



Tim Keller, Mayor

February 9, 2022

**To:** Albuquerque Development Commission

**From:** Karen Iverson, MRA Manager

**Subject:** Case #2022- 6 Menaul Metropolitan Redevelopment Area Designation Report

## BACKGROUND

City Council Services is proposing to create a new Metropolitan Redevelopment Area to include the commercial corridor along Menaul between I-25 and the North Diversion Channel. Please see the attached draft Menaul Redevelopment Area Designation Report. The geographic boundaries of the area (see map below) were determined through the recently adopted Menaul Redevelopment Study (Phase 1) completed by Consensus Planning on behalf of Albuquerque City Council Services. Legislation designating the Menaul Metropolitan Redevelopment Area was introduced to City Council and deferred to ADC for recommendation.



PROPOSED MENAUL METROPOLITAN REDEVELOPMENT AREA BOUNDARY

## REPORT FINDINGS

1. The Menaul MR Area meets the definition of a blighted area as defined in Section 3-60A-4(F) NMSA 1978 of the MR Code.
2. The presence of the following conditions is substantially impairing the sound growth and economic health and well-being of the City:

- a. a substantial number of deteriorated or deteriorating structures; and
  - b. deterioration of site improvements; and
  - c. a significant number of commercial or mercantile businesses have closed or significantly reduced their hours of operation due to the economic losses or loss of profit due to operating in the area; and
  - d. low levels of commercial activity or redevelopment.
3. The combination of the above stated factors is an economic and social burden and is a menace to the public health, safety, morals or welfare of the residents of Albuquerque, and the rehabilitation, conservation, redevelopment or development, or a combination thereof, of and in such area is necessary.

**NEEDED MOTION**

ADC recommends to City Council approval of the Menaul Metropolitan Redevelopment Area Designation Report, making certain findings pursuant to the Metropolitan Redevelopment Code, and authorizing and directing the City to prepare a Metropolitan Redevelopment Plan for the Menaul Metropolitan Redevelopment Area.



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1 Menaul MR Area and the date, time and place where the Council will hold a  
2 public hearing to consider the adoption of this Resolution and such notice  
3 was published twice with the last publication at least twenty days prior to the  
4 Council hearing; and

5 WHEREAS, the Council has considered the Designation Report, including  
6 Findings, Determinations, and Conclusions in addition to the questions and  
7 comments submitted by members of the public concerning the proposed  
8 Menaul MR Area.

9 BE IT RESOLVED BY THE COUNCIL, THE GOVERNING BODY OF THE CITY OF  
10 ALBUQUERQUE:

11 SECTION 1. The City Council makes the following Findings of Fact with  
12 respect to the designation of the Menaul MR Area:

13 A. The Menaul MR Area is shown on the map attached hereto as Exhibit  
14 A. The Menaul MR Area is located along Menaul Boulevard, between Interstate  
15 25 and the North Diversion Channel. The geographic boundaries generally  
16 includes properties along the Menaul Boulevard corridor between Interstate 25  
17 and the North Diversion Channel, with Phoenix Avenue as a northern  
18 boundary and Interstate 40 as the southern boundary.

19 B. The Menaul MR Area meets the definition of a blighted area as  
20 defined in Section 3-60A-4(F) NMSA 1978 of the MR Code. The presence of the  
21 following conditions is substantially impairing the sound growth and  
22 economic health and well-being of the City: (1) a substantial number of  
23 deteriorated or deteriorating structures; (2) deterioration of site  
24 improvements; (3) a significant number of commercial or mercantile  
25 businesses have closed or significantly reduced their hours of operation due  
26 to the economic losses or loss of profit due to operating in the area; and (4)  
27 low levels of commercial activity or redevelopment.

28 C. The combination of the above stated factors is an economic and  
29 social burden and is a menace to the public health, safety, morals or welfare of  
30 the residents of Albuquerque, and the rehabilitation, conservation,  
31 redevelopment or development, or a combination thereof, of and in such area  
32 is necessary.

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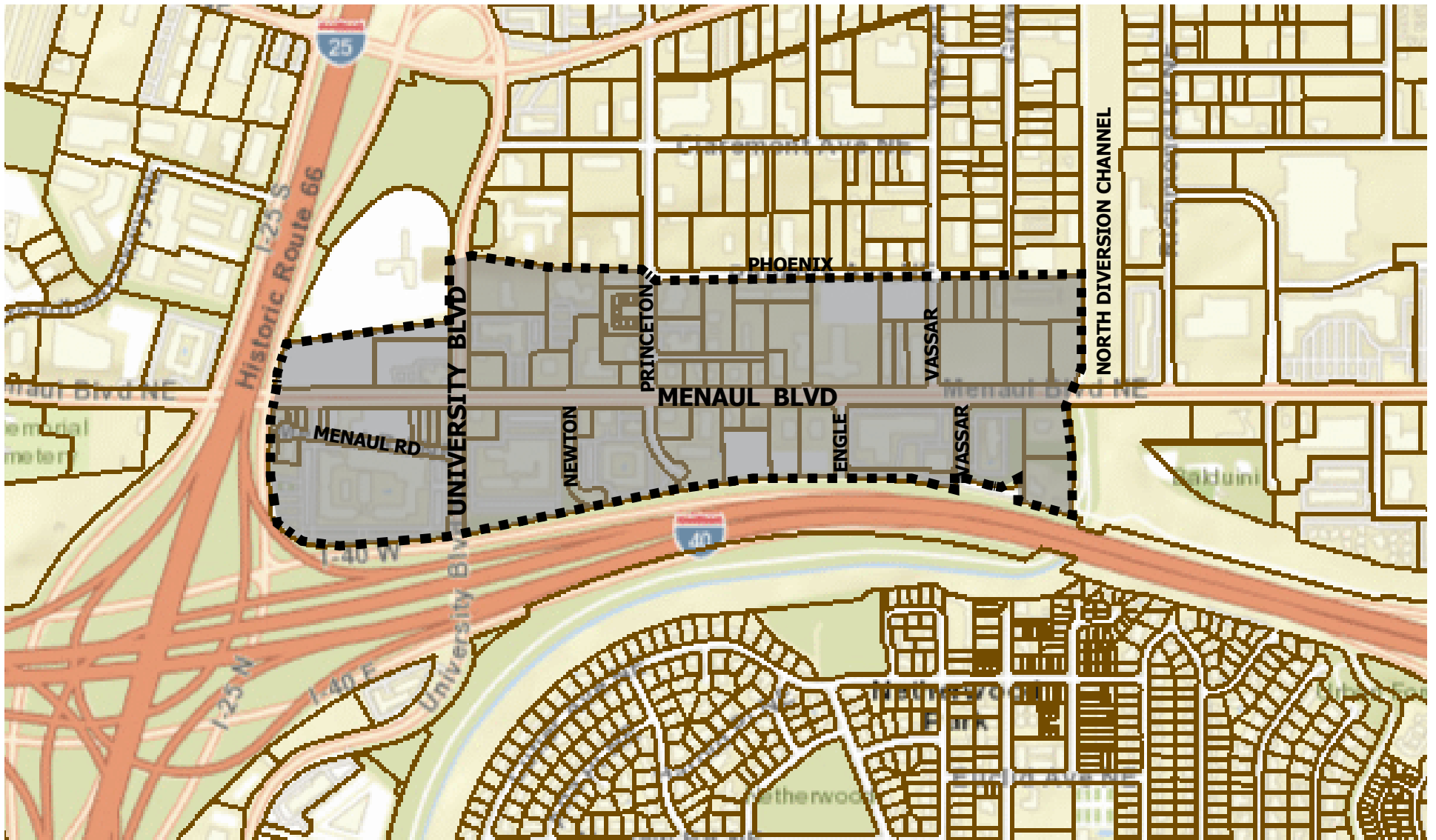
1       **SECTION 2.** In accordance with the requirements of Section 3-60A-8 NMSA  
2 1978, the Council hereby designates the area that is described in Section 1.A  
3 above, and shown in the official Menaul MR Boundary map attached hereto as  
4 Exhibit A, to be a ‘metropolitan redevelopment area’ as defined by Section 3-  
5 60A-4 (M) NMSA 1978 and finds it to be appropriate for a metropolitan  
6 redevelopment project or projects. This area shall be referred to as the Menaul  
7 MR Area to distinguish it from other metropolitan redevelopment areas.

8       **SECTION 3.** The MRA of the City is hereby authorized and directed to  
9 prepare a Metropolitan Redevelopment Plan, as defined by Section 3-60A-4 (N)  
10 NMSA 1978, for the Menaul MR Area, which, without limitation, shall: (1) Seek  
11 to eliminate the problems created by the blighted conditions of the area; (2)  
12 Conform to and coordinate with the Albuquerque/Bernalillo County  
13 Comprehensive Plan, and any other applicable plans or policies; and (3) Be  
14 sufficient to indicate the proposed activities to be carried out in the area,  
15 including, but not limited to, any proposals for land acquisition,  
16 redevelopment, improvements, rehabilitation and conservation and the plan’s  
17 relationship to definite local objectives respecting land uses, improved traffic  
18 patterns and controls, public transportation, public utilities, recreational and  
19 community facilities, housing facilities, commercial activities or enterprises,  
20 and other public improvements.

21       **SECTION 4. SEVERABILITY CLAUSE.** If any section, paragraph, sentence,  
22 clause, word or phrase of this resolution is for any reason held to be invalid or  
23 unenforceable by any court of competent jurisdiction, such decision shall not  
24 affect the validity of the remaining provisions of this resolution. The Council  
25 hereby declares that it would have passed this resolution and each section,  
26 paragraph, sentence, clause, word or phrase thereof irrespective of any  
27 provisions being declared unconstitutional or otherwise invalid.

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EXHIBIT A - PROPOSED MENAUL METROPOLITAN REDEVELOPMENT AREA BOUNDARY





# CITY OF ALBUQUERQUE **MENAUL** DESIGNATION REPORT

EXHIBIT B

DECEMBER 1, 2021



CONSENSUS

PLANNING

Prepared By:

Consensus Planning, Inc.  
302 Eighth Street NW  
Albuquerque, NM 87102

**EXHIBIT B**

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## 1.1 INTRODUCTION

The proposed Menaul Metropolitan Redevelopment Area (MRA) is located along Menaul Boulevard, between Interstate 25 and the North Diversion Channel. The geographic boundaries of the MRA (see map below) were determined through the recently adopted Menaul Redevelopment Study (Phase 1) completed by Consensus Planning on behalf of Albuquerque City Council Services and Councilor Diane Gibson. The larger study area was bounded by Candelaria Road on the north, Interstate 40 on the south, San Mateo Boulevard on the east, and Interstate 25 on the west. The proposed MRA is a smaller subarea within the study area and is based on a finding that there is a disproportionate number of distressed properties and blighted conditions within that subarea, and in need of assistance to improve its existing economic and physical conditions. Once the Designation Report is adopted by City Council, the third and final phase of this project will include the creation of an MRA Plan that will identify opportunities for public and private partnerships and investment to improve the MRA.

The Menaul Redevelopment Study was adopted by City Council in November 2021, and included data research and analysis, documentation of existing conditions within the study area, development

and distribution of a business owner survey, real estate market research, and the development of recommendations for subsequent phases of the project. In addition to the survey, two public meetings were held as part of the planning process. A key recommendation of the study was the designation of an MR area for a portion of Menaul.

### NEW MEXICO METROPOLITAN REDEVELOPMENT CODE

The MRA designation for Menaul Boulevard follows and is in compliance with the New Mexico Redevelopment Code (§3-60A-1 to 3-60A-48 NMSA 1978), which provides New Mexico cities with the powers to correct blighted conditions in areas or neighborhoods, which “substantially inflict or arrest the sound and orderly development” within the city. Designation of a Metropolitan Redevelopment Area (MRA) must be based on a finding of “blighted” conditions, as defined in the New Mexico Metropolitan Redevelopment Code. The criteria set by the Metropolitan Redevelopment Code for a “blighted” area includes both physical and economic conditions. A blighted area must be found to have one or more conditions, including:

- ▶ Deteriorated structures;
- ▶ Defective street layout;
- ▶ Faulty lot layout;
- ▶ Unsanitary or unsafe conditions;



PROPOSED MENAUL METROPOLITAN REDEVELOPMENT AREA BOUNDARY

## EXHIBIT B

- ◀ Deterioration of site improvements;
- ◀ Tax or special assessment delinquency;
- ◀ Improper subdivision;
- ◀ Lack of adequate housing;
- ◀ Impractical planning and platting; or
- ◀ Low levels of commercial or industrial activity or redevelopment.

The Anti-donation Clause of the New Mexico Constitution (Article IX, Section 14) prohibits state and local governments from providing public funds that benefit private interests. The New Mexico Redevelopment Code provides an exception to the Anti-donation Clause through the designation of a MRA and adoption of an MRA Plan allowing local government to:

- ◀ Sell, lease, or dispose of public assets;
- ◀ Enter into public/private partnerships;
- ◀ Carry out MRA projects;
- ◀ Invest in MRA project funds; and
- ◀ Issue bonds and/or loans.

The New Mexico Redevelopment Code does not grant a local government the power of eminent domain.

### METROPOLITAN REDEVELOPMENT AGENCY ORDINANCE

The Albuquerque City Council adopted the Metropolitan Redevelopment Agency Ordinance in 1994 (§§ 14-8-4-1, et seq., ROA 1994). Through this ordinance, the City Council has been granted the power and authority to declare an area blighted. The Menaul Designation Report has been prepared and submitted for review by the ADC and the City Council in accordance with the enabling ordinance.

The Albuquerque Development Commission (ADC) was created as a 5-member advisory board to the City Council for recommendations regarding the existence, extent, and eligibility of appropriate areas of Albuquerque to be declared blighted. It has the authority to approve the sale of land within a designated MRA that is covered by a MRA Plan; approval of project plans and inducement resolutions for private purpose bonds; and review economic development strategies submitted by the Office of Economic Development. The ADC meets on a monthly basis.

## 2. FINDINGS

The planning process conducted during the first two phases of the Menaul Redevelopment project revealed blighted conditions exist in the proposed Menaul area. As documented in the Menaul Redevelopment Study and this Designation Report, blighted conditions include deteriorated structures; deterioration of site improvements; and low levels of commercial or industrial activity or redevelopment. Within these categories, there is ample evidence of business closures, lack of ongoing investment, and disinvestment. The planning process also revealed a strong frustration expressed by business owners regarding the lack of City investment in the area and high rates of crime and vandalism. The Menaul area is at a crucial crossroads; if the trend continues, the City can expect blighting conditions and disinvestment to worsen. If action is taken to correct these conditions, the Menaul area will once again be a healthy and thriving commercial corridor with new and expanded businesses and opportunities for redevelopment.



**EXISTING LAND USE**

As part of the larger Menaul Redevelopment Study, a existing land use survey was conducted by Consensus Planning on May 6-7, 2021, to determine the baseline of business activity and the location and extent of vacant land and buildings

that may be contributing to blight and disinvestment in the study area. This analysis assisted in determining the proposed MRA boundary contained in this Designation Report. The map below illustrates the existing land use within the proposed MRA.

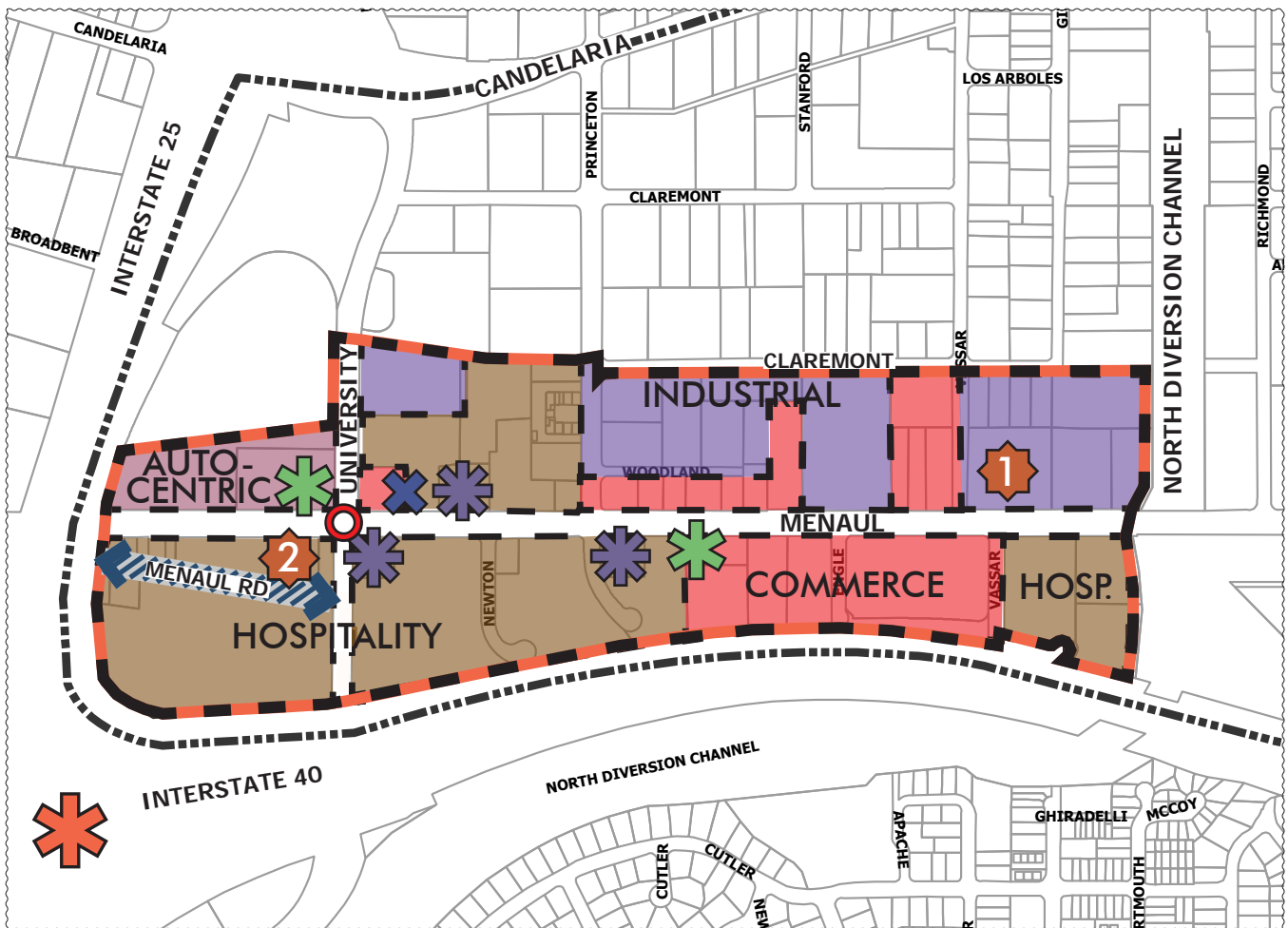


**EXHIBIT B**

**OPPORTUNITIES & CONSTRAINTS**

The larger Menaul Redevelopment Study also contained an Opportunities and Constraints analysis that identified existing conditions, including general land use categories, nuisance properties, problem bus stops, areas of disinvestment, poor lighting

conditions, etc. The proposed MRA boundary was included in the Opportunities & Constraints analysis, referenced as an “area of disinvestment”. The map provided below illustrates the Opportunities and Constraints analysis relative to the proposed MRA only.



- COMMERCE
- INDUSTRIAL
- HOSPITALITY
- AUTO-CENTRIC
- CULTURAL/EDUCATIONAL
- RECREATION
- HEALTHCARE

- AREA OF DISINVESTMENT
- POOR LIGHTING CONDITIONS
- SITE & BUILDINGS NEED IMPROVEMENT
- NUISANCE PROPERTIES
- PROBLEM BUS STOP
- NEW INVESTMENTS
- OPPORTUNITY SITES
- FREEWAY ACCESS
- NEW LIGHTING (EXISTING & PLANNED)
- TERMINUS OF FUTURE BUS RAPID TRANSIT LINE

**OPPORTUNITIES & CONSTRAINTS**

### 3. BLIGHTED CONDITIONS

Pursuant to the New Mexico Redevelopment Code (§ 3-60A-7, NMSA 1978), certain conditions must exist in an area in order for it to be designated as a Metropolitan Redevelopment Area (MRA). The following blighted conditions have been documented in the Menaul Redevelopment Study and are summarized in this section. It should be noted that not every property within the proposed MRA exhibit these conditions; however, there is a concentration of properties that are experiencing these issues and if action is not taken soon, it is anticipated that the area will continue to experience disinvestment and further deteriorate.

#### DETERIORATED STRUCTURES

The Menaul corridor is one of Albuquerque's oldest commercial corridors. It has been home to a wide range of commercial retail and service businesses, hotels and motels, offices, and light industrial development. However, there are numerous buildings and structures throughout the Menaul area that are vacant and deteriorating through a variety of factors, including lack of ongoing investment and disinvestment, crime issues, and to some extent, access changes to the Interstate system. Several of the buildings were previous restaurants, are boarded up, and have been vandalized, including the Little Anita's at the southeast corner of University Boulevard and Menaul Boulevard, The Range Cafe at 2200 Menaul Boulevard, and the Village Inn at 2017 Menaul Boulevard. Other notable structures that have long been vacant and continue to deteriorate include the cluster of buildings starting on the southwest corner of University Boulevard and Menaul Boulevards and moving westward to Fairfield Drive.



*Vacant and deteriorated structures, above: Little Anita's; Right: Village Inn, Range Cafe, Krav Maga, and warehouse building.*

## EXHIBIT B

### DETERIORATION OF SITE IMPROVEMENTS

Many of the same factors that have led to the deterioration of structures have also contributed to the deterioration of site improvements over time. This is not just related to vacant buildings; rather, these conditions can be found on vacant and occupied properties within the Menaul area. The combination of deteriorated buildings and site conditions have in many cases rendered these properties outdated and unattractive in Albuquerque's current commercial marketplace. These conditions can be found throughout the Menaul area and include the accumulation of trash, weeds, and inoperable vehicles; damaged and missing signage; damaged pavement; missing sidewalks; missing street trees and parking lot landscape, and graffiti, as shown in the photos on this and the following page. The deterioration of site improvements is not limited to private property; it also includes conditions within the public rights-of-way, such as bus stops, sidewalks, and streets.





## EXHIBIT B

### LOW LEVELS OF COMMERCIAL OR INDUSTRIAL ACTIVITY OR REDEVELOPMENT

As noted above, there are numerous closed commercial buildings and vacant lots along the Menaul corridor that signal a decreased and low level of commercial activity. For lease and for sale signs can be found throughout the corridor.

Retail activity in the study area is anchored by aging hotels and motels that are not connected to major activity centers and are struggling with a steep increase in crime and vandalism. Restaurant closures along the Menaul corridor have decreased the number of dining options within walking or short driving distance from the hotels and extended stay properties in the Menaul area.

As noted in the Phase 1 Menaul Redevelopment Study, the lease rates in this area are well below the average for the Albuquerque retail submarkets. Commercial activity is heavily influenced by safety issues and challenges with homeless people. The combined lack of ongoing investment in these aging retail properties, lack of major activity generation, and safety issues have made the Menaul corridor less desirable for commercial development. Current business owners in the Menaul area have expressed a strong level of frustration with the existing conditions, indicating that if left unchanged, they may consider divesting in the area by selling their properties.





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## 4. PUBLIC PARTICIPATION

Public participation and input were provided during the first phase of the project via an online business owner survey, two virtual public meetings, and presentations at the Land Use, Planning, and Zoning (LUPZ) meeting and City Council in November 2021. Consensus Planning and Council Services staff also made a presentation at a Midtown Business Association meeting.

The survey results revealed deep concerns expressed by the participants in the survey and the public meetings regarding crime issues, transients/homelessness, lighting, and graffiti removal. Proximity to Interstate 25 and Interstate 40 and overall visibility of the area were cited as primary benefits to having a business in the study area.

A presentation of the draft Menaul Redevelopment Study at the second public meeting included the geographic boundary of the proposed MRA, a list of recommendations for improving the area, and identification of opportunity sites that will be carried through to and expanded upon in the MRA Plan. The survey results and details regarding the public meetings are provided in the Menaul Redevelopment Study.

A public meeting will be scheduled specifically related to the proposed designation of the MRA. The meeting will occur after introduction of the Designation Report to the City Council on December 6, 2021 and before the meeting of the ADC.