

A. PROJECT OVERVIEW

1. RFP Objective for the Site

The Metropolitan Redevelopment Agency (MRA) is requesting a development proposal for City-owned property located at 5401 Eastern Ave. SE. In addition to being economically feasible, proposed land uses should complement the neighborhood. Neighborhood residents have previously expressed a desire for facilities available to the neighborhood for meetings and social functions, therefore site development should provide indoor and outdoor community gathering places. The proposed uses should also further the goals of the adopted plans and policies for the neighborhood, and create minimal adverse impacts on the surrounding area.

2. Location within a Metropolitan Redevelopment Area

The 3.7-acre 5401 Eastern Ave. SE property is located at the northwest corner of the intersection of Eastern Ave. and Alvarado St. (see Appendix A) and is within the Near Heights Metropolitan Redevelopment Area Expansion.

As defined by the State of New Mexico Redevelopment Code §3-60A-7 a Metropolitan Redevelopment Area (MRA) may be established by a local governing body, such as the Albuquerque City Council, upon adoption of a resolution finding that the rehabilitation, conservation, slum clearance, redevelopment or development, or a combination thereof, of and in such area or areas is necessary in the interest of the public health, safety, morals or welfare of the residents of the municipality.

3. Designated Metropolitan Redevelopment Plan

Under State of New Mexico Redevelopment Code § 3-60A-9, the local governing body may approve a metropolitan redevelopment plan following the designation of an MRA if it finds that:

- 1) the proposed activities will aid in the elimination or prevention of slum or blight
- 2) a feasible method is included in the plan to provide individuals and families ... who may be displaced by the proposed activities, with decent, safe and sanitary dwelling accommodations within their means and without undue hardship ...
- 3) the plan conforms to the general plan for the municipality as a whole;
- 4) the plan affords maximum opportunity consistent with the needs of the community for the rehabilitation or redevelopment ... by private enterprise ... and the objectives of the plan justify the proposed activities as public purposes.

The subject property is also regulated by the Near Heights Metropolitan Redevelopment Plan. The City designated the Near Heights MRA in 1998 and adopted a Metropolitan Redevelopment Plan, the Near Heights MRA Plan, in September 2000. The MRA included approximately 1,010 acres. In April 2008, the City Council supplemented the Near Heights MRA by adding properties and designating an expanded MRA. The expanded MRA boundaries includes properties along San Mateo Blvd. north of Eastern Ave., Gibson Blvd. east of San Mateo Blvd., and the intersection of San Pedro Ave. and Kathryn Ave. The City adopted the Near Heights MRA Expansion Plan by resolution on June 18, 2010. The MRA Expansion Plan incorporates the 5401 Eastern Ave. SE property and identifies it as Opportunity Site #1, recommending its development with lower-density multi-family housing (see Exhibit C).

4. State Metropolitan Redevelopment Code

The New Mexico State Code for a Metropolitan Redevelopment includes § 3-60A-12 regarding disposition of property under municipal control:

- A. A municipality may sell, lease or otherwise transfer real property in a metropolitan redevelopment area and may enter into contracts with respect thereto for residential, commercial, industrial or other uses, or for public use in accordance with the plan. The purchasers or lessees shall be obligated to devote the real property only to the uses specified in the metropolitan redevelopment plan for a period of years as set out in the sale or lease agreement and may be obligated to comply with other requirements which the municipality may determine to be in the public interest, including the obligation to begin within a reasonable time any improvements on real property required by the plan.

The real property or interest shall be sold, leased, otherwise transferred or retained at not less than its **fair value** for uses in accordance with Redevelopment Law ... as determined by the governing body of the municipality or by the metropolitan redevelopment agency, if so authorized.

The New Mexico State Code also allows for a municipality to transfer property by lease with an option to purchase (§3-60A-41):

- A. A lease may grant the user of a project an option to purchase all or part of the project at a stipulated purchase price or at a price to be determined on appraisal as is provided in the lease.
- B. The option may be exercised at such time as the lease may provide.
- C. The municipality and the user may agree and provide in the lease that all or part of the rentals paid by the user prior to and at the time of the exercise of such option shall be applied toward the purchase price and shall be in full or partial satisfaction thereof.

B. SITE SUMMARY

1. Ownership

The parcel is owned by the City of Albuquerque. Gibson Medical Center LLC (Lovelace Hospital) transferred ownership of the property to the City in 2007.

2. Location, Legal Description and Size

The subject parcel is shown on the maps attached hereto as Exhibit A. The 5401 Eastern Ave. SE parcel is 3.7 acres located on the northwest corner of the intersection of Eastern Ave. and Alvarado St. It is Lot A-1, Block 20 of the Virginia Place Addition. The parcel is Assessors Parcel 101805611310131112.

3. Historical Background and Previous Use Disclosure

The subject property is covered by an asphalt parking lot that was constructed as an overflow parking lot for the Lovelace Medical Center and has been unused since the relocation of Lovelace to downtown Albuquerque (see attached Alta Survey in Exhibit B). The City has taken measures to secure the property in response to illegal trash dumping, including completion of an 8-foot tall wrought iron perimeter fence. The site perimeter is also landscaped.

4. Applicable Zoning, Plans and Policies

The zoning of the property is O-I Office Institution. Permissive uses in this zone district include institutions, offices, parking lots, public utility structures, and wireless telecommunications facilities (see Exhibit D).

The Albuquerque-Bernalillo County Comprehensive Plan was adopted in 1988 and amended in 2003. The Comprehensive Plan encourages identifiable, individual, integrated communities which offer variety and maximum choice in housing, transportation, work areas, and lifestyles while creating a visually pleasing built environment. The Comprehensive Plan records adopted goals and policies regarding land use, environmental protection and heritage conservation for the region. Applicable policies for the Established Urban Area (the built-up areas of Albuquerque) include but are not limited to:

- The location, intensity, and design of new development shall respect existing neighborhood values, natural environmental conditions and carrying capacities, scenic resources, and resources of other social, cultural, and recreational concern.
- Quality and innovation in design shall be encouraged in all new development; design shall be encouraged which is appropriate to the Plan area.
- Redevelopment and rehabilitation of older neighborhoods in the Established Urban Area shall be continued and expanded.

While the property is not identified as a Major Activity Center in the Comprehensive Plan, its development should incorporate the characteristics of a Neighborhood Activity Center as described by the Comprehensive Plan under Comprehensive Plan Policy 7a:

1. serves as the social and recreational focal point for the surrounding neighborhoods and is accessible from all surrounding residential developments;
2. serves up to 0.5 mile walking distance (larger driving area) and 15,000 population;
3. located on local or collector streets;
4. least auto dependent and active bicycle and pedestrian connections with neighborhoods, parks and schools;
5. convenient transit services connected with community and regional transit;
6. minimum noxious impacts to adjacent sensitive uses;
7. typical land uses:
 1. convenience commercial
 2. public and quasi-public
 3. neighborhood services
 4. daycare center
 5. apartments, townhomes, patio homes
 6. elementary school
8. development scale:
 1. Walkable from side to side
 2. 1-2 story buildings close to each other, windows toward the street
 3. On-street parking and on-site bicycle parking
 4. Intimate outdoor seating for informal gathering

The subject property is not within an adopted City of Albuquerque Sector Plan, hence existing zoning development standards in the O-I Office Institution zone apply to the site.

As discussed above, the subject property is within the area subject to the Near Heights MRA Expansion Plan. Redevelopment strategies identified in the Near Heights MRA Expansion Plan for the MRA area as a whole are:

1. Continue the area's transformation into an international, multicultural "destination" to attract residents, employees and tourists from all over the city, and even beyond by creating future public improvements with an international "ethnic" theme.
2. Draw more neighborhood residents to the area by facilitating the retailing of desired products and services in the expanded MRA area.
3. Attract more employees from surrounding employment centers such as Kirkland Air Force Base, the Veteran's Administration Hospital, the new tenants at the Gibson Medical Center, and the Kirkland Technology Park mixed use development to rise west of San Mateo, by catering to their needs.
4. Help existing businesses to expand in the area and draw on existing residents' special talents to help them create new businesses in the MRA.
5. [use] Tax Increment Financing to fund further redevelopment in the MR expansion areas.

5. Existing Site Conditions

The 5401 Eastern Ave. SE property is completely paved with asphalt, except the perimeter which has an eight-foot tall wrought-iron fence and a landscaping planter area with mature shrubs and trees. An Alta Survey was prepared for the property in June 2007 when the City took ownership of the property (see Exhibit B). The City warrants that the property is not in violation of any Federal, State, or local law at this time. A Phase I Environmental Assessment was prepared for the parcel in August 2007, and is attached as Exhibit E in this document. The Phase I report concluded that no known environmental conditions exist on the subject parcel or within the surrounding area that would have an adverse impact on the property.

Utilities including sanitary sewer, storm sewer, water, gas and electric are all in place around the property. Determining the adequacy of existing utilities to serve development on the property, and connections to the utilities from the property, will be the responsibility of the developer (see Exhibit F).

6. Surrounding Neighborhood Conditions and Concerns

The neighborhoods surrounding the subject property were developed under the zoning patterns of the 1950s that provided for a relatively high residential density of apartments near the Veterans Administration Hospital and Kirkland Air Force Base. An RFP for development of 5401 Eastern Ave. SE was issued by the Agency in 2009, and a pre-proposal meeting was held on November 16, 2009. The pre-proposal meeting minutes record that neighborhood associations had previously expressed opposition to rental housing, particularly 'work force' housing, on the property. The surrounding area has

been characterized by high crime in the past, and thus security measures for the proposed development's buildings and open space should be addressed.

7. Unique Site Characteristics and Considerations

As discussed above, the subject property is completely covered with asphalt except the perimeter which has a wrought iron fence and mature landscaping of trees and shrubs. The landscaping is attractive and appears to be healthy, and should be retained and integrated into a new development to the extent feasible.

C. PROJECT ASSISTANCE AND INCENTIVES

1. Summary of MRA benefits and incentives

Because the property is owned by the City, the Agency will consider a negotiable sales price and terms and conditions of payment. Alternatively, the Agency will consider leasing the property. One major factor in these considerations will be the extent the proposed development will benefit to the surrounding community. These benefits should include a program of community facilities and open spaces available to the public.

2. Other available grants or other funding opportunities

A summary of potential funding sources from local, State and Federal agencies for development of the offered property include the following:

- Public/Private Partnerships. The City can provide incentives for groups such as New Mexico Community Development Loan Fund, Accion, Westcorp, and Small Business Association (SBA).
- New Mexico Community Development Loan Fund. The Community Development Loan Fund is a private non-profit organization providing loans, technical assistance and training to small business owners and non-profit organizations. Loans are provided to small businesses for equipment, inventory and operating capital and for the development of affordable housing. Loans can be provided to municipalities for construction and improvements of public infrastructure, site improvements and utilities, and commercial or industrial real property improvements.
- Tax Increment Financing Districts. Tax increment financing (TIF) is created through a local government's property taxes to finance improvements within a TIF District and can be enabled through the Metropolitan Redevelopment Code and the Enterprise Zone Act. The City uses TIF within its Metropolitan Redevelopment Areas.
- Capital Improvement Plan. The City's Capital Improvement Plan (CIP) is intended to enhance the physical and cultural development of the City through implementation of the Comprehensive Plan, Sector Plan(s) and other plans and policies. Through a multi-year schedule of physical improvements, the CIP is the venue for administration of approved capital expenditures for improvements to public infrastructure including roads, wet utility systems, libraries, public art, community centers, and parks and trails.
- Community Development Block Grant. Local community development is funded by the Community Development Block Grant (CDBG) program of the

U.S. Department of Housing and Urban Development (HUD) to fund redevelopment activities for the benefit of low and moderate income people. The CDBG program requires larger recipient cities to prepare a Consolidated Plan, which specifies how the funds are to be spent. The City's Consolidated Plan has established several programs that could support redevelopment of the subject property, including Crime Prevention through Environmental Design (CPTED) which funds neighborhood improvements designed to reduce crime.

- Section 108 Loan Guarantee Program. The Section 108 Program is the loan guarantee provision of the CDBG Program. Section 108 provides communities with financing of economic development, housing rehabilitation, public facilities, and large physical development projects. Local governments can transform a portion of their CDBG funds into federally-guaranteed loans for physical and economic rehabilitation projects.
- Small Business Investment Companies (SBICs) Loans. The program consists of SBICs, which are privately owned and managed investment funds regulated by the U.S. Small Business Association (SBA) that use their own capital plus borrowed funds guaranteed by the SBA. The SBICs make equity and debt investments in SBA-qualified small businesses.
- Small Business Association (SBA) Micro Loans. The SBA Micro Loans are small amount, short-term loans administered through non-profit groups, such as local economic development organizations or state finance authorities, selected and approved by the SBA.
- Small Business Association (SBA) Development Company Section 504 Loans. Small businesses can receive financing for fixed assets, typically real estate, buildings and machinery, from Certified Development Companies backed by the SBA. The Certified Development Companies can fund a maximum of 40% of total project costs. A private financial institution must provide 50% of project financing, and the remaining 10% must be provided by the developer, owner equity, or a non-federal economic development program.
- New Markets Tax Credits (NMTC). The NMTC program provides tax credit to investors in exchange for making equity investments in Certified Development Entities which invest in low-income communities. The intent of the program is to encourage business-oriented investment in disadvantaged communities within urban areas.
- Low-income Housing Tax Credits (LIHTC). The LIHTC program offers a federal tax credit for private-equity investment in newly-constructed or renovated rental housing, provided that a percentage of housing units are set aside for low-income individuals for a period of at least 15 years.

3. Assistance with the City Development Process

Upon selection of a development team, the Agency will assist the developer by co-sponsoring any land use or development approvals from the City necessary to accomplish the project. Services may include advice and assistance with zoning review, site plan or subdivision approvals, plan check and building permits, and expediting when possible. The developer will be responsible for preparing all documents required for the land use or development approvals from the City.

D. PROPOSAL SUBMITTAL

All responses to this Request for Proposals must include the following:

1. Proposal Summary

A brief summary of the main points of the proposal should be provided. Within this summary should be included a proposal schedule, project description, price and relevant qualifications of the project team.

2. Offering Price

The property is offered for sale or for long-term lease. There is no minimum purchase price or lease rate set by the Agency for the property. The price and/or terms of purchase or lease payment by the Developer are negotiable. While the City received the property without cost from the Lovelace Medical Center, the City has incurred costs to secure and maintain the property since 2007. The property is offered by the City for purchase or lease “as is.” All improvements will be the responsibility of the developer. A sample Development Agreement for purchase of the property, should that be the preferred method of development, is attached as Exhibit H. Should the selected proposal offer a property lease instead of purchase, the Agency will provide a sample Development Agreement for lease of the property during preparation of the contract.

An Alta survey was prepared for the property in 2009 (see Exhibit B). Title Insurance will be provided at the closing. Closing shall occur after the developer is selected by the City and under the terms and conditions of the final Development Agreement between the City and Developer.

If the property is purchased, upon execution of a Development Agreement between the Developer and the City an amount equal to the greater of ten thousand dollars (\$10,000) or ten percent (10%) of the purchase price will be deposited in the form of a certified check or a cashier’s check made payable to the City, which will be placed in an interest bearing account at a Title Company. The deposit and interest shall be applied to the purchase price of the property, subject to the terms of the Development Agreement. Construction for the development must begin within one year of the execution of a Development Agreement between the Developer and the City.

3. Identification of Development Entity

The Agency may accept responses from private corporations, for-profit developers, non-profit developers, and private individuals solely or jointly. Joint ventures or partnerships formed for the purpose of enhancing team qualifications are acceptable. Joint ventures or partnerships formed for the proposed development will provide a written description of the legal and financial responsibilities and liabilities of all parties.

4. Development Team Information

All responses to this RFP must provide the following regarding the Development team:

- a) Name, physical address, telephone, fax and email of all development team firms.
A primary contact person shall be designated.

- b) Identification and organizational structure of the development team (i.e. individual, company, corporation, partnership, joint venture).
- c) Identification of the principals of the development team (i.e. corporate officers, general partners, limited partners) and primary individual responsible for the development project.
- d) Identification of the roles of each firm within the development team, if applicable, and the expertise of each firm.
- e) Resumes of the primary team members including an architect on the development team.
- f) If any member of the development team has a financial interest in any property within the Near Heights Expansion Metropolitan Redevelopment Area, the proposal must include detailed information on the nature and type of the financial interests.

5. Development Team Financial Capability

All responses to this RFP must also provide the following regarding the Development team:

- a) The purchase price or lease price being offered to the Agency for the subject site.
- b) A detailed, complete presentation of the proposed financing structure for the proposed project. Identify sources of construction and permanent financing.
- c) A ten-year financial pro forma that includes specific purchase or lease offers. The pro forma should include land acquisition costs, architectural/engineering fees, expected income, and proposed funding sources and the developers expected return.
- d) A current balance sheet and income statement for the entity liable for the development, signed by officers or other individuals responsible. All involved individuals owning more than a 10% share in the development entity must also submit a Personal Financial Statement.
- e) Lender's Commitment Letters from participating financial institutions for both short- and long-term financing. The name, address and telephone number of any and all financial institution(s) or individual(s) providing financial assistance to the development team as a whole or to individual members within the past five years.
- f) Tenant commitment letters if applicable.
- g) Financial history and current net worth of the developer and any partners involved with the proposed project and any conflicts thereof.

Every effort will be made by the Agency to keep the above information confidential. However, if a Request for Public records is received by the Agency, the Agency must comply.

6. Development Proposal Contents

The following needs to be provided for a complete proposal submittal:

- a) *Conceptual site plan* fully dimensioned showing existing and proposed land uses, building location and size in square feet, setbacks from property lines, landscaping location and square footage, outdoor lighting, screening, curb cuts, and sidewalks.

- b) Representative color *elevations* of all public street frontages are required for the proposal. Building and landscaping materials are to be identified and labeled.
- c) Identify any *green building design elements* to be used, and include all sustainability factors that are to be incorporated into the completed project.
- d) Table of compliance with the City's *zoning code* development standards.
- e) *Affordability analysis* for ownership and/or rental units must be provided if housing is proposed.
- f) Complete *Certification and Disclosure* documents (see Exhibit G).

7. Discussion on Consistency with MRA Plan, Zoning and other Land Use Controls.

The proposal will provide discussion on consistency of the proposed development with all applicable plans, policies and zoning standards. A matrix or other tabular presentation is preferred in addition to text analysis.

8. Proposal Format and Quantity of Submittal Documents

All proposal submittals shall be 8 1/2" by 11" in size. Related illustrations, graphs, charts and renderings shall be no larger than 11" by 17". Color prints are acceptable but are not required.

Ten (10) copies of the proposal submittal are required. One of the copies shall be unbound and suitable for reproduction. Only hard copies of the proposal submittal will be accepted; faxed, emailed or electronic copies will not be accepted in lieu of hard copies.

E. PRE-PROPOSAL CONFERENCE

A pre-proposal conference will be held on August 23, 2011 at 9:00 AM at the project site located at 5401 Eastern Ave. SE (northwest corner of Eastern Ave. and Alvarado St.).

F. PROPOSAL EVALUATION AND SELECTION

The selection of the preferred proposal will involve a two-phase process. The MRA staff, working with a citizen's advisory group, will review all proposals accepted by the City and will provide a recommendation to the Albuquerque Development Commission (ADC). The ADC, as the official governing body of the MRA, will make the final selection of a proposal. The ADC may choose to reject any or all of the proposals accepted by the City. The City may request supplemental information during the selection process. A short list of the most qualified proposal teams will be notified and given an opportunity to present their proposal to the ADC. Upon acceptance of a proposal by the ADC, MRA will begin negotiations with the successful proposal team.

1. Evaluation and ranking criteria

The evaluation and ranking of all accepted proposals will be based on the following:

- a) Overall plan. An assessment of the project will consider the positive net effect on the area and how the proposed project addresses the goals and objectives or

strategies of the Comprehensive Plan and the Near Heights Expansion MRA Plan. The overall plan should address how the proposed project will address the City's preference for community facilities on the property. (25 points)

- b) Project design. The proposal evaluation will consider architectural compatibility of the proposed development with the surrounding neighborhood. (15 points)
- c) Offered price. The proposal shall clearly state the offered purchase price or lease rate and terms for the property, dated and signed by an authorized representative of the developer. (20 points)
- d) Financial feasibility. The evaluation will ascertain the financial feasibility of the proposed program and the financial capability of the project developer and operator, if different. This must include completion of the statement of financial capability (see Exhibit G). (20 points)
- e) Team strength. The proposal evaluation will focus on the proposal team's strength, including the primary contractor and sub-contractors, in similar types of development. Factors to be evaluated include evidence of financial ability to develop the project, demonstrated experience in managing and operating similar projects, demonstrated ability to plan and construct projects in a timely fashion, and a demonstrated ability to maintain real property and to adhere to applicable codes and ordinances. (20 points)

2. Award

Acceptance of a successful proposal will occur when negotiations between the Metropolitan Redevelopment Agency and the Developer are completed and a Development Agreement, Purchase Agreement or other legal agreement with the City is final. An award recommendation by MRA staff to the ADC does not constitute a contract.

G. SUBMISSION DEADLINE AND DELIVERY

1. Proposal Due Date

The deadline for receipt of proposals is September 30, 2011 at 4:00 PM. The Agency reserves the right to extend the proposal deadline.

Offers and any subsequent modifications must be enclosed in sealed envelopes and labeled to the attention of:

Office of the City Clerk
Albuquerque New Mexico

2. Location of Proposal Delivery

Proposals must be shipped, mailed or hand delivered. The time-date stamp of the City Clerk's Office is the only acceptable proof of the time and date of proposal delivery to the City.

If shipped or hand delivered to:

Office of the City Clerk
City County Government Center

Basement Level
One Civic Plaza NW
Albuquerque New Mexico

If mailed to:

Office of the City Clerk
P.O. Box 1293
Albuquerque NM 87103

Note: Mail is picked up at the post office once per day, typically at 7:00 AM Mountain Standard Time. The City shall not be responsible for the failure of mailed proposals to be received by the Office of the City Clerk by the deadline for submittal.

3. Right of Rejection

At its sole discretion, the Agency may reject incomplete submittals if, in the Agency's judgment, the submittal lacks information adequate to allow for the effective evaluation of the submittal.

The Agency reserves the right to reject any or all offers and to waive informalities and minor irregularities in the offers received. Nothing in this request for proposals implies a contractual obligation with any firm. The City will not reimburse any costs incurred for submittal requirements.

4. Inquiries

For further information or questions specific to this Request for Proposals, please contact:

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