



Rail Yards Advisory Board

Tuesday, January 6, 2015

11:00 AM

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

DRAFT MINUTES

Members Present:

Isaac Benton, City Councilor, District 2
Sen. Jerry Ortiz y Pino
Eddie Garcia, South Broadway
Eric Griego, Barelbas
Jay Rembe, ULI-New Mexico
Leba Freed, WHEELS Museum
Rep. Miguel Garcia

Members Absent:

Commissioner Art de la Cruz
Sen. Michael Padilla
Gilbert Montano for Mayor Berry
Rep. Javier Martinez
Alex Romero, Governor's rep.

City Staff and Other Resources Present:

Diane Dolan, Policy Analyst, City Council Services
Andrew Webb, Policy Analyst/Planning, City Council Services
Suzanne Lubar, Director, Planning Department
Rebecca Velarde, Metropolitan Redevelopment Manager, Planning Department
Gabriel Rivera, MRA Staff
Matt Butkus, MRA Staff
Jim Trump, Samitaur Constructs
Dana Feldman, Cultural Services Director
Nikki Peone, Manager of Community Events Division

- I. **Call to order:** Councilor Benton called the meeting to order.
- II. **Welcome & Overview:** Councilor Benton welcomed Eddie Garcia, the new representative for the South Broadway neighborhood. He briefly explained the purpose of the board and the history of its work. He expressed appreciation of the elected officials who serve on the board and noted that neighborhood participation has been very important to the board. Councilor Benton amended the agenda to move item VII up in front of item IV.

III. Approval of Minutes: January 6, 2015 RYAB Meeting

Rep. Garcia moved approval, Eric Griego seconded and the motion passed.

IV. Update from Samitaur Constructs and Metropolitan Redevelopment Agency on redevelopment efforts:

Suzanne Lubar, Rebecca Velarde, and Jim Trump presented an update on redevelopment efforts. Ms. Lubar thanked the board for the opportunity to present an update on the long-term development of the property. They presented the update that was given to the Albuquerque Development Commission (ADC) in July and provided additional new information. Ms. Lubar explained the private-public partnership that exists for development. The city will own the Rail Yards until there has been enough predevelopment activity that Samitaur is prepared to develop one or more parcels. The transfer of property must be approved by the ADC.

The ADC voted unanimously that Samitaur had provided reasonable diligence (good faith and commercially reasonable) in development efforts over the last year. Because it is such a complicated site with environmental, historical, and other issues, the ADC recognizes and acknowledges that the first several years will be devoted to predevelopment activity. We won't be seeing construction, etc., but there is a lot of work going on in the background.

Ms. Velarde distributed a written update in the form of a memo from the Planning Director to the City Council President, summarizing the ADC's annual progress review was provided. We have made significant steps forward and are excited that we are moving toward more development. They are making strides in environmental review, voluntary remediation, design, historic preservation, marketing and financing.

There have been many environmental studies done over time on different parts of site. The team has consolidated information to find out where holes are. They have submitted draft plan to the NMED for a voluntary remediation program. The City contracted with Interra again to do testing to fill in the holes in data. We will have full information about the environmental health at the site for developers to know how to move forward. An appraisal required by the MDDA (master development agreement). This is the basis for purchase and helps Samitaur in determining lease amounts and negotiating them. An appraisal was completed in June 2016. The City concurred, got a second appraiser to review the appraisal, who also concurred.

A preliminary archeological report for historic preservation has been prepared. Test results identified three cultural resources that need to be preserved: the roundhouse, remnants of original turntable, and a creosoted wood lumber tunnel. The developer will put together a preservation plan.

The City is working on improvements to Storehouse and Tender Shop. Hartman-Majewski is designing improvements for storehouse. We are trying to upgrade to A3 occupancy, which will allow WHEELS to be open to the public. The project is funded with city and state funds. The Tender Shop will be reroofed with a drainage system to support that repair. We want to make sure we are using tax payer dollars in a way that is usable and consistent with developer plans.

We lost state capital outlay grant to do some of the work, will be using GO Bond funds. Eric Griego asked how much was lost, Councilor Benton stated \$303k. Rebecca Velarde explained that they sent a request for a Notice of Obligation but it was not processed before the special session. It was a much larger and more complicated project than they anticipated. Councilor Benton thinks it was pennywise but short sighted to have not done it more simply. This should be a learning experience, we need to move more quickly to get these plans constructed. He heard that SHPO was part of a hold up and has concerns about the historic designation; state and feds have created a huge bureaucracy and complicated process, time and money gets wasted. We have our own process, maybe we should do it locally.

Senator Ortiz y Pino said that many of the projects that were reappropriated were projects that were held up by the state. State did not act on it, whether deliberate or incompetence makes it more discouraging. Ms. Velarde stated that since the special session, two additional approvals have been added to the process. It's a complex site with a lot of unknown issues.

Mr. Griego wishes the governor still sent someone to the RYAB because this type of funding loss is really hard, and it's frustrating to lose the money for important projects. We need to send a message to the state government that we need to get projects built and spend this money. Leba Freed echoes the frustration. Alex Romero is the governor's appointee. Councilor Benton asked advise from the representatives and senators. Senator Ortiz y Pino said that by the time they found out about it, he thought the only thing to do was to contact governor and ask her to line item veto.

Representative Garcia – realized that local governments that get money from legislature are at different levels of ability when it comes to capital staff. Some don't have resources. What he's seen, especially this year with the haphazard taking of capital, is that there is dysfunction in state government and there will be more if we keep pushing cutbacks to balance state budget. We've already cut to the bone, going to have to cut further. We may not get capital outlay at this session. We need to professionalize our efforts and our team approach. He wants to have legislative staff keep on top of it and have local entity coordinate more with them.

Ms. Velarde stated that we have another \$125k for WHEELS that has not been taken back. Representative Garcia stated that there should never have been a

notice to local governments that there would be a freeze when projects were at 95%, put on hold because they didn't know what would happen at special session, demoralizing. Councilor Benton stated that in the past, we could count on these funds if we were progressing on the project, even without contracts. We might need to at the city get people under contract whether we are ready to move or not so we don't lose money. Ms. Freed thanked the senator and representative, as well as Ms. Velarde and Ms. Lubar for helping them keep the money. Senator Ortiz y Pino said we need to let him know ahead of time.

Jim Trump stated that so much has gone on in last 90 days since ADC meeting that he wants to talk about that and the update. A tremendous amount of work taking place, even when we don't see it. They appreciate the city stepping up and filling in the gaps on environmental. They can't do anything until they have all of that information. He had a phone call with Samitaur team yesterday. They are trying to come up with a plan to do all clean up at the same time rather than in phases. This may impact blacksmith shop activities. Archeology treatment plan – SHPO talks about keeping items they found in place – if that happens, the master plan development can't take place. There may be other ways to preserve it, and they don't want to obligate to 100% preservation, but rather investigate more. They are trying to attack the cleanup and archeological at the same time. The cleanup will not be up to residential. The cleanup will be to base level, and when housing is developed, it will be done to residential standards. The real issue when cleaning up – who owns the property / problem. Samitaur doesn't want to own contaminated dirt. The city has ownership.

Can you terminate the designation? It would be the call of SHPO. Mr. Trump would like to defer discussion to get better information. Councilor Benton would like to monitor it as a community rather than dealing w/SHPO until there is interest in tax credits.

Mr. Rembe asked whether there was funding lost on the De Anza. The developer applied for funding, appealed the denial three times through NPS system for historic tax credits.

Mr. Trump stated that the Samitaur's are not interested in tax credits – the cost would exceed the funding. It took 8 months for SHPO to respond to their narrative. Historic and environmental are key components. They will probably need city or state funds to clean it up. They are getting a bid now on the environmental cleanup, with the assumption that they will have to remove 2-3 feet of dirt. He doesn't think it should be a hot button yet until they plan.

Councilor Benton - Archeology is tied to shpo, otherwise, would we been doing it? There are city guidelines that would have to be followed as well. Senator Ortiz y Pino – 1920s doesn't really meet his understanding of archeological. What qualifies? Mr. Trump – if we get more data on the item and documented, you do not have to preserve it. How many 1880 footings are out there? If it's the

only one of one of a few, they would want to preserve, Samitaur would be interested in incorporating those to tell the story of the site. There is some benefit. He believes SHPO is going to push further than is economically wise. Obligation could stop the project if it's not economically feasible. De Anza designation says that if there are competing interests in preservation and economic feasibility that the economics must be taken into consideration. Eric Griego – there was a concern about preserving at the time that this was discussed, protection of the site. Would there be these concerns if we could do it locally? Director Lubar – even with city designation, there would be similar issues with that process. Senator Ortiz y Pino – what are we finding in the environmental? Mr. Trump – there is lead throughout, and some plumes. For the most part, it can be resolved by removing 2-3 feet of dirt. Representative Garcia – what does the master agreement say about remediation? Samitaur is the coapplicant, someone has to manage the application and state that it is done, clean. They are structuring the remediation agreement so that Samitaur is not taking that responsibility. There are entities that will take that on, they are looking into it.

Rep. Garcia note that Barelmas and South Broadway are in pockets of poverty/enterprise zone. Funding can be designated for environmental cleanup in minority communities. DOE is putting money into cleaning up minority communities. We could use this funding for a large portion of the community. Isleta Blvd couldn't move forward because of environmental reasons, a large amount of funding was used for a miles-long area and Isleta Blvd was completed.

Mr. Trump – they are hesitant to go after any federal funds because it will go to SHPO and the feds. Councilor Benton – looking for other fed funds, they could be tied to historic preservation also. Mr. Rembe – How did the Bell Trading Post work? City bought it, cleaned it up. There was such a rush to protect it when it was purchased, there was not a phase one and phase two.

Mr Trump – they reported budget numbers to the ADC, since that time, have scanned one building, in the process to scan 2 more buildings. This is what they need to begin estimating costs for doing the bldgs, design bldgs, also need this to market the property. Very interesting process – you can even see graffiti that has been painted over. Brings interesting pictures of buildings, Dolan Daggett is going through it right now. Had a bldg. priced – hvac, fire suppression – \$326/sq. ft. w/\$40/sq. ft. tenant improvement allowance. 8000 sq ft bldg., too expensive but when more is developed together, site-wide, it would not be that high. Wilson Engineering is looking at infrastructure. They need to do this if they are going to purchase some of the site in phases. They are also looking at possibly changing some of the parcels.

Mr. Griego – part of the reason we got in to the conversation about fed funding was based on an assumption that there was going to need to be public funding for a project of this size. There has always a significant amount of federal money

in large projects in the past. To have a purely private tenant willing to put the kind of money needed to make the buildings usable, it might be good to know what kind of public funding there is if there is not a market for people that can take on the investment. How much can we take care of with state, fed, local money if tenants don't want to take it on? Mr Trump: Bogie between market rent and the cost. We don't know what that ask will be, what is needed. The MDDA allows for city investment, which gets credited to the city when the property is sold. We need to know what that total cost is.

Mr. Rembe – any groundwater contamination? Mr. Trump – there are two wells there, water table is rising, this site did not contribute to it. Mr. Griego – the environmental piece is a likely place that public funds can go in. Mr. Trump – thinks it will be a joint effort. We don't know the cost yet. Is there vapor, is there asbestos in the glazing? All these are still unknown, it is critical to get this information. Director Lubar – public contribution most likely for environmental and infrastructure/utilities, including off-site. Mr. Griego – including PNM piece? Do we have any idea if there would be a partnership with them or will it be a cost to the developer and/or city? Mr. Trump – we will lobby that it is an upgrade because PNM is limited as well PRC, but if it is an upgrade, PNM could take some of the cost. Mr. Griego – is there any model like a PID that could be used for these upgrades? Mr. Trump – it is eligible for a TID. Councilor Benton – as a city, we have always expected that this would be another area of issue.

Ms. Freed – if the developer walks away, master plan goes away, are bldgs safe? Councilor Benton – master plan doesn't go away until we say it does. Ms. Freed – what was the appraisal? What about a financial plan? Mr. Trump – it showed project was not economically viable.

- V. Update from Metropolitan Redevelopment Agency on Storehouse improvements:** Total budget for Storehouse is \$215k, 55k from MRA, \$35k from Councilor Benton, \$125k from state. Waiting for notice of obligation. \$173k construction budget. Will have to do it in phases – city will do phase one, a portion of the bldg will be A3. Getting cost estimate for entire building so WHEELS can start fundraising.

Councilor Benton explained that we call meetings as needed, based on requests and as issues come up. It has probably been too long, he apologized for that.

- VI. Update from WHEELS Museum:** Ms. Freed made a presentation. Councilor Benton asked if sprinklers have to be put in. Ms. Freed – no. John Banks is at rail yards every day. How many board members have been there in the last year? The site is not secure; there are new holes in the fence all the time. There is graffiti, absolutely no security, sooner or later it will cost the city a lot, the city will get sued if someone gets in and gets hurt. Councilor Benton has been interested in re-fencing the property but doesn't want to install anything that will need to be removed. Mr. Trump – sheets of stronger steel gage fencing that is

used for repairs. Councilor Benton urged WHEELS to continue calling the police – APD needs that record to keep the property on their radar. Getting the perimeter secure is a priority. When we have the information, we need to work together to get funding.

VII. Noise issues with Blacksmith Shop and South Broadway neighborhood – Cultural Services Department:

Dana Feldman and Nikki Peone addressed the board regarding events at the Blacksmith Shop. Councilor Benton introduced the item, explaining that there have been many noise complaints from the neighborhoods regarding events at the Shops. Eddie stated that the neighborhood met with Gilbert Montaña months ago and were told that they would be better monitored and the neighborhood would have someone to call if there are problems. It was better for a little while but has started up again.

Ms. Feldman – they work with a decibel reader now at the site, Cultural Services staff has been trained to use it. They take readings at 8 different locations to ensure that the noise is under the level. They have made adjustments to the contract and their process. All amplified noise must end at 9:30 pm, every renter must come in advance to discuss sound face to face. If a dj or band is asked to turn the music down and they do not, the department will take action, such as turning power off. This will be instituted next season. Mr. Eddie Garcia stated that they would like to have phone numbers for someone they can contact during events. Ms. Feldman agreed. It's been about 3 weeks since the last one that was very loud. They'd like to know what's going on and when. Councilor Benton asked for a pdf of the map to distribute to members. They have been making adjustments to the contract over the last couple of years and expanded the number of spots where they do readings to make sure they are in compliance with the Noise Ordinance. New policy they have to submit acceptance of noise ordinance before they are allowed to use the space. Cultural Services will continue to monitor it and they want to continue to get feedback. 2017 season is already almost fully booked. Councilor Benton – if there needs to be an acoustical study that would show ways to improve the sound issue. Based on where the complaints are coming from and where the readings are being taken, it seems like there needs to be more on the east side because it is less buffered than Barelás. He wanted to use state funds to fix the roof on the tinder shop but we lost the money. The neighborhoods must have a contact – Councilor Benton thought that there would be a staff person who would have a cell phone at the site. Mr. Rembe asked if there was a number for the individual events. It needs to be staff. Director Feldman said the city representative changes from event to event but perhaps there could be one number and the calls could get forwarded to the staff on duty. City should contact RYAB member and alternate the day of each event. Mr. Griego wanted to know if the windows were replaced, would it help the sound? Benton said that's why he'd like a professional to look at it.

Ms. Feldman said that Cultural Services has been working with Gwen (SBNA) on the readings she has been taking; she said that since October, the readings have been much lower. Mr. Garcia said they want to know how to get in to the Market. Market people are here, we can talk about that later. We'll get phone numbers exchanged.

VIII. Other Business: Mr. Gacia asked about the market and how to get vendors in. Alaska Piper from the Market introduced herself. He said a lot of people have told him that it's the same vendors over and over. Ms. Piper explained that they take all applications for the Market through their website. The selection is done by a committee and use a quantitative process to select vendors for the season in February. 110 spaces available, over 400 applications every year. Councilor Benton asked if there was more square footage, it sounds like they have the demand but do they have the capacity? Ms. Piper said they've had to make booths smaller to accommodate more vendors, they try to have no more than 50% non-food vendors. They are limited by the space and would love the opportunity to expand. Ms. Freed expressed appreciation for Ms. Piper and Mr. Griego stated that people from all over the world are visiting the market. Eric said there is an advisory committee, with representatives from both neighborhoods. They wanted to make sure everything is fair and they've tried to incorporate people into the process. They meet monthly at Hispano Chamber, 13 spaces on the advisory council, neighborhoods, Alan Armijo, community at large seats, vendor representative, agricultural representative. Councilor Benton – get application information, we could include it in our newsletter. Mr. Griego expressed appreciation for Ms. Piper and the team. Not lucrative, people aren't paid for their work but it's a dedicated team. Ms. Piper appreciates the board, developers, city working with the market staff to make it a success for the community. Holiday Market – 5k first year, over 10k attendees in 5 hours last year. This year, anticipate bigger crowd.

Lucas Pedrosse – new MainStreet coordinator. Office In Hispano Chamber building. Anyone who wants to get involved in RY Market or MainStreet efforts, come by.

Double up food bucks – EBT users can get twice as much fresh produce, funding is secured for it in 2017, can also be used in holiday market.

Benton asked Mr. Griego if Barelhas has an alternate. Mr. Griego – the BNA needs to reappoint.

WHEELS – Who is responsible for paying for environmental cleanup? Councilor Benton – original idea was that each development within the site would be done individually. Mr. Trump – won't get developed unless the cleanup takes place.

WHEELS – how long does it usually take to get a notice of obligation from the state? Ms. Velarde – varies, been told it takes at least a few weeks, taking longer since the special session.

WHEELS – Under the Historic Preservation Act, isn't there some obligation to get security on the site to prevent it from further degradation? Mr. Trump – there are some requirements for maintenance. Because of the size of the site, it will be impossible and expensive to have it completely secured.

Is it realistic to think that WHEELS can be open to the public in 2017? Ms. Velarde – it could be if the state doesn't take back money, we get notice of obligation in a reasonable time. She doesn't think spring is reasonable; we have to get construction documents, bids, another notice of obligation, and an approximate six week construction schedule.

IX. Adjourn