a leadership role in remediation. We hope that the ADC will take this into consideration.”

Mr. Miera said that if we give a timeline, we’re really putting a timeline on the City and not Samitaur if the city is taking a leadership role.

Mr. Griego stated that if we recommend that next week they terminate the agreement, we don’t have to terminate it, but if they get positive review, we have to wait another year before we can do anything.

Diane Dolan clarified that it would be another two years before the City could have a potential opportunity to terminate the contract if this was a satisfactory review, as two consecutive unsatisfactory reviews are required to allow termination of the contract.

COO Rael stated that the Administration has no appetite on the to wait two years.

Rep. Garcia stated that as an advisory board, he is uncomfortable in making a recommendation to the ADC. We haven’t given the developer time to prove themselves under the new administration.

Points for statement:

We recognize that remediation has been a barrier to progress. The advisory board is heartened by the newfound sense of urgency that the city is demonstrating in taking a leadership role in remediation of the site.

Dir. Campbell noted that the ADC could delay the action rather than make a determination at the meeting next week. It is an assessment as to whether adequate progress has been made.

Rep. Garcia asked if the ADC legislative or quasi-judicial? Mr. Morrow responded that he believes because it is advisory and not decision-making that ex parte does not apply.



Councilor Benton said that the board could make a statement and not a recommendation to the ADC.

Include points:

appreciate sense of urgency in the new administration

acknowledgement of barrier and need to take lead on remediation.

Ms. Freed expressed disagreement on the issue of no recommendation.

Dir. Campbell suggested we could include requirements from memo he sent on next steps.

The board can endorse the list under item 3 in the memo dated July 12 from Planning, state that a timeline needs to be established between the Admin and developer, and this timeline should be established by the next ADC meeting (30 days). Item 3:

### **1. Develop site concept and financing structure**

In an effort to move the project forward incrementally, the City is focused on developing the northern portion of the site, per the Master Plan. While we are moving the immediate site preparation steps forward, we are looking to our development partner, Samitaur, to provide the business/concept plan that will include the following steps:

- a. Site development, phasing, parking, and infrastructure plan for the north portion including identified and/or potential public and private sector uses;
- b. Financial analysis including projected costs, capital sources and expected public subsidy;
- c. Demand analysis and absorption rates for expected uses;
- d. Marketing strategy; and
- e. Sequenced implementation plan.

Mr. Griego made a motion for a statement with the following points:

- recognize that remediation has been a barrier to progress
- RYAB is heartened by the newfound sense of urgency that the City is demonstrating in taking a leadership role in remediation of the site
- endorse the list under item 3 in the memo dated July 12 from Planning
- timeline should be established by Admin and developer by the next ADC meeting in 30 days

Mr. Romero seconded the motion.

The motion passed unanimously.

VI. Roofing & Security

Asset is not being protected until we have roofs on. There has been discussion about using MR funds to move forward – the Boiler Shop does not have roof or roof deck. Councilor Benton thinks roofing is important. He is happy to hear about security improvements.

Ms. Freed noted that WHEELS museum in the Storehouse also needs a new roof. Councilor Benton noted that the Storehouse roof and some others could be patched. History of funding for roofing: We have a good sense of where the priorities would be. City could put new roofing and repairs/patching out to bid with various bid lots and based on the bids, could do all or part. He will continue to advocate for us to move that along. Admin needs to pull together all of the funding.

Dir. Campbell said that it would be instructive for the Admin to hear from the advisory board on where to spend money.

Risk management fund is contributing to secure site after fire that was started by trespasser.

Mr. Romero asked if there was additional damage to roof by fire?

It did not damage metal but damaged wooden roof deck.

Rep. Garcia went out to the site after the last meeting. We were looking at the Machine, Boiler, and Tender repair in discussions at last meeting. Does the City have funding to apply to that plan? Dir. Campbell said not all of them but we can do a portion of them. We need to involve the legislature in terms of addressing the roofing plan. They need to see a plan.

Councilor Benton motioned that the board recommend to the Admin to revisit estimates for roofing and come up with request for capital outlay.

Rep. Garcia asked if some remediation can be included in the roof repair, such as getting water into the sewer system rather than flowing over the whole site. This will be considered.

Mr. Miera seconded motion.

Mr. Griego asked what would be prioritized? The Tender Shop?

Councilor Benton noted that there are additional challenges to the Tender Shop. In order to use it, we would have to build fire separation to Boiler Shop. Boiler

and Tender go together; he proposes those as priority for roofing, with patching on other buildings.

Unanimous vote in favor.

VII. Other Business

Rep. Garcia asked where we are on getting more money from the film industry? Mr. Trump stated that rates are 50% cheaper at the Rail Yards compared to other locations but that the Economic Development Department wants the Rail Yards available to films.

VIII. Adjourn