To: Albuquerque Development Commission  
From: Jonathan Teeters, Project Manager  
Subject: Case 2020-9 East Downtown Request for Proposal Selection  

The Metropolitan Redevelopment Agency (MRA) released the East Downtown Redevelopment Request for Proposals (Edo RFP) on March 5th, 2020. In the Edo RFP, the MRA announced the availability of up to $2.2 million of redevelopment funds available to provide “gap financing” to support achievable projects that meet the goals and objectives of the East Downtown/Huning Highland/South Martineztown Metropolitan Redevelopment Plan; the Downtown Metropolitan Redevelopment Plan; or the Railroad Metropolitan Redevelopment Plan. Projects could be located in one of the two subject areas below.

The stated goals of the Edo RFP were:

- Elimination of blight;
- Contributes to the goals outlined in the relevant MR Plan;
- Increases housing or employment density and options;
- Placemaking;
- Catalytic economic development; and
- Supports local, small, minority, women and disadvantaged business enterprises.

Five Proposers submitted proposals on or before the June 12th submission deadline. Two submissions were determined non-responsive. One Proposer was determined non-responsive because the Proposer did not have site control, as required in the RFP. A second Proposer was determined non-responsive because the Proposer
was requesting that the City gap financing be used for pre-development expenses prior to the Proposer securing a construction loan. The RFP specifically stated, “City gap financing will not be available for pre-development expenses. City gap financing funds will be contributed no sooner than the closing of the construction loan along with other construction financing.”

An independent financial analysis was conducted by SB Friedman Development Advisors. SB Friedman provided analysis on the financial structure and financial capacity evaluation criteria. They also estimated the city gap financing necessary for the developer/equity investors to achieve a reasonable rate of return.

The original Proposals, supplemental materials provided by the Proposers, and the SB Friedman Analysis were shared with the 5-member Selection Advisory Committee for review and scoring. The Selection Advisory Committee then scored the three proposals using the evaluation criteria as summarized below.

**Selection Committee Scores**

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<th>Consistency w/ Project Goals</th>
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<th>Financial Structure</th>
<th>Financial Capacity</th>
<th>Timeline</th>
<th>Grand Total Scores</th>
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<tr>
<td><strong>InnovateABQ</strong></td>
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<td>106</td>
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<td>19</td>
<td>383</td>
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</table>

The total amount requested is $3.2 million. However, one project, Springer Square, is potentially fundable with GO Bonds. Therefore, the selection committee recommends proceeding with negotiation on all three proposals. Based on the ADC recommendation requested at this meeting, MRA staff will enter into negotiations with each team. Negotiated development agreements will be presented to ADC for recommendation and subsequently advanced to the City Council for final approval.

Each project is briefly described below. An applicant submitted 2-page summary is also attached for each project. The full Proposals and original RFP are available upon request by emailing jshisler@cabq.gov and have been made available to the ADC.

Within 15 days after the Albuquerque Development Commission’s final selection, any Respondent not selected may appeal the decision to the City Council. For more information regarding the appeal process, please refer to Section 14-8-4-8 of the Metropolitan Redevelopment Agency Ordinance and visit the following website for the Metropolitan Redevelopment Agency Appeal Form:

https://www.cabq.gov/metropolitan-redevelopment-agency/request-for-proposals
Imperial Inn

Total Project Cost: $7,675,000  
Requested Funding: $1,200,000 Grant

The Imperial Inn project proposes to renovate and remodel the motel located at 701 Central Ave NE. In addition to preserving the historic character of the property, two new buildings will be added to anchor this catalytic development that will feature a modern boutique hotel and mixed-use property that includes micro restaurant and retail spaces, as well as short-term residential and community learning spaces. The project is being led by Palindrome Communities, LLC., the same entity responsible for the redevelopment of the El Vado Motel, several projects in the Sawmill District, and numerous other related developments across the West.

**Project Negotiations:** MRA expects to enter into negotiations with the Palindrome Communities to determine the appropriate level of public funding necessary to bring this project to market, especially considering the impact of COVID 19 on the hospitality industry.

**Recommended Motion:** Based on the finding included in the staff report, the ADC recommends that the MRA staff proceed with negotiations with Palindrome Communities on the proposed Imperial Inn rehabilitation and to return to the ADC within 90 days, following the notice of decision and appeal period, to present the negotiated development agreement.
Findings:
1. Pursuant to the East Downtown/Huning Highland/South Martineztown Metropolitan Redevelopment Plan there is need for real property redevelopment strategies that:
   - Remove barriers to private investment;
   - Provide public investment in infrastructure projects
   - Make improvements to public rights-of-way; and
   - Create public-private partnerships for anchor projects.

2. As provided in the New Mexico State Metropolitan Redevelopment Code and the Metropolitan Redevelopment Agency Ordinance for the City of Albuquerque, the MRA issued a Request for Proposal #01-2020 on March 5, 2020, soliciting redevelopment proposals for two Subject Areas, including the referenced property.

3. The MRA received five (5) proposals in response to RFP #01-2020. Three (3) proposals received were deemed to be responsive to the criteria in RFP #01-2020, including the Palindrome Communities Proposal.

4. Palindrome Communities’ proposal responds to the goals of the East Downtown/Huning Highland/South Martineztown MRA Plan by:
   - Renovating and repurposing the Imperial Inn Motel, transforming a blighted property into a vibrant hub that includes new spaces for commerce, hospitality, and residential living; and
   - Leveraging public funding to drive private development of a project that will eliminate blighted Central Ave. frontage.

5. The Palindrome Communities, LLC. proposal met all the RFP response criteria including having site control and not requesting pre-development funding from the MRA.

6. The Proposal received 459 points from the Selection Advisory Committee in the following categories: team experience, design, financial structure, financial capacity, and timeline.

7. The following findings support the RFP Evaluation Criteria:
   - Consistency with Stated Project Goals: Elimination of blight; Meets goals of the relevant Metropolitan Redevelopment Plan; Increasing housing and employment density and options; Enhancing placemaking and urban vibrancy; Catalyzes further redevelopment and economic activity; Supports local, small, minority, women and disadvantaged business enterprises.
     a. Property fronts Central Avenue and is currently underutilized and functionally obsolete.
        The redevelopment is designed to interact with pedestrians and will enhance placemaking along Central Ave.;
     b. Facilities for culinary learning and rotating restaurants create opportunities for small and local businesses to scale up in affordable space.; and
     c. Redevelopment includes conversion of motel rooms to boutique hotel rooms, micro retail suites, and short/long-term residential units.
   - Team Experience: Past performance and overall experience of individuals or project team on similar projects.
     a. Project is owned and operated by Palindrome Communities, LLC and its subsidiary companies, who have significant experience leading redevelopment projects in Albuquerque, including El Vado Motel and several projects in the Sawmill District.
b. Palindrome Communities, LLC includes a hospitality division, supporting expectations that they have resources and experience to successfully own and operate the redeveloped Imperial Inn property.

- Design: Design of the Project is appropriate for the location and urban context of the site; The Project incorporates sustainable design features and renewable energy elements; Demand for parking is adequately addressed and takes advantage of transit/shared parking opportunities to reduce parking on site; Project incorporates renewable energy and other measures to reduce carbon footprint. Project incorporates Crime Prevention through Environmental Design concepts.
  a. Project aligns with area design goals: includes preservation of the historic motel building facade(s); preserves historic Imperial Inn signage on Central Ave.;
  b. Project incorporates true mixed-use design providing flexible micro restaurant and retail spaces; and
  c. Project utilizes site design elements to increase safety and accessibility.

- Financial Structure: Market demand and pro-forma assumptions are documented and justified; Project budget is realistic and support by evidence, including (but not limited to) construction, soft costs, developer fee, initial reserve amounts, and contingency; Pro-forma is realistic and achievable, including income expenses, reserve contributions, debt payments, etc.; City investment is leveraged with other funding resources; Structure of City investments provides a return to the City, if possible.
  a. Project includes several kinds of capital including owner equity, debt, and the requested city financial contribution; and
  b. Project appears feasible assuming hotel market conditions return to pre-COVID levels within a few years.

- Financial Capacity: Proposer demonstrates adequate financial capacity to develop the proposed Project (evaluated through information provided in response to other Financial Obligations, Financing References and Financial Statements); Proposer demonstrated adequate financial risk in the Project.
  a. Project primarily funded via owner equity (15.6%) and conventional debt capital (68.7%); Owner has demonstrated sufficient financial capacity for the equity and loan guarantees.

- Timeline: Evaluation of the achievability of the Proposer's schedule and the Proposer's ability to complete the project satisfactorily in a timely manner.
  a. Project proposes to complete construction by December 2021.; and
  b. Economic impacts of COVID-19 will likely extended into 2022 and potentially longer.
The Springer Square Sky Link is a unique proposal that seeks to construct a pedestrian bridge over the rail crossings that currently separate the Albuquerque Convention Center parking structure from future developments on the Springer Square property and adjoining parcels between the rail tracks and Broadway; Tijeras and Marquette. The Sky Link will relocate surface parking spaces into the parking structure, and will connect employees working in the Springer Square office building to new secure parking in the parking structure.

The Sky Link will connect to future Rail Trail Corridor developments, encouraging increased pedestrian activity. The Sky Link developer also owns adjacent lots, and future development on these lots will be unlocked by shifting the surface parking to the Convention Center parking garage, making way for additional mixed-use developments that may include residential, retail, and hospitality.

**Project Negotiations:** MRA expects to enter into negotiations with Zydeco 66, to determine the process, timing, duration, and pricing of the requested Convention Center parking spaces. Additionally, MRA expects to negotiate commitments and timelines for the development of adjacent parcels.

**Recommended Motion:** Based on the findings included in the staff report, ADC recommends that the MRA staff proceed with negotiations with Zydeco 66, LLC on the proposed Skylink Station and the development of adjacent parcels and to return to the ADC within 90 days, following the notice of decision and appeal period, to present the negotiated development agreement.
Findings:

1. Pursuant to the Downtown 2025 Metropolitan Redevelopment Area plan there is need to redevelop and activate real properties in the area in order to:
   - Make Downtown a “pedestrian-first”, “park-once” place with excellent pedestrian, transit, and bicycle facilities;
   - Develop, manage, and operate parking as an essential civic infrastructure, and reducing overall parking ratios over time to a “park-once” environment;
   - Create new parks, open space and plazas that are easily accessible to downtown residents, workers, students, and visitors;
   - Maintain Downtown as New Mexico’s largest employment center and the region’s center of economic activity; and
   - Have at least 20,000 people living within one mile of the Downtown Core, and 5,000 living within the Downtown Core by 2025.

2. As provided in the New Mexico State Metropolitan Redevelopment Code and the Metropolitan Redevelopment Agency Ordinance for the City of Albuquerque, the MRA issued a Request for Proposal #01-2020 on March 5, 2020, soliciting redevelopment proposals for two Subject Areas, including the referenced property.

3. The MRA received five (5) proposals in response to the RFP #01-2020. Three (3) proposals received were deemed to be responsive to the criteria in RFP #01-2020, including the Proposal by Zydeco 66.

4. Zydeco 66’s proposal responds to the goals of the Downtown MRA Plan by:
   - Proposing development of a pedestrian bridge connecting Albuquerque Convention Center parking and future residential and/or hospitality developments on adjacent properties;
   - Creating a new plaza connected to the proposed Rail Trail Multimodal Corridor; and
   - Adding to the number of people living and working downtown through the development of the two outlying tracts.

5. Zydeco 66’s Proposal met all the RFP response criteria including having site control and not requesting pre-development funding from the MRA.

6. The Proposal received 383 points from the Selection Advisory Committee in the following categories: team experience, design, financial structure, financial capacity, and timeline.

7. The following findings support the RFP Evaluation Criteria:
   - Consistency with Stated Project Goals: Elimination of blight; Meets goals of the relevant Metropolitan Redevelopment Plan; Increasing housing and employment density and options; Enhancing placemaking and urban vibrancy; Catalyzes further redevelopment and economic activity; Supports local, small, minority, women and disadvantaged business enterprises.
     a. Project is a hybrid (public-private) infrastructure development that is catalytic in creating new community spaces (public plaza) and unlocking future developments that will/may include residential, retail, and hospitality; and
     b. Rail Trail corridor integration into public plaza design and construction is supported by the project developer.
• Team Experience: Past performance and overall experience of individuals or project team on similar projects.
  a. Project team has demonstrated experience with largely small-scale, infill development across New Mexico; and
  b. The team’s development experience spans a variety of property types, including residential, retail, office and hospitality.
• Design: Design of the Project is appropriate for the location and urban context of the site; The Project incorporates sustainable design features and renewable energy elements; Demand for parking is adequately addressed and takes advantage of transit/shared parking opportunities to reduce parking on site; Project incorporates renewable energy and other measures to reduce carbon footprint. Project incorporates Crime Prevention through Environmental Design concepts.
  a. Project design is unique in that the proposed construction constitutes both a public infrastructure project as well as a project that unlocks future private development opportunities;
  b. The project will shift isolated surface parking into structured parking to serve the associated Springer Square office building and future residential parking needs; and
  c. Parking shifts from surface to structured open the first adjacent parcel for planned residential development.
• Financial Structure: Market demand and pro-forma assumptions are documented and justified; Project budget is realistic and support by evidence, including (but not limited to) construction, soft costs, developer fee, initial reserve amounts, and contingency; Pro-forma is realistic and achievable, including income expenses, reserve contributions, debt payments, etc.; City investment is leveraged with other funding resources; Structure of City investments provides a return to the City, if possible.
  a. Project financial structure includes land and building contributions that equate to 33% of the total development costs;
  b. Owner equity and conventional debt make up the majority of the remaining financial structure; and
  c. $1 million public portion of the proposed financial structure may be eligible for GO bond funding.
• Financial Capacity: Proposer demonstrates adequate financial capacity to develop the proposed Project (evaluated through information provided in response to other Financial Obligations, Financing References and Financial Statements); Proposer demonstrated adequate financial risk in the Project.
  a. Project team has demonstrated sufficient cash and cash equivalents to provide the specified level of owner’s equity required for the project, in addition to the real property contributed to the project by the project owner.
• Timeline: Evaluation of the achievability of the Proposer's schedule and the Proposer's ability to complete the project satisfactorily in a timely manner.
  a. Project proposes construction start as early as December 2021 and is expected to have a duration of approximately one year; and
  b. Development on adjacent parcels is tied to construction of the sky bridge to connect parking to future office and future residential development. and
Innovate ABQ project proposes renovating and repurposing the west building of the former First Baptist Church complex into bioscience laboratories for researchers and entrepreneurs. The facility is intended to function as incubator space for dozens of life-sciences startup companies, supported by an anchor tenant/operator. The project is now in the hands of Lobo Development to manage, both construction and recruitment of the anchor laboratory tenant(s). Financing for the project is provided by several sizeable public capital outlays, grants, and some private debt capital.

**Project Negotiations:** MRA expects Innovate ABQ will identify and secure an anchor tenant to manage lab operations in the space. Innovate ABQ also needs to craft a comprehensive business plan for the bioscience lab space that outlines expected revenue streams, operations processes and costs, and intended business outcomes. Negotiations will also include grant/loan structure and repayment feasibility.

**Recommended Motion:** Based on the findings included in the staff report, ADC recommends that MRA staff proceed with negotiations with Innovate ABQ on the proposed Labs@Innovate and to return to the ADC within 90 days, following the notice of decision and appeal period, to present the negotiated development agreement.
Findings:

1. Pursuant to the Downtown 2025 Metropolitan Redevelopment Area plan there is need to redevelop and activate real properties in the area in order to:
   - Make Downtown a “pedestrian-first”, “park-once” place with excellent pedestrian, transit, and bicycle facilities;
   - Make Downtown New Mexico’s premier pedestrian-oriented ‘urban place’;
   - Maintain Downtown as New Mexico’s largest employment center and the region’s center of economic activity; and
   - Preserve and enhance the character of the neighborhoods which surround Downtown.

2. As provided in the New Mexico State Metropolitan Redevelopment Code and the Metropolitan Redevelopment Agency Ordinance for the City of Albuquerque, the MRA issued a Request for Proposal #01-2020 on March 5, 2020, soliciting redevelopment proposals for two Subject Areas, including the referenced property.

3. The MRA received five (5) proposals in response to the RFP #01-2020. Three (3) proposals received were deemed to be responsive to the criteria in RFP #01-2020, including the Proposal by Innovate ABQ.

4. Innovate ABQ’s proposal responds to the goals of the Downtown MRA Plan by:
   - Renovating and repurposing the vacant west building of the former First Baptist Church complex into bioscience laboratories for researchers and entrepreneurs;
   - Promoting a pedestrian-orientated urban place by increasing pedestrian and bicycle access, and leveraging public transportation connections; and
   - Increasing employment downtown by building an incubator space for dozens of life-sciences startup companies.

5. The Innovate ABQ, Inc. proposal met all the RFP response criteria including having site control and not requesting pre-development funding from the MRA.

6. The proposer received 354 points from the Selection Advisory Committee in the following categories: team experience, design, financial structure, financial capacity, and timeline.

7. The following findings support the RFP Evaluation Criteria
   - Consistency with Stated Project Goals: Elimination of blight; Meets goals of the relevant Metropolitan Redevelopment Plan; Increasing housing and employment density and options; Enhancing placemaking and urban vibrancy; Catalyzes further redevelopment and economic activity; Supports local, small, minority, women and disadvantaged business enterprises.
     a. Project eliminates a blighted, vacant historic building by renovating, removing health hazards, and repurposing it to support the broader Innovate ABQ campus development;
     b. Life sciences lab space will be anchored by a key tenant who will manage the business operations of the space;
     c. Project removes access and affordability barriers for small, local, minority and women-owned business and startups to high-quality life science lab space; and
     d. Pre-developed lab spaces and a scalable business model will attract and support the development of innovation clusters in the life sciences sectors.
   - Team Experience: Past performance and overall experience of individuals or project team on similar projects.
a. UNM Real Estate Department and Lobo Development have the experience and expertise required to complete this project.

- Design: Design of the Project is appropriate for the location and urban context of the site; The Project incorporates sustainable design features and renewable energy elements; Demand for parking is adequately addressed and takes advantage of transit/shared parking opportunities to reduce parking on site; Project incorporates renewable energy and other measures to reduce carbon footprint. Project incorporates Crime Prevention through Environmental Design concepts.
  a. The Project aligns with area design goals and will update and activate a portion of Central Ave. frontage that is currently blighted;
  b. Repurposing of a historic building into an advanced biosciences laboratory space, and the attraction of numerous small businesses and startups will enhance the area’s vibrance; and
  c. The project is being designed into plans for a multi-modal innovation campus that leverages transit expansions, and facilitates bicycle and pedestrian mobility.

- Financial Structure: Market demand and pro-forma assumptions are documented and justified; Project budget is realistic and supported by evidence, including (but not limited to) construction, soft costs, developer fee, initial reserve amounts, and contingency; Pro-forma is realistic and achievable, including income expenses, reserve contributions, debt payments, etc.; City investment is leveraged with other funding resources; Structure of City investments provides a return to the City, if possible.
  a. Project leverages several types of public and private capital, including capital outlays, grants, and debt;
  b. Relatively strong projected cashflows suggest MRA could consider a partial debt investment in the project without impacting the overall feasibility of the project; and
  c. Expected returns and project feasibility are contingent on the securing of a long-term anchor tenant who will ensure operations generate sufficient revenues.

- Financial Capacity: Proposer demonstrates adequate financial capacity to develop the proposed Project (evaluated through information provided in response to other Financial Obligations, Financing References and Financial Statements); Proposer demonstrated adequate financial risk in the Project.
  a. Project is primarily publicly funded - InnovateABQ has already obtained $2.2M in capital funding from the State of New Mexico and UNM; and
  b. Developer has cash deposited with a fiscal agent.
  c. Timeline: Evaluation of the achievability of the Proposer’s schedule and the Proposer’s ability to complete the project satisfactorily in a timely manner. The Project construction timeline is ten months.
**Project Description:**

Innovate ABQ bioscience labs are designed as a strategic tool set to be used by commercialization researchers and entrepreneurs. The labs defer the need for individual start-ups to expend capital on laboratory build outs and can be leased by-the-hour or monthly. Bioscience lab space will be built and configured for plug and play operations. Users (innovators and researchers) can reconfigure their labs with minimal effort.

Innovate ABQ intends to renovate and repurpose the West building of the former First Baptist Church (FBC) complex for use as the bioscience labs. The 22,000 sq. ft. building encompasses two full floors and a partial basement. It will be physically separated from the remainder of the FBC complex with the demolition of the adjoining atrium.

**Consistency with the City’s Project Goals and Community Benefits:**

The Innovate ABQ Project aligns with many of the City of Albuquerque and Municipal Redevelopment Agency goals. Four primary goals to highlight are, elimination of blighted conditions, maintaining downtown as New Mexico’s largest employment center and the region’s center of economic activity, increasing employment density and options and, supporting catalytic economic development.

**Team Description:**

The Innovate ABQ Team consists of staff and resources of Lobo Development Corporation and the University of New Mexico (UNM) Real Estate Department. Development efforts at Innovate ABQ are specifically led by Kelly S. Ward, Director of
Sources of Funding:

Innovate ABQ has secured the following funding:

US Department of Commerce,
   Economic Development Administration Grant $1,010,000
Private Match NUSENDA Credit Union $1,010,000
State of New Mexico capital outlay $1,050,000
University of New Mexico,
   capital projects funding $1,140,000

Total funding secured $4,210,000

Project development costs $5,207,000
MR Funding Request $1,000,000

Timeline:

The estimated construction start date is seventy (70) days after funding. This time period encompasses the bid process for selection of a general contractor. The project is expected to achieve substantial completion in nine (9) months from the date of issuance of a notice to proceed.
October 7, 2020

**Springer Sky Link Project Summary**

The Springer Square Sky Link (“Sky Link”) development is a project in response to the EDo RFP by the private developer, Zydeco. This project creates a pedestrian connection from the Albuquerque Convention Center Parking Garage to the new plaza at 121 Tijeras Ave NE, Springer Square. The Zydeco Sky Link bridge over the BNSF Railroad tracks will physically connect both sides of the railroad divide and alleviates a parking deficit within the EDo neighborhood. With the Convention Center Parking Garage containing 700 plus parking slots, the Edo neighborhood will resolve its parking demand issues, encouraging future walkable development. Zydeco is proposing this catalytic project as an initiative for development on its property and neighboring EDo properties.

**Consistency with City Goals**

The Sky Link proposal supports the City’s Metropolitan Redevelopment Plan of building pedestrian connectivity, social inclusion, urban activation, while identifying economic growth opportunities. By establishing a permanent physical connection over the railroad divide, the Sky Link perfectly aligns with the City’s vision of a purposeful project that will serve a broad range of community users and seeding the EDo redevelopment.

**Team Overview**

Sharing over 80-plus years of combined practice in real-estate development, architecture, and urban design, Zydeco develops properties ranging from mixed-use, commercial, multifamily residential, office and institutional uses. Zydeco is dedicated to real estate development that contributes to building better urban environments while creating memorable places for the enjoyment of people.
Capital Structure

<table>
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<th>FUNDING DETAIL (SOURCES)</th>
<th>Amount</th>
<th>DEVELOPMENT BUDGET (USES)</th>
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<td>Acquisition Cost - Building</td>
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<td><strong>TOTAL USES</strong></td>
<td><strong>$9,138,575</strong></td>
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Zydeco will be contributing the Springer Square Building with an estimated value of $3.2 million and the land for the new plaza with an estimated value of $400,000. Zydeco’s cash contribution is $2.5 million. Zydeco shall obtain a construction loan of $2 million and a $1 million grant from the City of Albuquerque to fund the project amount of approximately $9.1 million (See "SOURCES" in the table above). The Sky Link and urban plaza will be constructed on Parcel A for an estimated $5.5 million construction cost. The combined acquisition cost of land and building is approximately $3.6 million, and a total development budget of approximately $9.1 million (See "USES" in the table above).

Timeline
Zydeco plans for a 21-month period to design, engineer and build the proposed Sky Link project. Zydeco has also identified BNSF, NMDOT and City of Albuquerque entitlement/permit issues as “scheduling variables” that may impact the construction start and completion dates. Once the City of Albuquerque has awarded its grant funding to Zydeco’s Sky Link project, a conservative schedule estimates a 36-month duration for the critical stages of the development. Key stage milestones are shown below:

- Sky Link Phase I Site Development Plan: 3 months
- Entitlements: City of Albuquerque/BNSF: 12 months (conservatively calculated for negotiations and city entitlement requirements and council meetings) *
- Architecture and Engineering: 9 months
- Construction: 12 months

* Should the “scheduling variables” be expedited, the time frame to complete the projected would be shortened.
Palindrome was created specifically to develop projects like the Imperial Inn – projects that re-energize and revitalize neighborhoods. Our team has combined housing development with community-based attractions like micro-breweries, hospitality destinations and entertainment venues to catalyze revitalization. We develop projects that attract people...people bring energy and energy brings prosperity.

In order for historic treasures like the Imperial Inn to thrive again, they must be reimagined and repurposed into something relevant to today’s consumer. A redevelopment without the energy people create is a failure. A redevelopment that reimagines the real estate to generate the energy people create is a true success.

The Imperial Inn will be reimagined into four key components:

**ACTIVE COMMERCE**: New construction of two buildings that will bookend the existing pool.

Both buildings will promote small business economic development through micro restaurants and retail. In addition, former guest rooms will be converted into additional micro retail space.

**ACTIVE STAYS**: While several of the current guest rooms will be repurposed into new uses, all remaining guest rooms will be beautifully updated with new finishes, fixtures and furniture.

**ACTIVE LIVING**: Several guest rooms located on the northern side of the property will be converted into living spaces. Half of the units will be tastefully furnished and leased to corporate housing clients. The other half facing Copper Avenue will be targeted to live-work residents to activate Copper Avenue.

**ACTIVE LEARNING**: To support corporate housing clients, a conference room and events center will be added. In addition, an area will be developed for weekend culinary classes that will highlight world-famous New Mexican cuisine.

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**CONSISTENCY WITH CITY’S GOALS**

**MULTI-MODAL LIVE/WORK AND MIXED USE AND ADAPTIVE REUSE OF OLDER BUILDINGS**

- Eight flex living units on the north side of the property
- Up to eight active spaces for small businesses and retailers
- A newly constructed mid-size restaurant/bar
- A community space around the pool for gatherings, movies, performances and food festivals
- Conference Room / Event Center

**PLACE MAKING ELEMENTS THAT ADD CREATIVE LOCAL INTEREST AND STREETSCAPE IMPROVEMENTS**

- The addition of a restaurant/bar on the west side of the property that will front Central Avenue
- New retail space on the east side, also fronting Central Avenue
- New places to eat and shop will add interest to the area, which is easily accessible by transit
**DEVELOPMENT OF VACANT LOTS**

- The west side of the property facing Central Avenue is currently a sprawling parking lot, creating a visual of vacant space. The redevelopment fills this space with a new restaurant/bar that has outdoor seating, creating interest and vitality along Central Avenue in this area.

- The community gathering area by the pool and retail shops will address the need for a, “public outdoor gathering space, such as a plaza or pocket park.”

**SPECIFIC GOALS FROM THE PLAN THE IMPERIAL ADDRESSES ARE:**

**GOAL 5.2 COMPLETE COMMUNITIES**
Foster communities where residents can live, work, learn, shop, and play together;

**GOAL 11.2 HISTORIC ASSETS**
Preserve and enhance significant historic districts and buildings to reflect our past as we move into the future and to strengthen our sense of identity;

**PUBLIC-PRIVATE PARTNERSHIP(S) FOR REDEVELOPMENT PROJECT(S)**
Work with the private sector to develop properties that have a high catalytic redevelopment potential, especially those along the major transit routes in the Area.

*The Imperial Inn will become a vital business hub along the major transit thoroughfare of Central Avenue, attracting tourists and locals, creating a vibrant place in the community where people want to be.*

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**TEAM OVERVIEW**

Palindrome has a well-qualified team of professionals. Its team will bring informed and valuable perspectives that are critical to achieving the desired outcomes for the Imperial Inn redevelopment.

**DEVELOPER / PALINDROME**

**ARCHITECT / DESIGN PLUS ABQ**

**CONTRACTOR / PACIFICAP CONSTRUCTION**

**PROPERTY MANAGEMENT / PACIFICAP MANAGEMENT**

**HOSPITALITY MANAGEMENT / SOMOS DESTINATIONS**

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**FINANCIAL STRUCTURE**

The Imperial Inn redevelopment will be financed with only three (3) sources of capital: 1) conventional debt financing ($5.3m), 2) City loan ($1.2m) and 3) owner’s equity ($1.2m). Given Palindrome’s substantial equity investment with a total development cost of $7.7m, the City funds will be leveraged at a ratio of 6.4:1.

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**TIMELINE**

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
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<tbody>
<tr>
<td>Award of Funding</td>
<td>October 2020</td>
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<tr>
<td>Term Sheet/Lender Commitment</td>
<td>December 2020</td>
</tr>
<tr>
<td>Plans &amp; Specs Completed</td>
<td>January 2021</td>
</tr>
<tr>
<td>Development Agreement</td>
<td>February 2021</td>
</tr>
<tr>
<td>Building Permits</td>
<td>March 2021</td>
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<tr>
<td>Construction Loan Close</td>
<td>March 2021</td>
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<tr>
<td>Construction Start</td>
<td>March 2021</td>
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<tr>
<td>Construction Completion</td>
<td>December 2021</td>
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<tr>
<td>Lease-Up Completion</td>
<td>June 2021</td>
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