



UNIVERSITY AREA DESIGNATION REPORT

METROPOLITAN REDEVELOPMENT AGENCY

3-8-2022

Prepared by:



FIRSTLY

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Introduction

The Albuquerque Metropolitan Redevelopment Agency's mission is to make Albuquerque competitive in the global market by revitalizing downtown and the Central Avenue corridor, leading collaborative public-private partnerships that result in catalytic change, investing in sustainable infrastructure, and providing opportunities for residents and businesses to thrive. The agency accomplishes this by attracting economic investment and building healthy and vibrant communities which reflect the City's diversity, innovation, rich culture, and unique history.

The New Mexico Metropolitan Redevelopment Code (§3-60A-1 to 3-60A-48 NMSA 1978) provides municipalities in New Mexico with the powers to correct conditions in areas or neighborhoods which "substantially impair or arrest the sound and orderly development" within the city. These powers can help reverse an area's decline and stagnation; however, the municipality may only use these powers within designated Metropolitan Redevelopment Areas (MRAs) with adopted redevelopment plans.

Recognizing that the area south of the University of New Mexico Main Campus was showing signs of distress, the Metropolitan Redevelopment Agency conducted background research in the summer and fall of 2021 to assess whether the area had slum and blight conditions that would qualify and could benefit from an MRA designation. Field studies, interviews, and research found that the Central Avenue Corridor from University Boulevard to Girard Boulevard and the Yale Boulevard Corridor from Central Avenue to Avenida Cesar Chavez could qualify and benefit from an MRA designation.

State Requirements for an MRA Designation:

Designation of an MRA is based on findings of "slum or blight" conditions as defined in the Metropolitan Redevelopment Code (§3-60A-8). The criteria set by the Code for a "blighted" area include the following physical and economic conditions:

- Substantial number of deteriorated or deteriorating structures;
- Faulty lot layout or size;
- Unsanitary or unsafe conditions;
- Deterioration of site or other improvements;
- Diversity of ownership;
- Lack of adequate housing; and/or the
- Significant closure of or reduced activity by commercial uses

Definition of Blight:

'Blighted area' means an area within the area of operation...that substantially impairs or arrests sound growth and economic health and well-being... because of the presence of a substantial number of deteriorated or deteriorating structures ...faulty lot layout in relation to size, adequacy, accessibility or usefulness; unsanitary or unsafe conditions; deterioration of site or other improvements; diversity of ownership ...lack of adequate housing facilities in the area ...or an area where a significant number of commercial or mercantile businesses have closed or significantly reduced their operations due to the economic losses or loss of profit due to operating in the area, low levels of commercial or industrial activity or redevelopment or any combination of such factors ...or an area that retards the provisions of housing accommodations or constitutes an economic or social burden and is a menace to the public health, safety, morals or welfare in its present condition and use. [NM Stat §3-60A-4-F (2020)]

ANALYSIS SUMMARY

The Central Avenue Corridor is a culturally, economically, and historically significant East-West corridor and has experienced major infrastructure investment, most notably the construction of a bus rapid transit line (ART) and associated streetscape improvements. Associated construction impacts, however, have negatively impacted traffic and businesses in the university area. Additionally, several arterials in the study area are particularly dangerous and have higher fatality, bicycle, and pedestrian-related crashes (HFIN 2014-18). To aid City strategies and public infrastructure investment and to help achieve redevelopment along the corridor, much of Central Avenue Corridor is already designated within various Metropolitan Redevelopment Areas.

An assessment was conducted on a study area bounded on the north by Central Avenue, on the west by University Boulevard, on the east by Girard Boulevard and on the South by Avenida Cesar Chavez ("Study Area") to determine if this area meets the criteria and could benefit from an MRA designation. The resulting analysis found that conditions of blight exist within the study area, particularly along Central Avenue and also along Yale Boulevard. These conditions are summarized below.



Deteriorated or deteriorating structures, including many vacant buildings

A preliminary field survey identified a substantial number of vacant, deteriorated and deteriorating structures, especially along the commercial corridors. A market and field analysis identified that approximately 25% of all commercial space in the Study Area is vacant. Additionally, real estate professionals, local business owners, and residents noted that the prevalence of boarded up buildings contributes to a perception that the area is deteriorating and unsafe. It should be noted that not all properties within the boundary area exhibit these conditions but a high enough concentration of properties and blighted conditions exist to designate the overall area as a Metropolitan Redevelopment Area.



Deterioration of site or other improvements

Private property and public spaces throughout the corridor are showing signs of deterioration. This includes broken concrete, damaged sidewalks, missing streetlights, and trash.



Closed businesses due to problems operating in the area

Stakeholders report that the conditions along the corridor are making it difficult to recruit and retain retail tenants. The vacant buildings indicate businesses that have closed, and owners have been unable to sell property or find new tenants. Vandalism, auto break-ins, and other crime discourages new investment in the area. Businesses were also heavily impacted during the construction of ART along Central Avenue.



Low levels of commercial activity or redevelopment in key areas

Landlords report that it is difficult to attract and retain tenants to both commercial properties and apartments because of social problems experienced by residents, customers, and business owners. Vandalism, particularly broken windows, are a significant cost to businesses as is the cost of private security to protect property from vandalism.



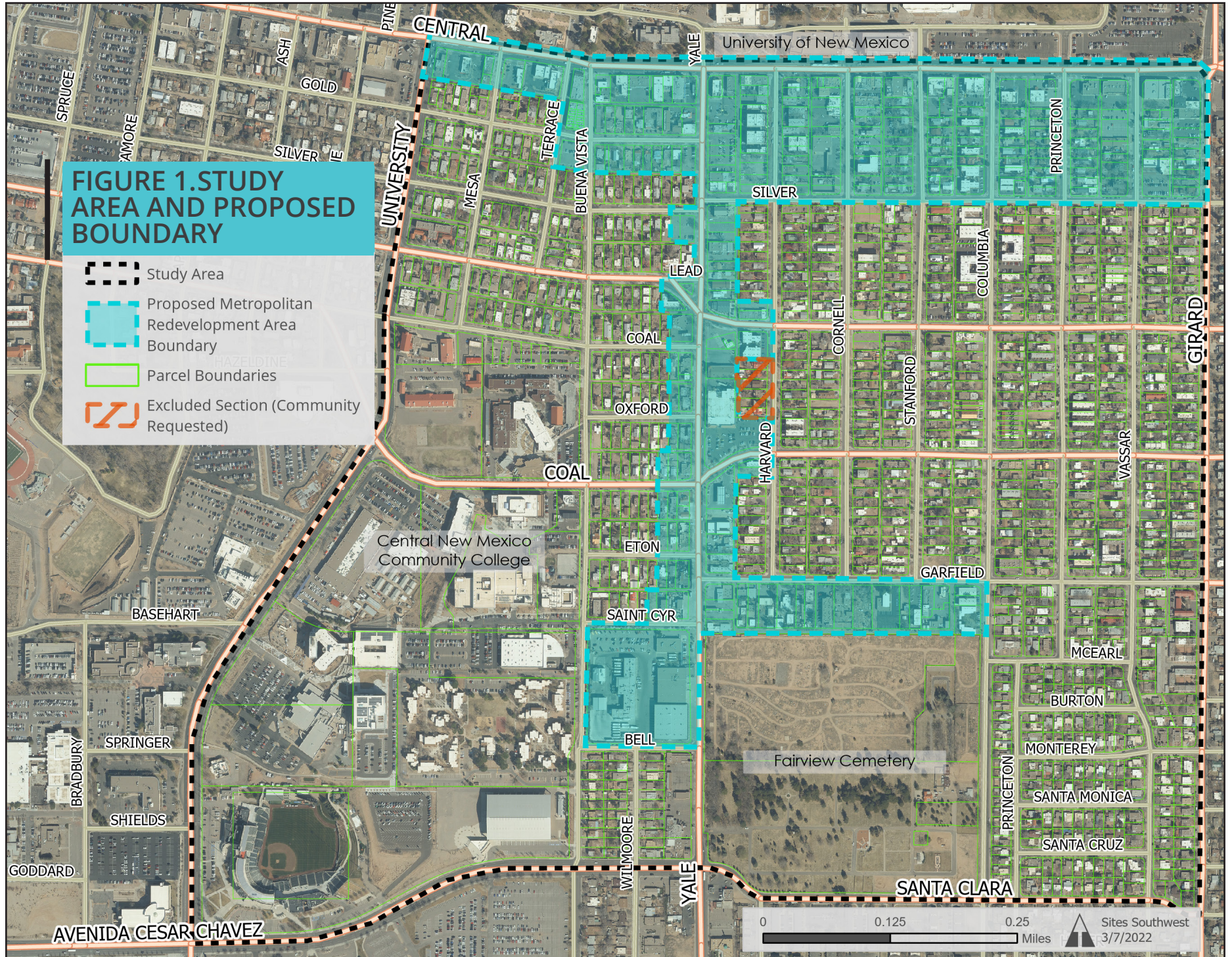
Lack of adequate housing

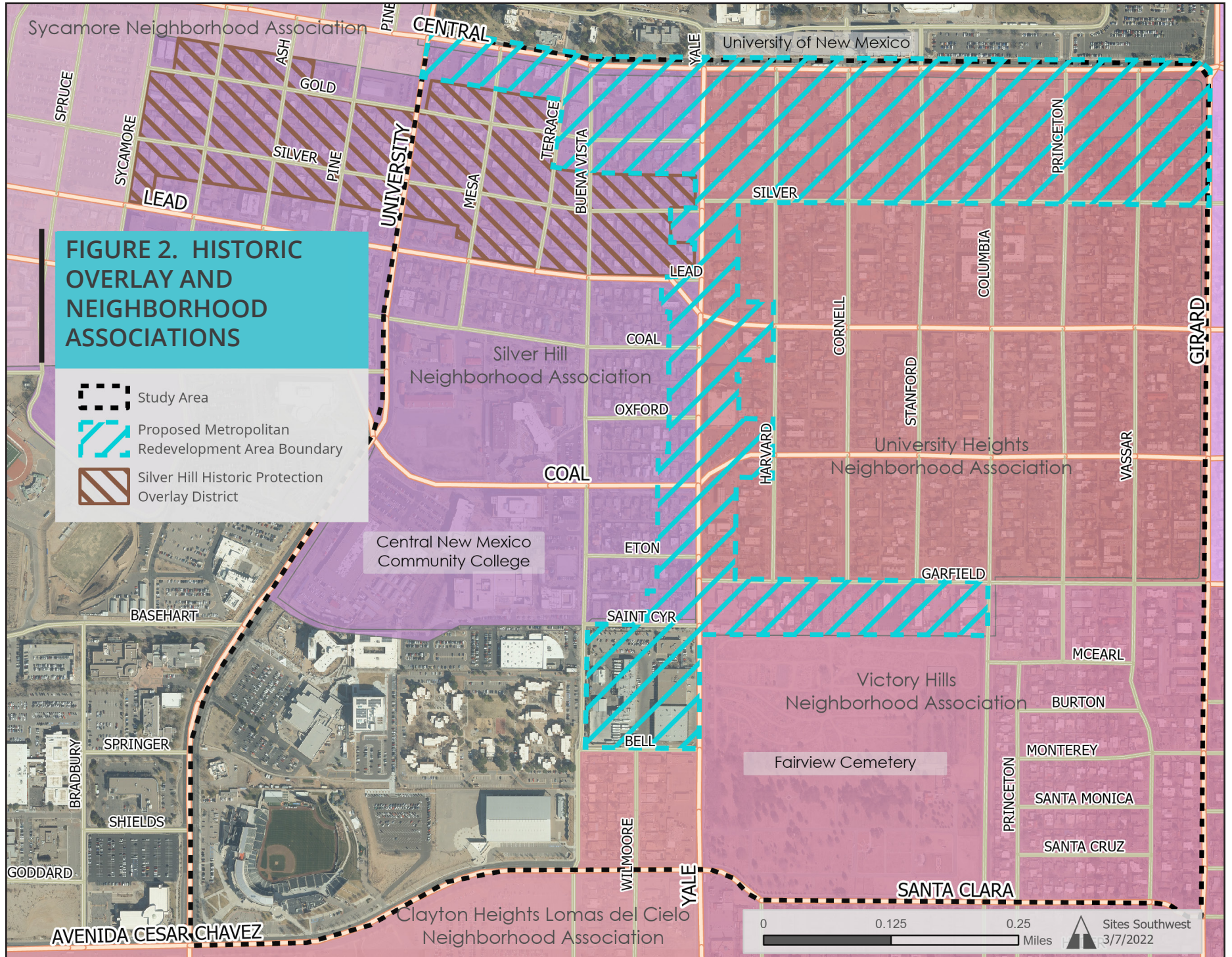
Area stakeholders identified a lack of adequate housing as a major factor inhibiting existing businesses, redevelopment of deteriorating properties, and investment in new construction along the main commercial corridors. Businesses desire a mix of higher-density housing targeted to a range of income levels. A more diverse housing mix could contribute to a healthier commercial district.

Boundary of the Study Area and Potential MRA

The Study Area is bounded by Central Avenue on the north, University Boulevard on the west, Girard Boulevard on the east, and Avenida Cesar Chavez on the south. Field surveys, stakeholder interviews, market research, and demographic analysis determined that the area meets statutory criteria for a Metropolitan Redevelopment Area.

The conclusion of background research is that the area with the most promise for redevelopment would be the commercial and higher-density zoning areas along the Central Avenue and Yale Corridors. To adequately focus redevelopment incentives, the proposed MRA boundaries would include most of the property between Central Avenue and Silver Avenue, most properties within a close proximity to Yale Boulevard, and would include some properties along Garfield Avenue with a high-density zoning.





Existing Conditions Assessment

Information regarding existing conditions was gathered through review of City documents, zoning review, interviews with area stakeholders, review of demographic and real estate data, and field investigations. The following summarizes existing City policy and conditions in the Study Area.

CITY POLICY

The City of Albuquerque has adopted policies for the Study Area through the Comprehensive Plan and supporting documents. In addition, there are documents that haven't been adopted that express a vision for the Central Avenue corridor and Girard Boulevard along the eastern edge of the Study Area.

A list of documents reviewed for this designation report are provided to the right. As shown on the next page, key themes that emerged from the document review predominately envision a thriving, high-density, mixed-use corridor with multi-modal travel options and excellent transit service. Placemaking and beautification, housing, and transportation improvements are seen as supporting this vision.

Community concerns around real and perceived blight have been documented at least as far back as the University Neighborhoods Sector Development Plan in 1986 and as recently as the Near Heights Community Planning Area Assessment conducted in 2021. The issues identified in 1986 are surprisingly similar to those identified in 2021.

Documents Reviewed

CITYWIDE

- Albuquerque/Bernalillo County Comprehensive Plan
- Integrated Development Ordinance

STUDY AREA

- Near Heights Community Planning Area Assessment, 2021, Study Area Excerpts
- Central Avenue Complete Streets Report, Draft, 2014
- Girard Complete Street Action Plan, Draft, 2013
- Route 66 Action Plan, 2014
- University Neighborhoods Sector Development Plan, 1986 (Repealed)

PLANS FOR ADJACENT AREAS

- South Yale Complete Street Master Plan, 2013
- Clayton Heights MRA Plan, 2010
- Sycamore MRA Plan, 1982

RELATED DOCUMENTS, NOT ADOPTED

- Central TOD Plans, Draft, 2017

Key Themes Identified in Existing City Documents



VISION

- Higher-density, mixed use development with a high level of transit service in the Central corridor
- Thriving commercial environment along Central Avenue and Yale Boulevard Corridors



PLACEMAKING AND BEAUTIFICATION

- Create an attractive walkable environment throughout the area, including better lighting, street furniture, and landscaping
- Encourage and maintain historic Route 66 identity



HOUSING

- Want to encourage mixed-use development on commercial corridors
- Maintain lower densities in areas with single-family and small multifamily housing



TRANSPORTATION

- Create safe and attractive pedestrian and bicycle improvements on major streets, especially the Silver Bike Boulevard
- Want more pedestrian crossings across Central Avenue to improve flow between the University of New Mexico (UNM) and the commercial/housing district
- Expand bus service to streets other than Central Avenue
- Build a multi-use urban trail from the UNM Main Campus to the South Campus and other sports facilities



REAL AND PERCEIVED BLIGHT

- Streetscape conditions are not perceived as being pleasant or safe
- Businesses along Central and Yale appear to be struggling
- Presence of social problems including crime and homelessness negatively impact safety - both real and perceived
- Parking conflicts between students, customers and employees of local businesses, and residents



LAND USE

Along the Central Avenue and Yale Boulevard Corridors, existing land uses are predominately light- and medium-intensity commercial.

- Despite the medium-intensity zoning, commercial and residential land uses in the area are generally low-density. IDO zoning went into effect in 2017. Since then, construction on Central Avenue and the recent impacts of COVID may have delayed redevelopment.
- Buffered from the two major corridors is an eclectic mixture of residential uses varying from larger apartment buildings to historic single-family homes and accessory dwelling units. The residential areas are interspersed with low-intensity commercial, especially along Coal and Lead Avenues.
- Due to the proximity to University of New Mexico and Central New Mexico campuses, this area features a large distribution of student-oriented housing and social activities.

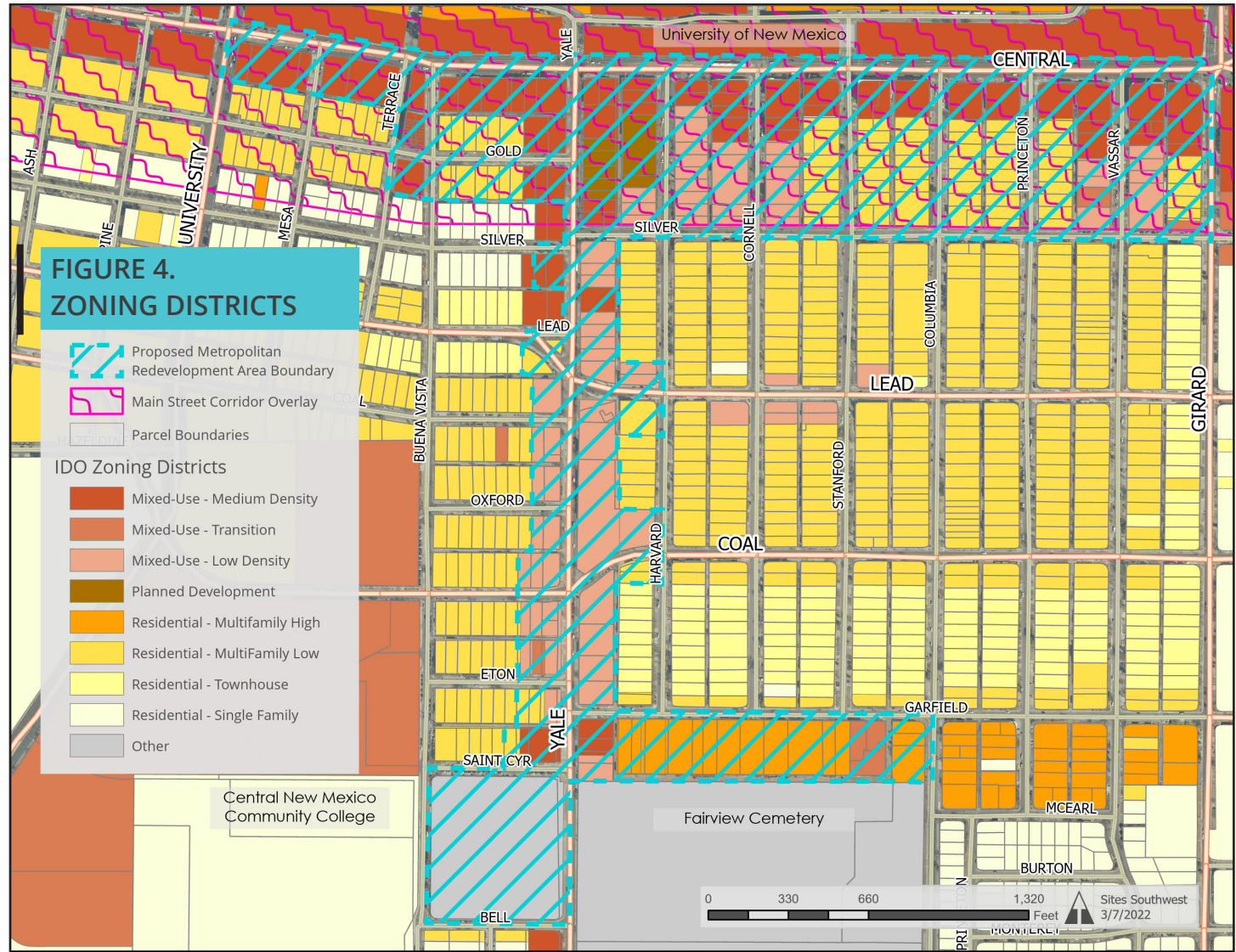


ZONING ANALYSIS

Opportunities exist for multi-story, mixed-use development as envisioned in City planning documents and further identified by area research as a needed development typology. The Study Area contains a variety of mixed-use and residential zoning districts, with the highest densities allowed along the Central Avenue and Yale Boulevard corridors. Existing zoning, which is relatively current and was comprehensively updated in 2017, supports multi-story, mixed-use development but could be amended to further encourage development and redevelopment in the area.

Zoning Districts

A strip of properties zoned medium-density mixed use (MX-M) along Central Avenue encourages a mix of uses with allowable heights of up to 65 feet, or 6 stories – achieved by inclusion into the Main Street Corridor that extends along Central Avenue. The MX-M district on Central is approximately three lots or around a half block deep. Most of the remaining property between Central Avenue and Silver Avenue is zoned either for low density mixed-use (MX-L) or low density multifamily residential (R-ML). Even though these entire blocks are within a Main Street Corridor, the MX-L and R-ML zoning districts do not allow a height bonus and are limited to a maximum height of 38 feet, or three stories.



Though most of the area between Central Avenue and Silver Avenue may provide a good opportunity for redevelopment, there are concerns that the shallow depth of MX-M zoning stifles or limits the types of development considered appropriate for Main Street corridors.

The blocks on both sides of Yale Boulevard are primarily zoned MX-M, MX-L, and RM-L. The mixed-use zones and residential zones nearest to Yale may be conducive for redevelopment opportunities. Some properties zoned high density multi-family along Garfield Avenue may also have good housing redevelopment opportunities.

PHYSICAL CONDITIONS

Building and Site Conditions

A field survey conducted in September 2021 documented existing building and site conditions in the Study Area. The purpose of the field survey was to locate vacant buildings, building conditions, and site conditions. A compilation of building and site conditions, underutilized properties, and vacant buildings/closed businesses is shown in Figure 5

Deteriorated Buildings

Deteriorated buildings are those with chipped or peeling paint or stucco and trim, graffiti, and other signs of neglect. Though many buildings are in good condition, the Study Area has a significant number of buildings that are deteriorated or deteriorating.

Deteriorated Site Conditions

Deteriorated site conditions include weeds, broken asphalt or concrete, and trash. These conditions may exist on private property or in public right of way. In public right of way, deteriorated conditions include broken sidewalks and curbs, broken or missing streetlights, and damaged street furnishings.



Underutilized Properties

Properties in the Study Area were identified as “underutilized” if the site improvements are less than 33% of the total value of the site. These properties are typically vacant lots or parking lots and represent potential development opportunities (Figure 5).

VACANT OR CLOSED BUSINESSES

The high commercial vacancy rate within the Study Area is testimony to the number of vacant buildings and closed businesses. The presence of vacant buildings, especially where windows have been boarded up to protect them from being broken, has an impact on the appearance and “feel” of the entire area. Figure 5 shows the locations of vacant buildings in the Study Area. Along Central Avenue there is a vacant building or vacant space in almost every block. The same is true of Harvard Drive and Cornell Drive, which are predominantly commercial between Central Avenue and Silver Avenue.



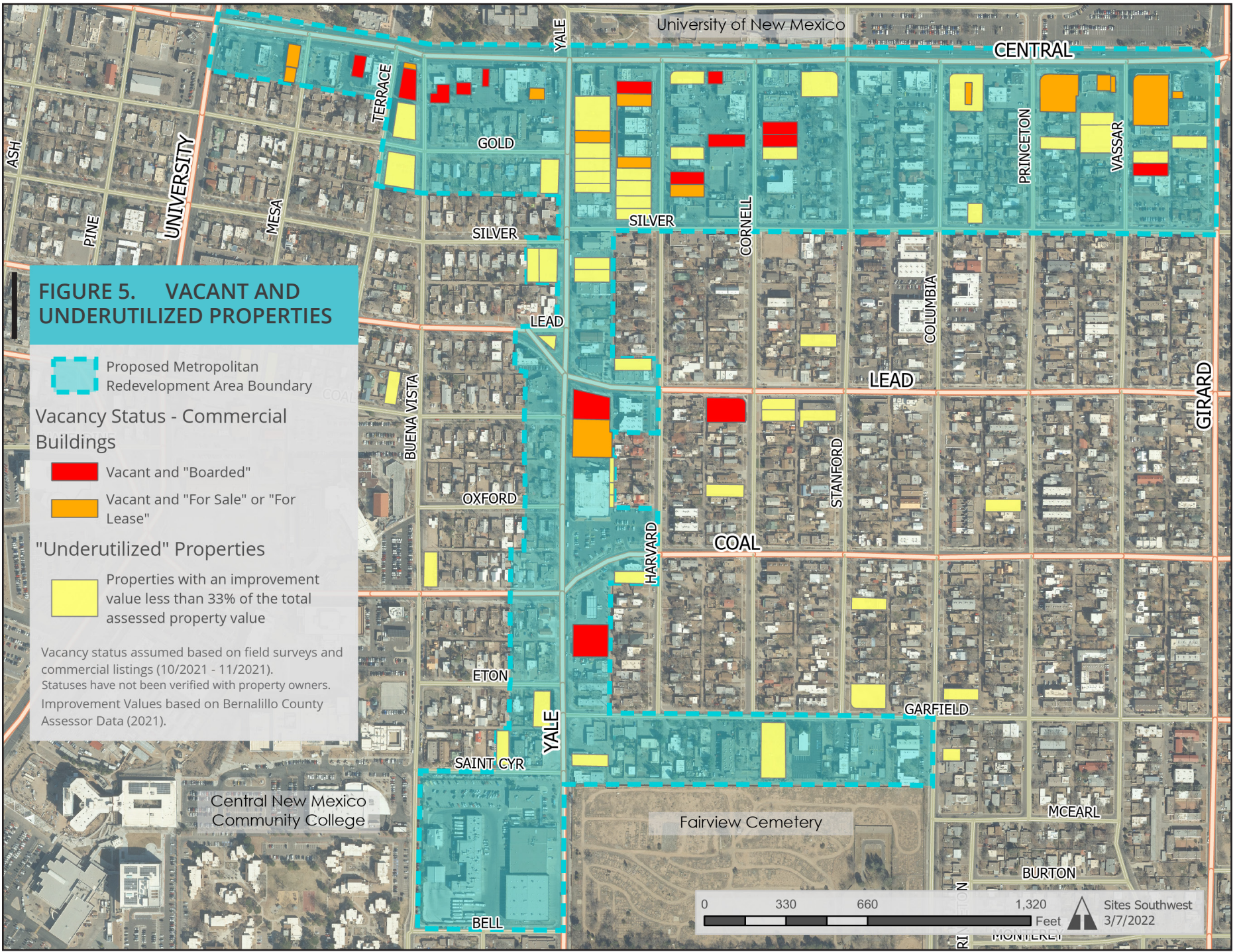






FIGURE 5. VACANT AND UNDERUTILIZED PROPERTIES

 Proposed Metropolitan Redevelopment Area Boundary

Vacancy Status - Commercial Buildings

-  Vacant and "Boarded"
-  Vacant and "For Sale" or "For Lease"

"Underutilized" Properties

-  Properties with an improvement value less than 33% of the total assessed property value

Vacancy status assumed based on field surveys and commercial listings (10/2021 - 11/2021). Statuses have not been verified with property owners. Improvement Values based on Bernalillo County Assessor Data (2021).

0 330 660 1,320 Feet

Sites Southwest 3/7/2022

SOCIAL AND ECONOMIC CONDITIONS AND TRENDS

Demographics and Income

While the study area is racially and ethnically diverse, its demographic profile is dominated by a high population of students. Residents of the Study Area are generally younger, lower income, and living in smaller households than the City of Albuquerque.

Table 1. Study Area Demographic Characteristics

	Study Area	Albuquerque
Population	4,100	
Median Age	28	35
Non-family Households (%)	78	40
Renter Occupancy Rate	85.6%	39.5%
Average Household Size	1.6	2.4
Median Household Income	\$31,854	\$54,250

SOURCE: CLARITAS

Residents are over twice as likely to be renters as the general Albuquerque population and almost twice as likely to be living in non-family households. In the Study Area, 85 percent of households are renters, compared to 40 percent of Albuquerque households. Owner occupied housing is scattered throughout the Study Area and the neighborhood with the greatest concentration of homeownership (about half) is in the southeast corner of the Study Area just east of Fairview Cemetery. Residential uses within close proximity to the Central Avenue and Yale Boulevard Corridors tend to have lower rates of owner-occupied housing.

Business Types

Restaurants comprise nearly half of commercial space in the Study Area. When combined with other food related businesses, including bakery, brewery, fast food, coffee, and ice cream, eating establishments occupy 59 percent of commercial space. Vacancy rates vary by type of business, with the highest vacancy rates in retail and service commercial space.



Crime

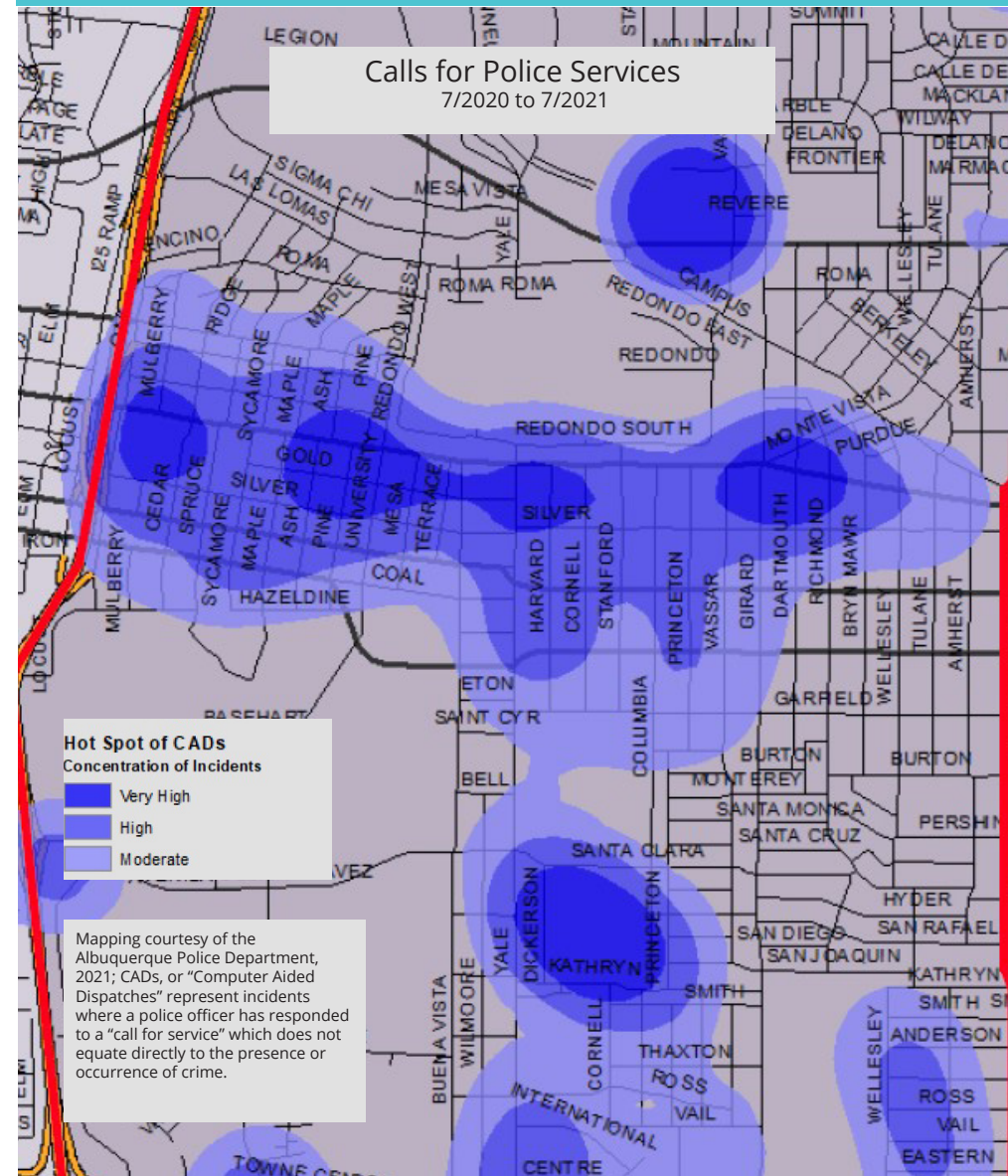
Almost all stakeholders interviewed through the background research phase identified that social problems, such as crime and homelessness, are among the most significant factors inhibiting growth and vitality in the Study Area. The impacts are most noticeable along commercial streets, but landlords report resident frustration with auto break-ins and harassment. Petty crime can be costly for property owners and the cost of broken windows is a notable expense for property and business owners.

Business owners believe that social problems, including crime and reports of suspicious activity scare people away from the area. Concerns about crime make investors and developers more hesitant to invest and complete projects in the area. The result of this lack of investment is less economic and cultural vibrancy than you would expect in a corridor adjacent to a major university.

The perception of crime is roughly measured by “calls for police services” represented by data from the City’s Computer Aided Dispatch system (CADs). Social and Economic Conditions and Trends. Figure 6 shows that requests for service are generally concentrated along the Central Avenue Corridor. The entire corridor is a “hot spot” with very high concentrations of incidents near some intersections and at the grocery store at Coal Avenue and Yale Boulevard.

For the most part, the perception and reality of crime must be addressed through social services or policing. However, there are physical improvements that could be done to change perceptions and make the area feel safer. For example, business owners noted that because of poor lighting, residents and employees are afraid to walk in the area, and particularly along side streets, at night. Missing streetlights were noted in a few places during the visual survey of the area. This is a problem that could be fixed with public investment.

FIGURE 6. CALLS FOR POLICE SERVICES



Real Estate Market

Commercial real estate in the Study Area is showing signs of distress. Between 2017 and 2021, retail vacancies decreased across the city but increased in the University Submarket. Vacancy rates in the Study Area are much higher than in the larger University Submarket, which extends from I-40 to approximately Avenida Cesar Chavez and I-25 to Carlisle.

Table 2. Retail Vacancies and Average Rent, 2017 and 2021

	Albuquerque		University Submarket		Study Area
	2017	2021	2017	2021	2021
Retail Vacancy Rate	8.08%	6.61%	3.16%	3.98%	25%
Average Rent	\$14.19	\$12.85	\$9.11	\$11.22	\$12-\$16

SOURCES: ALBUQUERQUE AND UNIVERSITY SUBMARKET: COLLIERS INTERNATIONAL; ALBUQUERQUE RETAIL RESEARCH REPORT: Q2-2017, Q1- 2021. UNIVERSITY SUBMARKET IS BOUNDED BY I-40, I-25, SAN MATEO AND AVENIDA CESAR CHAVEZ/SANTA CLARA/GIBSON.
STUDY AREA: REVIEW OF ACTIVE LISTINGS (CARNM), STAKEHOLDER INTERVIEWS, FIELD SURVEY, AND AERIAL PHOTO.

A field survey and a survey of current commercial listings indicate a current vacancy rate of 25%. Information regarding building size was obtained from real estate listings if available. Otherwise, building footprints were measured on an aerial photo. Space for sale or lease was identified through current real estate listings and a field survey of commercial buildings.

Table 3. Table 3. Business Square Footages & Uses

Business Type	Total Building SF	Vacant SF	Space for Lease
Restaurant	127,717	26,212	23,896
Other Food	25,409	0	0
Retail	76,623	31,323	19,803
Service	16,582	6,387	6,387
Office	37,434	11,301	11,301
Entertainment	4,680	0	0
Storage	1,400	0	0
Total	289,845	75,223	61,387

SOURCE: SITES SOUTHWEST, CARNM

Commercial brokers who were interviewed for this report estimate typical retail rents of \$12 to \$16 per square foot. The asking rents, exclusive of incentives, for current commercial listings is \$17.50 along Central Avenue. Rents decrease as properties are located further away from Central Avenue.

Stakeholders who were interviewed for this study indicated that national chains are the only business types that can meet these rents. As a result, local businesses are slowly being replaced by chains in multi-tenant buildings.



Summary of Findings

The study area meets the Metropolitan Redevelopment Area designation criteria as required by the Metropolitan Redevelopment Code [NM Stat § 3-60A (2020)].

The area may be designated “blighted” by the presence of the following conditions of blight:

- A substantial number of buildings are deteriorated or deteriorating.
- Deterioration is present on both private sites and public property.
- A number of commercial businesses have closed or significantly reduced operations due to burdens of operating in the area.
- Low levels of commercial activity and redevelopment exist in key areas.
- A lack of adequate housing exists.

Research into the study area has additionally determined that conditions of blight substantially impair or arrest sound growth, economic health, and well-being. The presence of blight in this area inhibits commercial and economic activity; lessens associated gross receipts tax revenue and employment; reduces property values and rental rates; discourages residential occupancy and the development or provision of adequate housing; and exacerbates residential and commercial vacancy rates.

In its present condition and use, blighted conditions and the associated negative impacts constitute a burden to the public welfare. The prevention and elimination of blighted conditions through MRA tools and incentives can be an effective strategy to encourage sound development, tax revenues, and area vibrancy.



APPLICABLE METROPOLITAN REDEVELOPMENT CODE

Findings and Declarations of Necessity [NM Stat § 3-60A-2 (2020)]

A. It is found and declared that there exist in the state slum areas and blighted areas that constitute a serious and growing menace, injurious to the public health, safety, morals and welfare of the residents of the state; that the existence of these areas contributes substantially to the spread of disease and crime, constitutes an economic and social burden, substantially impairs or arrests the sound and orderly development of many areas of the state and retards the maintenance and expansion of necessary housing accommodations; that economic and commercial activities are lessened in those areas by the slum or blighted conditions, and the effects of these conditions include less employment in the area, lower property values, less gross receipts tax revenue and reduced use of buildings, residential dwellings and other facilities in the area; that the prevention and elimination of slum areas and blighted areas and the prevention and elimination of conditions that impair sound and orderly development is a matter of state policy and concern...

Definition of Blight [NM Stat §3-60A-4-F (2020)]

'Blighted area' means an area within the area of operation other than a slum area that substantially impairs or arrests sound growth and economic health and well-being within the jurisdiction of a local government or a locale within the jurisdiction of a local government because of the presence of a substantial number of deteriorated or deteriorating structures; a predominance of defective or inadequate

street layout; faulty lot layout in relation to size, adequacy, accessibility or usefulness; unsanitary or unsafe conditions; deterioration of site or other improvements; diversity of ownership; tax or special assessment delinquency exceeding the fair value of the land; defective or unusual conditions of title; improper subdivision; lack of adequate housing facilities in the area; or obsolete or impractical planning and platting or an area where a significant number of commercial or mercantile businesses have closed or significantly reduced their operations due to the economic losses or loss of profit due to operating in the area, low levels of commercial or industrial activity or redevelopment or any combination of such factors; or an area that retards the provisions of housing accommodations or constitutes an economic or social burden and is a menace to the public health, safety, morals or welfare in its present condition and use.

Findings of Necessity [NM Stat § 3-60A-7 (2020)]

No local government shall exercise any of the powers conferred upon local governments by the Redevelopment Law until the local government has adopted a resolution finding that:

- A. one or more slum areas or blighted areas exist in the local government's jurisdiction; and*
- B. the rehabilitation, conservation, slum clearance, redevelopment or development, or a combination thereof, of and in such area is necessary in the interest of the public health, safety, morals or welfare of the residents of the local government's jurisdiction.*