



ALBUQUERQUE DEVELOPMENT COMMISSION

PRESENT

Terry Brunner, Chairman
Bill Miera
Mona Ghattas
Fred Mondragon (arrived at 2:04 p.m.)

ABSENT

Theresa Carson

Action Summary

Thursday, May 19, 2022 2:00 P.M.

Due to COVID-19 this meeting is a Public Zoom Video Conference

Members of the public may attend via the web at this address:

<https://cabq.zoom.us/j/87331862611?pwd=SVl6NFZxZjNXSIE2VWp1WINDUndSZz09>

or by calling the following number: 1 301 715 8592 and entering **Meeting ID:** 873 3186 2611 **Passcode:** 168167

1. **Call to Order**

2:01 p.m.

2. **Changes and/or Additions to the Agenda**

None.

3. **Approval of Minutes for April 21, 2022 Special Meeting**

A motion was made to approve the April 21, 2022 Action Summary by Commissioner Ghattas. Commissioner Miera seconded the motion. Motion carried 3-0.

4. **Announcements / General Public Comments (for items not on the agenda)**

None.

5. **MRA Manager's Report**

Report on upcoming MRA events:

- May 20th webinar presented by International Downtown Association (IDA) to release their downtown report on the City of Albuquerque.
- June 1st event at the KiMo Theatre with speaker Peter Kageyama & New Mexico Community Capital.

6. **New Agenda Items**

A. Case #2022-13 Downtown Housing RFP (#01-2021) Selection

Motion: Based on the findings in the staff report, the ADC recommends selection of Villa Agave/Baker Architecture + Design and Downtowner/REMBE Urban Design and Development as the awardees of RFP #01-2021. Motion made by Commissioner Miera. Commissioner Ghattas seconded the motion. Motion carried 4-0.

Findings:

- The MRA issued a Request for Proposals #01-2021 on September 23, 2021, soliciting proposals for housing projects in the Downtown and Railroad Metropolitan Redevelopment Areas.
- Legal notice was published in the Albuquerque Journal on October 11th, 2021 and October 18th, 2021.

- MRA received two responses to RFP #01-2022 (Villa Agave and The Downtowner), both of which were responsive to the RFP.
- Villa Agave supports the RFP Evaluation Criteria as follows:
 - Project Goals: The Downtowner meets the RFP Project Goals outlined below.
 - Elimination of blight. The Project redevelops an abandoned/unutilized former convent that has received complaints of squatting and deterioration.
 - Contributes to the goals outlined in the relevant MR Plan. Villa Agave meets the goals of the Downtown 2025 Metropolitan Redevelopment Plan by:
 - Expanding urban housing towards the goal of reaching 20,000 people living in the Downtown core by 2025; and,
 - Contributing to a walkable and vibrant Downtown district through blight remediation and streetscape improvements.
 - Increases housing density and options. This project will add at least 14 housing units to the Downtown core. The Villa Agave offers shared spaces like its central courtyard that are uncommon in typical apartment complexes.
 - Placemaking. The project will utilize agaves (its namesake) and desert willows throughout its landscaping palate. One or more statues will be added to the property in plain sight of pedestrians who might pass the development.
 - Supports local, small, minority, women, and/or disadvantaged business enterprises. The developer is a local business and will also serve as the general contractor.
 - Team experience. Baker Architecture & Design has demonstrated experience in other redevelopment Projects, with 27 years of experience as an architect and over 10 years of experience as a developer. His most notable recent Project is at 505 Central, a former Downtown office building converted into a successful Downtown food hall with 9 local vendors and 34 housing units.
 - Design & Sustainability. Villa Agave will offer a housing alternative that differentiates itself from a typical stacked apartment complex in scale and relation to the public sphere. This scale compliments the existing neighborhood, providing an appropriate transition from large downtown structures to the East and the single-family residences to the north and west. The Project also exemplifies sustainability by repurposing an existing building. Building reuse preserves the energy consumed by all of the processes associated with the original production of the building, including mining, processing, transporting, and constructing materials used to create the original building. Additional sustainability measures include new low-flow plumbing fixtures, energy efficient lighting, new HVAC, permeable materials in the parking lot, and a solar-ready roof.
 - Financial Structure. A financial analysis identified that the project would be viable if the project receives the City's \$400,000 subsidy and redevelopment tax abatement.
 - Pro-forma assumptions were analyzed and determined reasonable.
 - The Applicant has no other development projects currently planned, with only ongoing obligations to existing properties which are fully stabilized.
 - Financial Capacity. Project includes at minimum a 12% equity contribution from the Developer team. The Developer has demonstrated financial capacity and success in its other development endeavors.
- The Downtowner supports the RFP Evaluation Criteria as follows:
 - Project Goals: The Downtowner meets the RFP Project Goals outlined below.
 - Elimination of blight. This project develops a currently vacant property adjacent to several vibrant housing units, a grocery store, and the Alvarado Transit Station. Developing this dirt lot will contribute to vibrancy and prevent the accumulation of trash on the lot and eliminate dust during wind events.
 - Contributes to the goals outlined in the relevant MR Plan. The Downtowner meets the goals of the Downtown 2025 Metropolitan Redevelopment Plan by:
 - Expanding urban housing towards the goal of reaching 20,000 people living in the Downtown core by 2025; and,
 - Contributing to a walkable and vibrant Downtown district by creating a well-designed building that interfaces with planned upcoming projects including the Albuquerque Rail Trail.
 - Increases housing density and options. This project will add 168 housing units to the Downtown

core at a density of 230 housing units per acre (the site is approximately 0.6 acres). At small sizes, the dwelling units will be naturally affordable to the Albuquerque workforce and provide a unique product in Downtown Albuquerque.

- Placemaking. The high-density project will maximize the project site while providing a human scale street level experience with the corner café and live-work units.
- Supports local, small, minority, women, and/or disadvantaged business enterprises. The members of the project team include several local entities including the developer, architect, and general contractor.
- Team experience. Project will be owned and operated by REMBE Urban Design and Development, an experienced local development firm that has developed and managed over \$80 million in infill development projects in Albuquerque. The development team also includes Insight Construction and Mullen Heller Architecture, both experienced and qualified in their fields.
- Design & Sustainability. The high-density project will maximize the project site while providing a human scale street level experience with the corner café and live-work units. The project is geared towards those who will utilize transit. Generous bicycle parking will be provided. Support for low parking ratios is provided in supporting documentation. The project includes several energy efficiency features including minimizing unit footprint, orientating the building to maximize passive solar gain, and implementing thermal and lighting controls to minimize energy loads during non-occupied hours.
- Financial Structure. An analysis performed by consultant Economic & Planning Systems identified that the project would be viable so long as the project receives the City's \$1.8M subsidy, land, and tax abatement.
 - Provided market analysis documents low vacancy rate and high demand for housing in downtown.
 - Pro-forma assumptions were analyzed and determined reasonable.
 - Financial structure includes securing a HUD 221(d)4 loan which provides favorable terms including longer amortization, lower interest rates, and higher loan-to-value ratios.
- Financial Capacity. Project includes an 19% equity contribution from the development team. The Developer appears to have sufficient funds to make the required equity investment under the HUD financing scenario. Additionally, a portion of the required equity would be in the form of a deferred developer fee partially financed by debt.

B. Case #2022-14 Villa Agave Development Agreement

Motion: Based on the findings in the staff report, the ADC recommends to the City Council approval, in form, of the Development Agreement with Villa Agave, LLC, for the development of the Villa Agave housing project. Motion made by Commissioner Ghattas. Commissioner Mondragon seconded the motion. Motion carried 4-0.

Findings:

- The MRA issued a Request for Proposals #01-2021 on September 23, 2021, soliciting proposals for housing projects in the Downtown and Railroad Metropolitan Redevelopment Areas.
- MRA received two responses to RFP #01-2022, both of which were able to be funded without necessitating a Selection Committee.
- A mutually-agreed Development Agreement was negotiated between the parties to meet the Downtown 2025 Metropolitan Redevelopment Plan by:
 - Expanding urban housing towards the goal of reaching 20,000 people living in the Downtown core by 2025; and,
 - Contributing to a walkable and vibrant Downtown district.

C. Case #2022-15 Villa Agave Redevelopment Tax Abatement Application

Motion: Based on the findings in the staff report, the ADC recommends to City Council approval, in form, of the Redevelopment Tax Abatement with Villa Agave, LLC, for the development of the Villa Agave redevelopment project. Motion made by Commissioner Mondragon. Commissioner Ghattas seconded the motion. Motion

carried 4-0.

Findings:

- MRA found the Project meets all requirements outlined in the Redevelopment Tax Abatement PILOT Program:
 - The Project removes blighted conditions and meets the goals of the Downtown 2025 Metropolitan Redevelopment Area Plan by adding more housing, renovating a blighted property, and contributing to a walkable and vibrant atmosphere in the Downtown core;
 - The Project meets the enhanced design criteria by renovating and beautifying an existing structure and creating an aesthetically pleasing landscape; and
 - The Applicant has demonstrated sufficient experience to reasonably complete the Project.

7. Adjourn to June 16, 2022 at 3:00 pm