

METROPOLITAN REDEVELOPMENT AGENCY

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NOTIFICATION OF DECISION

October 19, 2020

Innovate ABQ, Inc.
c/o Kelly Ward, Director of Development
801 University Blvd. SE, Ste. 207
Albuquerque, NM 87106

East Downtown Redevelopment
RFP #01-2020

On September 29, 2020, the East Downtown Redevelopment Area RFP Selection Advisory Committee, voted to RECOMMEND the selection of Innovate ABQ, or its successor corporation, company or organizations, as an approved RFP Area A submission to proceed to negotiations.

The Albuquerque Development Commission (ADC), after its consideration of the presentation and the materials and documentation before it, finds the following and recommends the Metropolitan Redevelopment Agency staff proceeded with negotiations with Innovate ABQ on the proposed Labs @InnovateABQ, and to return to ADC within 90 days following the notice of decisions 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 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 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.

APPEAL: If you wish to appeal this decision, you must do so within 15 business days of the Notice of Decision.

For more information regarding the appeal process, please refer to Section 14-8-4-8 of the Metropolitan Redevelopment Agency Ordinance. The Metropolitan Redevelopment Agency Appeal Form can be found at: <https://www.cabq.gov/metropolitan-redevelopment-agency/request-for-proposals>

You will receive notification if any person files an appeal. If there is no appeal, the decision of the ADC as accepted by the Metropolitan Redevelopment Agency is final.

Sincerely,

Karen Iverson

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Metropolitan Redevelopment Agency Manager

cc. John DuBois, Assistant City Attorney

cc. Lawrence Rael, COO