



## **Rail Yards Advisory Board**

Wednesday, July 19, 2017

11:30 AM

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

### **D R A F T   M I N U T E S**

#### **Members Present:**

Isaac Benton, City Councilor, District 2  
Sen. Jerry Ortiz y Pino  
Eddie Garcia, South Broadway  
Ron Romero, Barelas  
Jay Rembe, ULI-New Mexico  
Leba Freed, WHEELS Museum  
Rep. Miguel Garcia  
Alan Armijo for Mayor Berry

#### **Members Absent:**

Rep. Javier Martinez  
Sen. Michael Padilla  
Commissioner Steven Michael Quesada  
Alex Romero, Governor's representative

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

Diane Dolan, Policy Analyst, City Council Services  
Suzanne Lubar, Director, Planning Department  
Joan Black, Metropolitan Redevelopment Manager, Planning Department  
Gabriel Rivera, MRA Staff  
Matt Butkus, MRA Staff  
Leslie Najmi, Historic Preservation Office, Planning Department  
Jim Trump, Samitaur Constructs  
Former Rep. Rick Miera  
Jon Zaman, Director of Council Services

**I. Call to order:** Councilor Benton called the meeting to order.

**II. Welcome & Overview:** Councilor Benton noted that Comm. Quezada was planning to attend, hopes he will make it. Benton gave brief history of the RYAB.

### **III. Approval of Minutes:** November 10, 2016 RYAB Meeting

**Rep. Garcia moved that the minutes be approved, Jay Rembe seconded, motion passed.**

### **IIII. Update from Samitaur Constructs on redevelopment efforts:**

Director Lubar introduced herself and thanked the board for the opportunity to present. Long term redevelopment of rail yards: MDDA states that title stays with the City until Samitaur gets permission of ADC, shows it has met certain conditions. Third ADC review is tomorrow. Reasonable diligence defined in MDDA: ADC shall consider that the first several years may be predevelopment activities. MRA submitted Voluntary Remediation Plan to EHD. 95% plans for WHEELS and Tinder Shop. MRA is addressing requirements of the Fire Marshal's office and are preparing to install fire hydrant and interior walls.

Jim Trump gave presentation:

In marketing the project, it became clear that the environmental issues were the most urgent to address. Development of project cannot get started until an environmental plan is established. Samitaur has spent \$1.8 million, \$500k in the last six months on environmental. How environmental clean-up gets paid for is a big issue, as well as who manages it.

LEDA - looking to fund environmental work through this process to reimburse for costs. They were preparing to submit application, were informed on June 26 that the City would not support this application as it does not provide immediate jobs (per Economic Development Department).

Sen. Ortiz y Pino noted that the biggest cost is asbestos and lead based paint, Trump noted that lead contamination in the soil is a big item. Ron Romero asked where the soil remediation is required, answer was the whole site. Sen. Ortiz y Pino asked if contamination was done by railroad, why is it not their responsibility? Answer: The previous owner relieved them of responsibility.

Rep. Garcia stated that there seems to be discrepancy in numbers for clean-up. Trump stated that two feet of soil can be removed and mixed with new soil on site to bring the level down. For the glass, there are different costs if it is to be done all at once or each time glass breaks.

Jay Rembe asked if they have considered IRB? Trump said not at this time; they went with TID since they don't own the land and it will also allow off-site improvements. Rembe noted that IRB means City would own the land as well. Rick Miera is there a closing fund linked to LEDA? No. Trump was disappointed that LEDA didn't work out.

Miera raised a water issue. Do they plan on digging wells for site or will it be all City water? Surface water - City policy wants first flush, EHD does not want that on this site because it pounds contaminates further into the ground. Testing wells on site now, don't know if they are read. Samitaur will have to take responsibility for water draining off site; the City will need to incorporate it into storm drain system. Samitaur will have to certify quality of groundwater on site. Will they bring in all new dirt? Possibly in some parts of the site.

Eddie Garcia lives in the area, has contamination in his yard. If the dirt mixing doesn't work, who will pay if we need to bring in all new dirt? Trump - Samitaur will not pay unless there is a way to recoup the costs. Experts have made the recommendation to remediate this way. Money will come from property taxes generated on the property. Railroad did not have to pay taxes.

Benton asked with regard to very high estimates, should it be phased as previously discussed? Or City and private take on all of it at once? Samitaur wants to do it all at once to take control of the site. Benton said we need to consider the phasing that was discussed as part of the site plan, flexibility in the plan such as allowing some rail uses on the site where it would not need to be cleaned as much.

Trump stated that Samitaur entity would take ownership of environmental clean-up. The up-front funding would be from Samitaur, reimbursed through a TID. Ron Romero asked about plumes. Trump stated that oil plumes have been contained. How far spread? About 30 yards.

Leba Freed showed pictures of the condition of the site. There is no security on the site, there is a lot of vandalism, and people, including children, getting on the site. WHEELS is still making improvements to the Storehouse, with help from the City.

After stating that this is a difficult statement to make, **Leba made a motion that the RYAB recommend to the ADC to revoke the contract.**

Rembe stated that from his experience as a developer, we need to get the City to contribute resources for clean-up. He would like to find a way to move forward.

Ms. Freed noted that the developer took it on in the contract and made promises. She does not see progress.

**Ron Romero seconded the motion.**

Director Lubar pointed out that the only way the City can terminate the contract is if the ADC has two consecutive negative reviews.

Ms. Freed feels the RYAB has a responsibility to make a recommendation to the ADC.

Benton noted that a TID is a good tool to address the environmental issue. Trump stated that a TID would be a better mechanism because it is a community project; IRB could still be used for individual buildings in the future.

Sen. Ortiz y Pino knows that these things take a very long time - DeAnza and El Vado, also deteriorated over time until they are finally now being developed. He is surprised that there are not more public or City funds available for the environmental clean-up. Benton stated that we got funding for roof for the Boiler Shop but was used for the work at the Blacksmith Shop. There is new money for roofs to keep buildings from deteriorating. The City also committed funding to WHEELS to get storehouse up to code. The cost for PNM substation is also about \$3 million.

Ron Romero shares frustration; he's been working on this for 20 years. It would break his heart to see this go away and he doesn't know if anyone has the energy, funds to start all over again. Maybe we need to put a timeline on that with Trump's input. Let's make it work.

Ms. Freed asked how many more years for the TID to make this happen? Trump does not know the timetable, but would hope that it would be complete by end of first quarter of 2018. How much will it raise? Trump does not know yet, and it only works if they can raise enough for environmental and infrastructure. Mesa del Sol, Winrock are two existing TIDs.

Jon Zaman, Director of Council Services, joined the meeting. Councilor Benton asked about a TID going only to City and County, not the state. How long would this take? City can create TID within a 5 or 6 month period, requirements in the ordinance but with work and time up front with the developer. There is a \$50k application fee. Ms. Freed asked how much could possibly be raised? To support \$5 million of bonds the increment would need to be \$5-6k a year, would need about \$7 million in revenue, 75% would go to the TID, any tax generation will be almost exclusive to the TID. Would need to talk to bond counsel very early to find out if environmental would be eligible. Mesa del Sol used a TID and a PID.

Rick Miera hears that the project cannot move forward until environmental is cleaned up. Trump thinks the developer and the City are in it together; Samitaur is willing to take on part of the problem. They have still been marketing the project, lease rates have to be higher than local market can bear, so they are looking outside at big corporate. Miera thinks it needs to be a combination. Until all of us move forward with cleaning it up, the development cannot move forward.

**Vote: For – 0**

Miera thanked Freed for the motion and the discussion.

Rep. Garcia asked what are the exact chemicals that we are looking at in the vapors? The city needs to step up and ask for federal money for the

remediation. Isleta Blvd got some funds for clean-up. There is contamination related to Kirkland also, including current. With regard to escrow, what will trigger the fund advancement from Samitaur to the escrow? What needs to happen? Trump stated they need to finalize the Voluntary Remediation Plan and need to finalize a method for being reimbursed.

Rep. Garcia is appalled that the City would deny the LEDA application. He doesn't understand that they wanted created permanent jobs, it's all about land, infrastructure, building. The existing LEDA statute does not need to be amended, this is allowed. We have LEDA money going out the window. Lubar stated that the City has not denied the application but Economic Development said they would not support it. She said that we would need legislative changes. Trump will bring it up to ADC tomorrow.

Benton offered that Zaman can meet with them after tomorrow to talk about TID.

## **V. Historical Designation:**

Can the City remove the property from the national designation? It could be designated as a City landmark. In this case, the LUCC would be expert instead of SHPO or NPS.

Benton suggested that the City proceed with pursuing alternatives to the national designation.

Ms. Freed stated that for the WHEELS museum, the designation is a safeguard, and Jeff Papas at SHPO has been very helpful.

If we delisted the district, the entire district would be delisted at once, new designation would have to be done one at a time.

Trump feels it would speed up development if it did not have to go to SHPO and noted that other safe guards are in place.

Benton would like to explore other options. He requested summary from Historic Preservation staff to disseminate to the board.

## **VI. Other Business: None.**

## **VII. Adjourn**

The meeting was adjourned at 1:25 pm.