THE HISTORIC SIGNIFICANCE AND POSSIBLE USES FOR THE DE ANZA MOTOR LODGE

As it relates to the Highland/Nob Hill Metropolitan Redevelopment Area

Prepared for
The City of Albuquerque

By

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The importance of this site is unparalleled in Albuquerque history.

Route 66
The mother road. America's longest main street ran from Navy Pier in Chicago to Santa Monica Pier in Los Angeles. Only in New Mexico could this run north south for a few years, then east west for a few years, actually crossing itself at 4th and Central.

Multi-cultural
De Anza—named for a Spanish governor that discovered San Francisco, and was governor for the NM territory for a decade. Developed by an well respected business man and anglo who traded with the Native Americans. Built with Zuni craftsmen using Zuni rock, material and labor.

The De Anza Motor Lodge epitomizes the mingling of New Mexico's cultures, traditions, and history.

Motel Americana
Regarding the De Anza, Wallace once explained:

> I was selling my Indian goods around the country, and every hotel I stopped at, I had to haul my mugs and jewelry up and down the stairs. I saw the need for motels. Didn't have to walk up and down those stairs. Park right at your door. It was a miracle!

- Charles Garret Wallace—developer/owner/trader of the De Anza Motor Lodge

Governor Juan Bautisa de Anza
In most histories, he may be best known for founding the presidio that would become San Francisco, California, in the summer of 1776. But in our part of the world, de Anza is celebrated for being the first person to write about the upper San Luis Valley, Poncha Pass, and the Salida area. He was governor of New Mexico for the Spanish crown from 1778-1788.

Albuquerque Legends—CG Wallace
"After selling off his businesses and collections, Wallace continued to live in Albuquerque. He served as a 32nd degree Mason, Shriner, member of the Order of the Eastern Star, the Gallup Indian Arts and Crafts Association, United Indian Traders Association, New Mexico and Arizona Cattle Growers Association, New Mexico Wool Growers Association, and United Indian Traders Association. He donated generously to educational institutions across the region, including the Menaul Boarding School, Cornell University, the Heard Museum, Laboratory of Anthropology, Indian Arts Fund and the Gallup Museum of Indian Arts. Sadly, he passed away in Albuquerque in 1993."

Slaney, Deborah C—The Role of C.G. Wallace in the Development of Twentieth-Century Zuni Silver and Lapidary Arts. Masters Thesis, University of Oklahoma,

Nob Hill
Home to some of Albuquerque's best restaurants and unique boutiques, Nob Hill is an excellent "bookend" to the Nob Hill/Highland area.

Cultural Treasure
De Anza Motor Lodge is a historically significant property for the Nobhill/Highland area, for the City of Albuquerque, for Route 66, and for the nation.

CG Wallace • Zuni Pueblo • Route 66 • Motor Lodge • Motel America • Central Avenue • Nob Hill • Highland • City of Albuquerque • The Pink Cadillac • Turquoise Cafe • Main Street USA • Scenic Byway • Hispano Theater • Antique Row • Spanish Governor Juan Bautista de Anza • Motel Americana • HM

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The tireless efforts of the following public employees, corporate entities public officials, and individuals in recognizing the opportunity that the De Anza Motor Lodge offers to New Mexico cannot possibly be recognized in one page—but we thank them here anyway:

Meeting Facilitation

Highland Senior Activity Center

Bettye Pressley and Karen Johnston of the MidRio Grande Chapter of the Red Cross

Deanna of Strell design

George Kenefic, Susan Freed, Marianne Dickinson, and Elizabeth Chestnut of NHHRC

Arlene Roth & Musical Theater Southwest

Rev. Larry Morris, Hillside Church

City of Albuquerque

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Arlene	Roth
Susan	Simons
Rob	Strell
Cyndie	Tidwell
Kyle	Tsthikai

Associations

Nob Hill Highland Renaissance Corporation
Highland Business & Neighborhood Association

Nob Hilll Business Association
Nob Hill Neighborhoods Association

Pueblo of Zuni

Executive Summary—the Market Analysis process

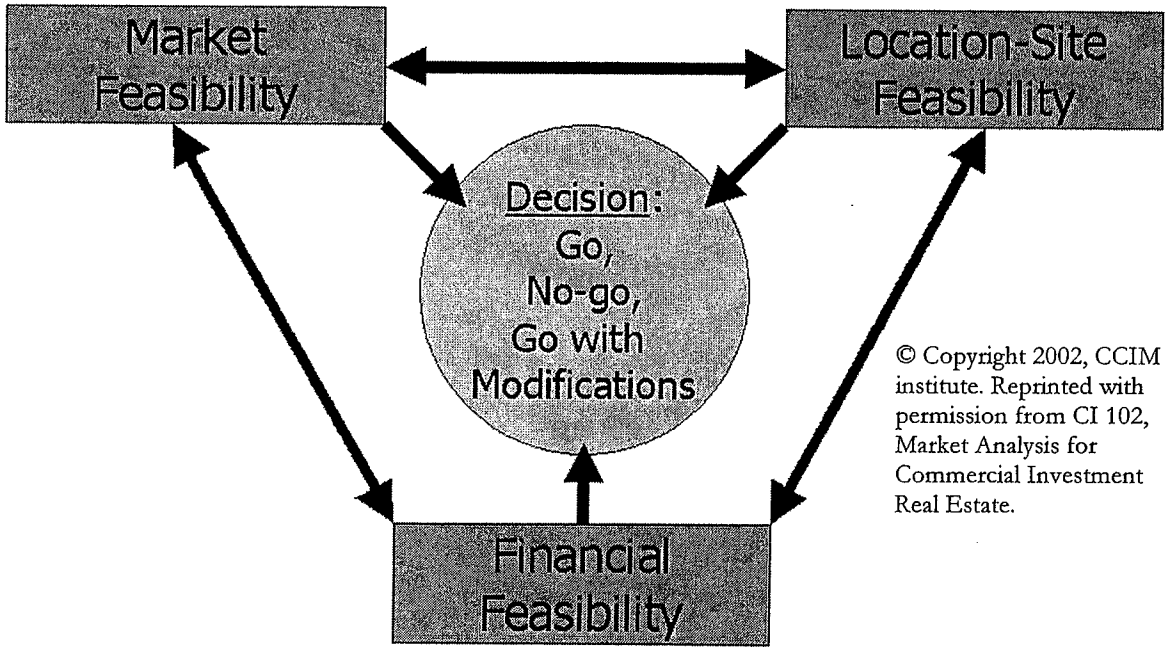
In the Fall of 2002, Housing Resources un(Ltd.) was hired by the City of Albuquerque to perform a market analysis on the De Anza Motor lodge.

Using the Certified Commercial Investment Member (CCIM) Institute's methodology for market analysis, three basic approaches are considered:

- **Market Feasibility** - to determine if there is demand for particular type of real estate in a particular region, determine competitive supply of that type of real estate in a region, understand capital market and political conditions and their impact on that type of real estate in that region
- **Location-Site Feasibility** - to determine if the subject property is conducive to being used as for each of the property types. This analysis also determines if the subject property's area is conducive to each possible use.
- **Financial Feasibility** - to determine if the property meets the investors or user's desired financial goals.

Market feasibility, location/site feasibility, and financial feasibility are reviewed collectively as part of the Market Analysis process. As each step is completed, the analysis guides the study into a go, no-go, or a go with modification decision.

At the conclusion of the market analysis and this study, recommendations are made as to the highest and best use for the De Anza Motor Lodge as a renovated property.



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Executive Summary—Key Findings

Demographics Analysis
The De Anza sub-market is the second most viable retail market after the Uptown area, and has a larger population than the Downtown, Oldtown, and Uptown markets.

Location Analysis
Based on a location analysis, the De Anza and its immediate area best supports a lodging use, followed by residential, then office, and lastly retail. Industrial was not considered as it is a use that is not compatible with the area's zoning or existing uses.

Site Analysis
The property is situated on 2.05686 acres of CCR zoned land which allows uses similar to R-3/C-2. The improvements include an 88 unit motel (50 rooms are rentable, 30 are not, and 3 are converted to store rooms). Built in 1939, the property is an excellent candidate for historic preservation. The property's current physical layout and design is most conducive to being used as a lodging facility, then residential, retail, and office.

Market Analysis
From a residential stand point, residential is the strongest possible use as the market is forecasted to be at 95% occupancy by the time the De Anza could be converted in use to residential. The weakest demand is for office space with a vacancy rate of 12.9%. Retail use is strong, but the property in its current state is not physically suitable for retail use. While suffering from the weakened national conditions, the lodging market is strong enough to support the continued use of De Anza as a motor lodge, but rents would need to be increased to support renovations at the property.

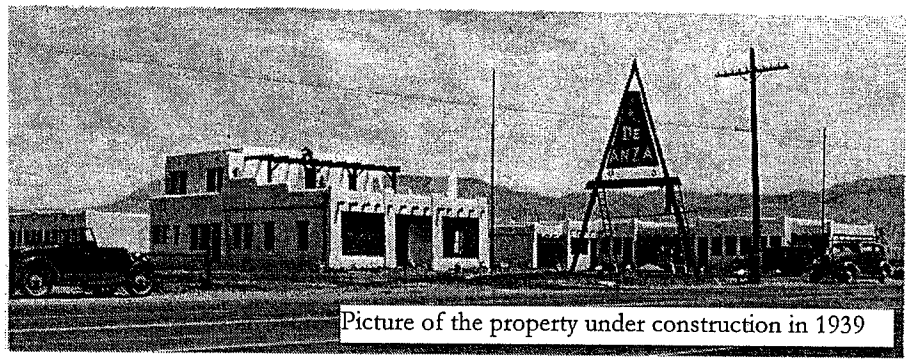
Based on the above analysis, residential and lodging were considered "go" decisions, and retail and office were considered "no-go" decisions for redevelopment.

Financial Analysis—Highest and Best Use
Based on estimated renovated costs and potential income and expenses, and assuming a purchase price of $891,000, a residential redevelopment has the unlikely potential for a profit, while lodging has the potential to earn a development profit of $711,368.

Based on neighborhood responses, focus groups and direct interviews, lodging is the preferred use.

Property History

De Anza Motor Lodge is an historically significant property for the Nob Hill Highland area, for the City of Albuquerque, for Route 66, and for the nation. The De Anza was developed by CG Wallace, later embellished by Zuni craftsmen, and the design renovation was completed by SMPC in the 1960s all for an established trader in Zuni and Navajo artwork, C.G. Wallace. Completed in 1939, the hotel was named after Spanish Lieutenant Juan Batisda de Anza for his bravery in mounting a rescue mission to save the Hopi pueblo from starvation and attack. De Anza went on to become territorial governor of New Mexico from 1778-1788. The De Anza trail across the United States has also become the first National Historical Trail (www.nps.gov/tuma/Anzatrail.htm)



Picture of the property under construction in 1939

In 1951, Mr. Wallace commissioned Zuni tribe artist, Tony Edaakie to paint on the basement wall of the facility a series of Shalako dancers in a religious ceremony. According to the cultural resources found in Section 8, this is the only piece of artwork of this quality that exists off of the Zuni pueblo. According to Ed Boles, the City of Albuquerque's preservation planner, the property is eligible for a listing on the National Register of Historic Places. The criteria for inclusion in this program includes:

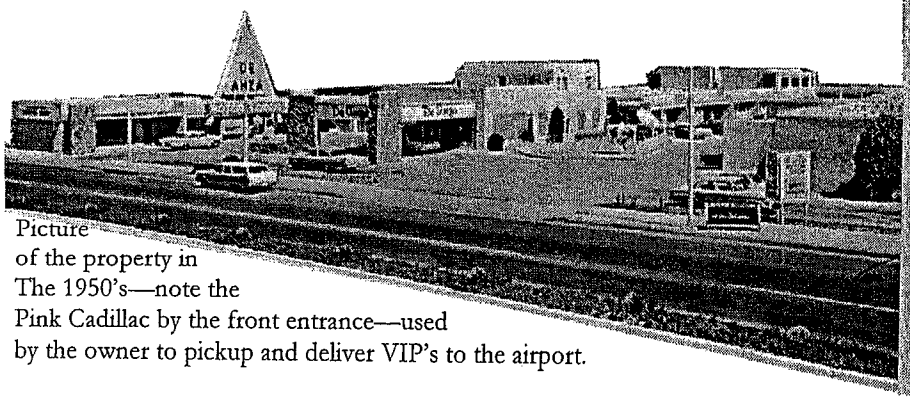
The quality of significance in American history, architecture, archeology, engineering, and culture is present in districts, sites, buildings, structures, and objects that possess integrity of location, design, setting, materials, workmanship, feeling, and association, and:

A. That are associated with events that have made a significant contribution to the broad patterns of our history; or

B. That are associated with the lives of persons significant in our past; or

C. That embody the distinctive characteristics of a type, period, or method of construction, or that represent the work of a master, or that possess high artistic values, or that represent a significant and distinguishable entity whose components may lack individual distinction; or

D. That have yielded or may be likely to yield, information important in prehistory or history.



Picture of the property in The 1950's—note the Pink Cadillac by the front entrance—used by the owner to pickup and deliver VIP's to the airport.

Property History

Excerpts taken from: application for Historic Status - NATIONAL REGISTER OF HISTORIC PLACES - United States Department of the Interior - National Park Service as prepared for Ed Boles, City of Albuquerque by David Kammer, PhD.

Description

The De Anza Motor Lodge consists of eight buildings with six one-story buildings forming a U-plan and two two-story buildings, including the office and manager's residence, situated one behind the other as an island in the middle of a U-shaped courtyard. Located along East Central Avenue all of the buildings have concrete foundations, flat roofs with parapets that are punctuated by extended drains, or *canales*, and earth-toned stucco coated walls. The office and manager's residence fronting the middle of the courtyard is stepped, and the lodging unit behind it has exposed *vigas* in the balcony lining the second story. A modest use of battered walls, polychromatic decorative wood grills, and bays lined with continuous wide overhangs comprise additional elements suggestive of the building's earlier Spanish-Pueblo Revival Style that has given way to a regional vernacular appearance as a result of additions and alterations that occurred in the mid-1950s. A coffee shop then was added to the lodging building at the southwestern corner of the property as was a large *porte cochere* with sandstone supports at the front of the office. A second-story unit was also added behind the office building and has a basement containing a conference room. Two of its walls are lined with murals painted in the 1950s by Zuni artist Tony Edaakie Sr. and comprise the contributing object that made it a consideration for inclusion on the Register of Historic Places. More recent murals, also by a Zuni artist, appear along some of the complex's exterior walls, and a large neon sign depicting the visage of the lodge's namesake fronts the motor lodge. Despite its additions and alterations, the De Anza retains its feeling as an historic Route 66 lodging



IN ALBUQUERQUE
IT'S THE

DE ANZA
MOTOR LODGE

Named after Lieutenant Juan Batisda de Anza, who was the Spanish Governor of New Mexico, 1778-1779.

PHONE 5-1654

Designed to please the discriminating guest. Offering in Albuquerque to the traveling public modern convenience and satisfying comfort. Telephone service in every room.

MEMBER AAA and
BEST WESTERN MOTELS

BEST WESTERN MOTEL GUIDES
FOR FREE DISTRIBUTION
Write or Call

De Anza Motor Lodge
4301 Central Ave., NE
on U. S. Highway 66 East

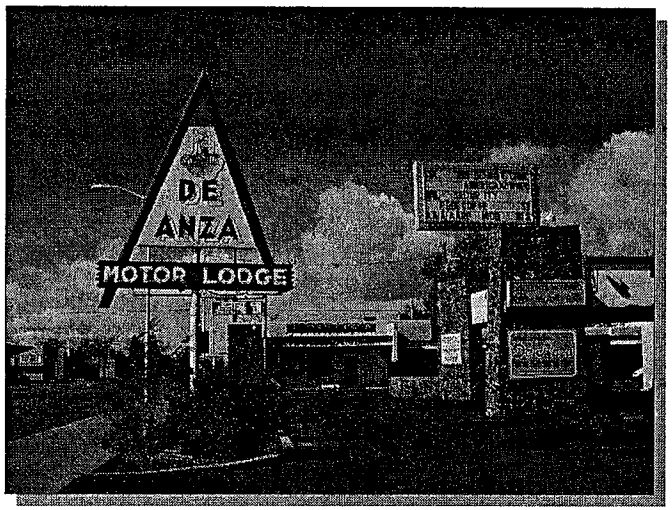
ALBUQUERQUE,
NEW MEXICO

An advertisement from the 1953 local phone directory

Property History

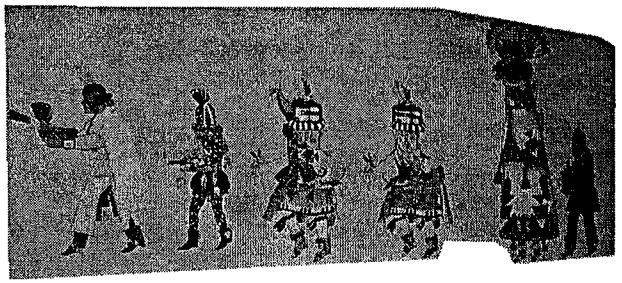
uniquely associated with the Southwest's Indian tourist trade.

Unlike many of the other pre-World War II motels located on smaller parcels of land along Central Avenue, which became the Route 66 alignment through Albuquerque in 1937, the De Anza Motor Lodge fills an entire quadrilinear block consisting of approximately 2.5 acres. The six one-story buildings forming the complex's U-plan line the three streets bordering the sides and rear of the property with the widest opening appearing between the two rear buildings where a former roadway offered a rear exit from the courtyard. The buildings' irregular setback from the surrounding streets reflects the block's non-rectangular shape. While not formally landscaped, the approximately 15 ft of space between the buildings and the sidewalks contains a variety of vegetation including Siberian elms, locusts, arborvitae, ailanthus and pyracantha. A low concrete-lined planter also containing the single steel pole supporting the lodge's principal sign contains roses and hollyhocks. The entire courtyard, save a small swimming pool area also added by 1957 at the east wall of the office, is paved with asphalt. A two-car wide *porte cochere* with large rectilinear red sandstone supports and a low wall extending to the west fronts the office. Its frieze bears the lodge's name on each of its three sides.



The other buildings consisting of the office, the front portion of the building behind it, and the two buildings flanking it are of frame construction. The two buildings at the rear and the second story addition of the rear island building, accessible from flanking concrete stairways at the rear of the building, are of concrete block with steel joists supporting the second story. All of the lodging rooms contain multi-pane steel casement windows and single panel wood doors alternately painted red and turquoise. First story rooms are arranged in a series of bays formed by protruding walls perpendicular to the façade and supporting wide overhangs whose white stucco coating and blue trim contrast with the beige stucco coating of the buildings. Added when the former carports were filled in to create additional lodging units and when the decorative projecting *vigas* were removed from the lodging units, the bays have replaced the small porches that once marked portions of the original façade. A balcony with large exposed *vigas* lines both sides of the lodging building behind the office, uniting the building's two parallel elements. The second story is accessible from a symmetrical double stairway with stucco-coated walls at the rear of the building. Bisecting the two-story rear building connected by the second story balcony is a walkway with concrete steps leading to the lodge's utility room and basement conference room, now used for storage.

Property History



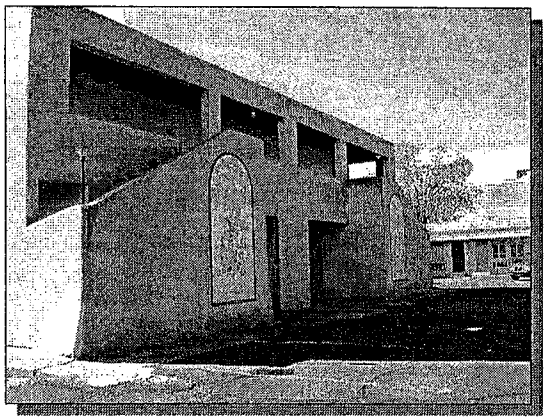
Two murals painted by Zuni artist, Anthony Edaakie Sr. depicting figures significant in the Zuni's winter *shalako* ceremony line the north and east walls of the basement conference room. The mural located on the north wall, and slightly water-damaged at its east side, contains a line of eight figures and the east wall seven figures ranging in height from approximately three to five feet. Symbolically following each other from east to west, these images represent the essential figures of the ceremony. Leading the procession are *Shulawitsi*, the Little Fire God, following the Ceremonial Father, and *Salyatasha*, the Rain Priest of the North, followed by his deputy. Completing the first mural are *Shalako*, the Courier of the Gods, *Shalako Anutholona*, his alternate, and two *Koyemshi*, or Mudhead figures. The second panel includes the six *Salimopi*,, or guardians of the six cardinal directions of Zuni cosmology. Positioned against a beige background, these polychromatic *kachinas* convey the beauty, color and form of the Zuni's best known ceremony (Wright).

An office and manager's second story residence fronts the two-story lodging building. Measuring approximately 30 ft. wide and 20 ft. deep, the large office space formerly housed a space for jewelry sales as well. Large fixed windows line it on three sides, and a commercial glass door marks the entry, reflecting the alterations the lodge underwent between 1953 and 1955 in order to conform to the changing norms for motels. The stepped second story of the office building also reflects those alterations with the extending *vigas* that once marked the front elevation now removed. A large fixed window also lines the street side façade of the coffee shop. A commercial glass door facing the courtyard and set beneath an overhang with a rectangular masonry support, similar to those supporting the *porte cochere*, marks its primary entry while a similar door on the west elevation also permits entry into the dining room. Framing the window and appearing along walls throughout the complex are decorative polychromatic wood grills. The interior of the coffee shop contains a terrazzo floor accented with crushed turquoise and inlaid with turquoise and silver Zuni figures, some of which have been removed.

The property's signage consists of three discrete signs. The oldest and largest is a neon sign located in the planter at the middle front of the property. Quite likely the motel's original sign but with a different support system, it consists of a triangle framed with metal poles and mounted on a single steel post. The base of the triangle is approximately 18 ft. and the height of the sign is 35 ft. Flat letter neon includes "De Anza" and "Motor Lodge". A second sign is located next to the southeast support of the *porte cochere* and consists of a reader board mounted on a single metal pole. The third sign, a grouping of backlit plastic signs, is also attached to a single metal support post at the southeast corner of the coffee shop.

Although the additions and alterations completed by 1957 removed several ornamental details associated with the Spanish-Pueblo Revival Style, the location, setting, design and some exterior details of the complex continue to

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convey its role as a Route 66 motel dating to the mid-20th century. Important interior details such as the turquoise and silver inlaid terrazzo floor of the coffee shop and the murals depicting Zuni ceremonial figures also continue to recall the association of the property with its longtime principal owner, Zuni trader, Charles Garrett Wallace.

Statement of Significance

The De Anza Motor Lodge is one of the best remaining examples in New Mexico of a pre-world War II tourist court that was then expanded during the decade following the war to meet the increased demand for tourist facilities along Route 66. Constructed in early 1939, less than two years after Route 66 had been realigned along Central Avenue in Albuquerque, the lodge was built by S.D. Hambaugh, a tourist court operator in Tucson, and C.G. Wallace, a prominent trader at Zuni. Representing one of several ventures that Wallace undertook along Route 66, the lodge became linked to Wallace's name and his reputation as an Indian trader. Thus, it assumed a special role among tourist courts along the highway, offering not only lodging and, later, food but Indian jewelry and crafts and repair services as well. Larger than most tourist courts of its time, the De Anza was altered and expanded during the golden age of tourism along Route 66 to conform to Wallace's sense of the changing norms for tourist facilities. While some of details of the buildings' original Spanish-Pueblo Revival Style were lost, it remains one of the best examples of how some pre-war motels were altered to remain economically viable. During those years, the motel continued to be closely associated with Wallace and his business, serving as a gathering place for traders and craftsmen, as well as tourists collecting Southwestern Indian crafts and jewelry. Because of its close association with automobile tourism along Route 66 and with its longtime operator, C. G. Wallace, the property qualifies under Criteria A, B as well as Criterion C.

As discussed in the historic context, the impact of the realignment of Route 66 onto Central Avenue in 1937 was significant, with the total number of tourist courts along Central Avenue in 1941 surpassing those along Fourth Street, the former alignment of the highway through Albuquerque. From 1937 to 1940, the number of courts along Albuquerque's emerging eastern commercial strip had climbed from one to 11 with some of the courts located east of the newly completed state fair grounds. This increase reflected local entrepreneurs' response to the growing number of motorists traveling along the realigned Route 66, with the daily average of vehicles rising from 1,400 to 1,800 between 1937 and 1938 (Albuquerque Progress Jan. 1939: 2).

Most of these courts typified the building patterns discussed in the historic context, offering motorists between 10 and 20 units arranged in one or two parallel rows or in an L or U plan with parking in a courtyard or garages interspersed between the sleeping units. Thus, when S. D. Hambaugh and C. G. Wallace purchased an entire block

Property History

along the north side of Central Avenue and began construction of a 30-unit court, it represented the largest motel project to date along East Central Avenue. Described as an "ultra-modern tourist court," offering showers and steam heat, private telephones and an air cooling system in every unit, it opened by June of that year (Albuquerque Progress Feb. 1939: 3). With *vigas* extending from its office and manager's residence, a two-story building with its stepped parapet fronted by a log portal, as well as the garages, the complex offered patrons not only a modern lodging facility but one of the better detailed examples of a motel employing the then popular Spanish-Pueblo Revival Style.

Hambaugh and Wallace brought different but complementary interests to the joint venture. The former, who sold his part of the business to Wallace shortly after the lodge was completed, had already owned and operated the Gypsy Trail Hotel in Pasadena, another Route 66 community, and currently owned and managed a motel in Tucson. Wallace was an Indian trader who had come to recognize the importance of automobile tourism to the southwestern Indian trade. Arriving in New Mexico from North Carolina in 1918, he soon began working for the Ilfeld Company, one of the largest mercantile networks in New Mexico with stores in many of the state's railroad towns as well on or near some reservations. Transferred to the company's trading post at Zuni in 1919, Wallace acquired his trading license in 1920 and set about learning as much as he could about the pueblo, visiting many of the residents and learning the language. Named *Lhamsta*, or Tall Thin Man, by the Zunis, but sometimes referred to as *Mujugi*, or Night Owl, because of his practice of writing letters advertising his trading business well into the night as well, Wallace soon emerged as the central figure in the trading world at Zuni.

Over the next three decades he encouraged both Zuni men and women to become skilled in jewelry and lapidary crafts. He introduced new jewelry equipment, sometimes permitting workers to use the equipment he kept in the back of his trading post. He also provided materials such as coral, silver, and turquoise, even investing and operating turquoise mines scattered across the Southwest. Perhaps more important, he encouraged new production styles requiring skilled small stone techniques such as needlepoint and petit point as a means of thwarting machine-made jewelry which threatened not only Wallace's business but the livelihood of Zuni craftsmen as well. As he encouraged these new techniques and suggested designs, he increasingly drew motifs inspired by archeological and ethnographic investigations of the Zuni culture. At the same time, he also introduced nontraditional designs, including diversely designed bolo ties and rings that broadened the appeal of Zuni-made jewelry. So successful was Wallace that from 1919, when he first began working at Zuni, to 1952 the percentage of the tribe's income derived from jewelry and lapidary sales rose from 4 percent to 65 percent (Slaney 1992: 129). Wallace's personal collection of Zuni crafts also grew, so that by the 1970s when he decided to liquidate the collection it numbered several thousand pieces. Over the next 15 years, the majority of pieces were sold during an auction conducted by Sotheby's and two subsequent gallery sales. Some 500 of the best pieces were conveyed to the Heard Museum where they were displayed as the "Blue Gem, White Metal: Carving and Jewelry from the C. G. Wallace Collection" exhibit of 1998 (Slaney 1998).

Similar to other traders, Wallace continually sought to open new markets for his inventory of rugs, silverwork

Property History

and other crafts. As he and his wife wrote some 50 letters weekly to prospective buyers, he also contemplated opening new markets that would give him more access to the increasing number of automobile tourists driving through the Southwest. Aware of how Herman Schweitzer and the Fred Harvey Company had purchased pawn from traders and had incorporated access to Indian arts and crafts well before the Indian Detours began in 1926, traders including Mike Kirk of Gallup and the Richardson family of Arizona and Gallup had begun to look at Route 66 as a potential market. The potential for this market became especially true during the Great Depression as the traditional barter system that had characterized the earlier trading post economy began to fail and tourism along the highway emerged as a means of infusing this beleaguered barter system with outside cash. Following the success of the Gallup All-Indian Ceremonial beginning in 1923 in which arts and crafts were featured and judged, they sought to protect their interests and those of the craftsmen with whom they dealt by forming the United Indian Traders Association (UITA) in 1931. With its goal of certifying genuine "handmade Indian arts and crafts," the UITA selected Bertram I. Staples, operator of a trading post at Coolidge, New Mexico along Route 66, as its first president, and C. G. Wallace as one of the original board members (Powers 75).

During the 1930s, Wallace actively sought to reduce the disadvantage of his location at his Zuni trading post, some 50 miles south of Route 66, by acquiring business along the highway. He became a Route 66 booster by the early 1930s, and by the 1940s, he had acquired the Black Diamond Ranch and the Rancher's Supply store at Sanders, Arizona, which offered ranching equipment and supplies as well as gasoline and a cafe. Along with a trading post at nearby Cedar Point, offering primarily Navajo jewelry and crafts including Wide Ruins style weavings and silverwork, the C.G. Wallace Indian Store in Gallup, and, briefly, interest in a dry ice plant in Moriarty, Wallace was involved in five ventures along Route 66 (Slaney 1992: 37).

As he traveled around the Southwest seeking new markets, Wallace frequently found himself lodging in hotels where parking away from his room and carrying his inventory to the room was a nightly inconvenience. Years later, Wallace would recall that his tribulations as a traveling merchant led him to "see the need for motels" where "you didn't have walk up and down those stairs" but only "park right at your door" (Slaney 1992: 117). For Wallace, the convenience motels offered "was a miracle." Thus, as he undertook the De Anza Motor Lodge project, he resolved to build a facility that was not only amenable to the needs of travelers but one that incorporated the attractive aspects of his built environment in Zuni. To eliminate the inconvenience of traipsing up untold flights of hotel stairs burdened with his merchandise, Wallace followed the motel design conventions of the 1930s, interspersing carports between sleeping quarters. He then sought to add modern conveniences such as steam heat and air cooling not yet present in many tourist courts. To convey the sense of place that he brought with him from Zuni, he included details such as having *vigas* and a log *portal* extending over the second story manager's residence, a pegged oak floor covered with Navajo rugs in the lobby, and a large fireplace along its eastern wall.



Property History

Like many other motel operators in the Southwest, Wallace gave his facility a name associated with the romance of southwestern history. He named it after Juan Bautista de Anza, the able governor of New Mexico from 1778 to 1788 and applied the visage of a conquistador to the facility's large sign located along Central Avenue. Wallace, however, felt uncomfortable with the commonly used terms cabins and motel. Regarding them as failing to connote the higher class facility he hoped to offer patrons, he opted instead to refer to the De Anza as a motor lodge, a term that would become popular in the lodging industry some three decades later (Wallace). This quest for conveying class would remain with him throughout his career as a lodging operator. Not only was it apparent in his initial efforts to create the most modern facility of its kind in Albuquerque, but it motivated many of the changes he brought to the De Anza including the addition of the swimming pool and the *porte cochere*, fronting the lodge's office. It also dictated his refusal to serve alcohol in the De Anza's cafe, Turquoise Room, a name that he borrowed from the upscale dining cars that were a part of the Santa Fe Railroad's Chief and Super Chief service. This quest for improving motel service and appearance also prompted Wallace to become involved with M.K. Guertin, a Long Beach, California motel operator and promoter, who pioneered the development of referral chains in which cooperating motels offered reservation services for other courts within a loose federation (Jakle: 142). First termed the "US 66 Hiway Association" when it began in the 1940s and embracing motels in Springfield, Missouri; Oklahoma City; and Barstow, California as well as Wallace's De Anza, as the association expanded to include other highways, in 1951, the chain was renamed Western Motels, Inc. and became popularly known as Best Western.

In order to maximize the returns of his new location along Route 66 in Albuquerque, Wallace also included a jewelry counter in the lobby as well as a small lapidary/silver shop, which was located in the lodge's maintenance room. While the De Anza's staff included Albuquerque residents, it also included, from time to time, Zuni tribal members, a practice that Wallace brought from Zuni where he regularly employed Zunis to make jewelry expressly for him. Most notably, craftsmen Leonard Martza, who worked at the De Anza as a handyman, also repaired and created jewelry. Wallace also sought to use the De Anza to publicize his other ventures, printing brochures describing his business and the materials incorporated into the jewelry he sold. To further familiarize lodgers with his network of businesses, the brochure contained a map entitled "Interesting Places along U.S. 66." Included in the map were birdseye depictions locating the De Anza and Wallace's four trading posts as well as caricatures of El Morro National Monument and Zuni Pueblo (Slaney 1998:12).

Wallace's success in promoting the De Anza not simply as a tourist court but as a source for Indian jewelry and crafts resulted in its reputation as a gathering place for others involved in the manufacturing, trading and selling of Native American arts and crafts. With its location near the increasingly popular New Mexico State Fair grounds, the motel also attracted notable public figures. In the decade following World War II, as tourism expanded along Route 66, Wallace added to the original facility, expanding the number of units from 30 to 55 and finally to 67. In part these additions reflected the growth of automobile tourism along Route 66; in part they also reflected Wallace's efforts to

Property History

keep pace with the changing norm of improved lodging along the roadside in the post-war decade. The decision to use cinder block in the additions reflected cost and fire protection considerations as well as a desire to reduce the sounds transmitted from one room to another. Two buildings were added at the rear of the property, the Turquoise Room was added to the building at the southwestern front of the property, and, finally, a two-story addition extended the rear building on the island over the site of a former play ground. While some of the Spanish-Pueblo Revival details were removed, the sandstone masonry supports for the *porte cochere* addition and the Turquoise Room's portal, bearing the same dark russet characteristic of the masonry buildings in Zuni near where the stone was quarried, suggest that Wallace viewed these changes as improvements. Thus, within the period of significance the De Anza Motor Lodge underwent changes to conform to the growing expectations of motorists traveling along Route 66.

The most interesting detail of the additions, one uncharacteristic of most motels along Route 66, was the excavation of a basement room below the two-story addition. Consisting of poured in place concrete, the basement was built as a utility room to house the lodge's new chilled water system. Its size, however, left a larger space that Wallace termed the "conference room" and used for meetings and banquets. To imbue it with a Zuni. atmosphere as he had previously done with the motel's lobby, in the early 1950s Wallace hired Zuni artist Anthony Edaakie Sr. to paint murals along the north and east walls of the room. Regarded as an artist in "the old Zuni tradition," Edaakie, who frequently worked for Wallace as well as the Maisel family of traders, built his reputation with his brightly contrasting polychromatic depictions of *kachina* figures in felt, feathers, and watercolors (Dunn: 348). For the De Anza, he depicted the winter *Shalako* ceremonial procession, the culminating event of the year-long Zuni ceremonial cycle. These figures constitute the only known Zuni images located in any motel along Route 66 in New Mexico. Depicted in a strikingly bright polychromatic motif, they are regarded by art historian J.J. Brody as representative of the traditional Zuni style of painting that began under teacher Clara Gonzalez in the Zuni school system in the 1920's (Brody).

During the late 1950s, as many of the pre-World War II motels along Route 66 were eclipsed by the advent of larger franchise motels and began to decline, the improvements that Wallace had made enabled the De Anza to remain competitive. It remained listed as an American Automobile Association-approved accommodation until the early 1990's. Following Wallace's death in 1993, the motel was sold and then resold. Although it has fallen into some disrepair, the De Anza remains recognized as one of the best remaining examples of a mid-20th century motel along Route 66 in New Mexico and remains closely associated with Wallace's widespread reputation as a leading Indian trader. A local community redevelopment group is working closely with the City of Albuquerque to preserve and rehabilitate the property and to interpret it as a site closely associated with the tourism and Indian trade along the highway.

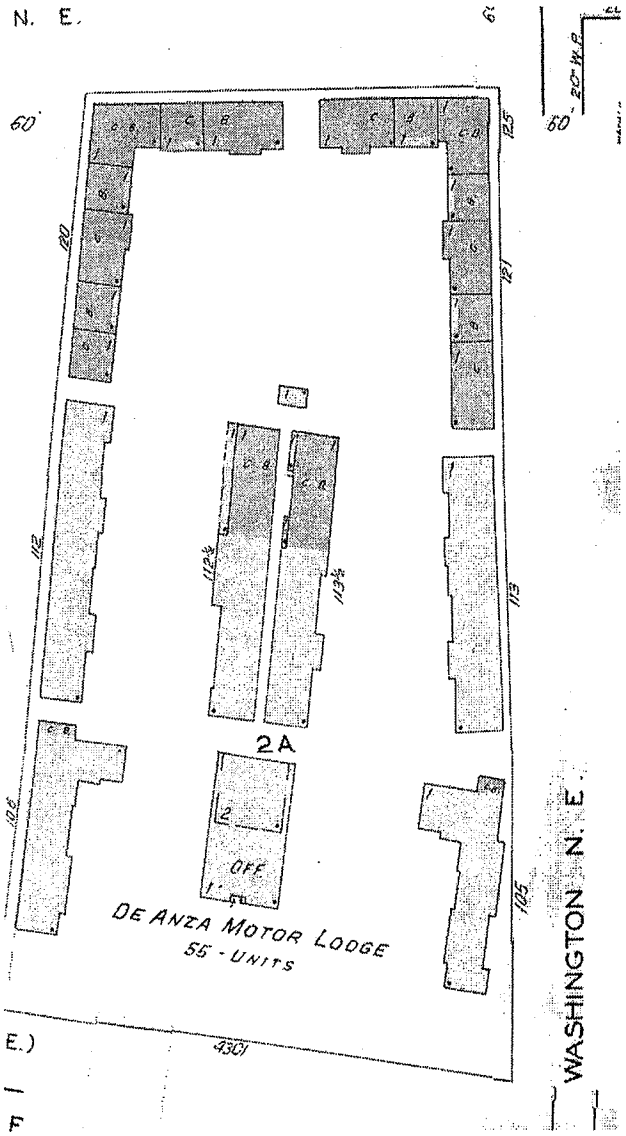
Property History

George Pearl, a well known retired architect, and his firm, Stevens Mallory Pearl & Campbell, provide design and architectural services for the property during one of its expansions that added the stone façade, and second stories. The new architectural building at the University of New Mexico will bear Mr. Pearls name.

Prior Uses—Sanborn Fire Insurance Maps

"The Sanborn map collection consists of a uniform series of large-scale maps, dating from 1867 to the present and depicting the commercial, industrial, and residential sections of some twelve thousand cities and towns in the United States, Canada, and Mexico. The maps were designed to assist fire insurance agents in determining the degree of hazard associated with a particular property and therefore show the size, shape, and construction of dwellings, commercial buildings, and factories as well as fire walls, locations of windows and doors, sprinkler systems, and types of roofs. The maps also indicate widths and names of streets, property boundaries, building use, and house and block numbers. They show the locations of water mains, giving their dimensions, and of fire alarm boxes and hydrants. Sanborn maps are thus an unrivaled source of information about the structure and use of buildings in American cities." http://www.lib.berkeley.edu/EART/snb-intr.html

This 1956 Sanborn map indicates that the yellow portions of the building were frame while the blue portions are block. At the time of construction, the property has 55 units. Carports and breezeways were later filled in to provide more motel units.



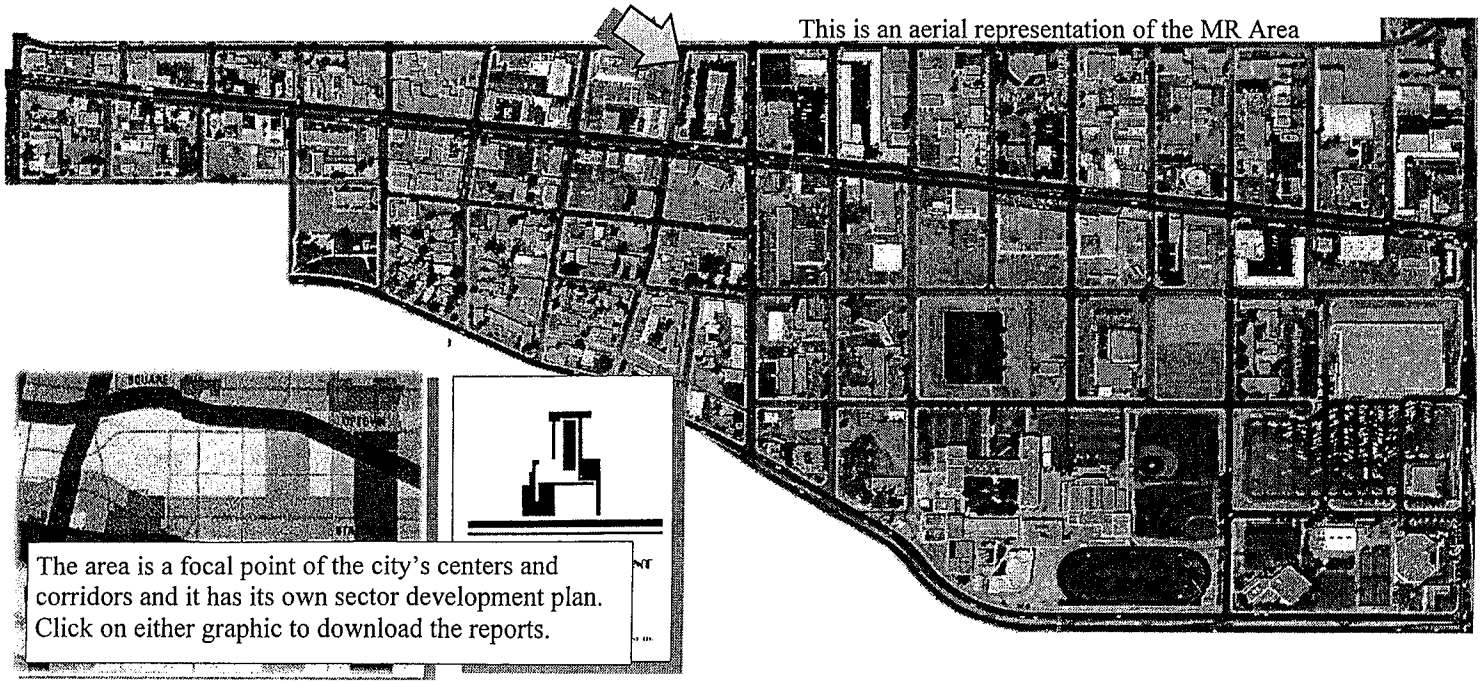
Area Analysis

Located between Albuquerque's Nob-Hill gourmet restaurant row and boutique shops and the Hiland Theater and antique row, the De Anza is well positioned to be an integral and supporting part of the continued redevelopment of these two Albuquerque districts.

With frontage on Central Avenue, Route 66 was barely two years old when the De Anza was built. The historic Monte Vista fire station was built as part of a WPA grant in 1936, and by the 1940 the City Directory listed ten service stations, five tourist camps and/or motel courts, and a number of café's all within the boundaries of the Nob Hill area. This area represented the only concentration of commercial business outside of downtown.

Following World War II, the Nob Hill business center was constructed in 1945 by R.B. Waggoman as one of the first automobile centric shopping centers west of the Mississippi. As more and more retail establishments became vibrant in the area, residents on the East Mesa no longer had to travel downtown for their day to day needs. Grocery stores, 5-n-Dime Stores, and a movie theater all supported local residents.

As the main traffic arterial for the City of Albuquerque, Central Avenue enjoyed strong retail growth along Route 66 until the construction of the Interstate freeway system in the mid 1960s.



Area Analysis

Post 1960's marked a shift in development to the north and east, a trend that continued well into the 1990's until a majority of the land was absorbed and pushing up to the Sandia Reservation and Sandia National forest boundaries.

As traffic and retail sales left the area the Central corridor filled with nominal retail and offices uses and began a state of decline that continued until the mid 1980's when the Nob-Hill shopping center was repopulated with upper end restaurants, bars and retail uses.

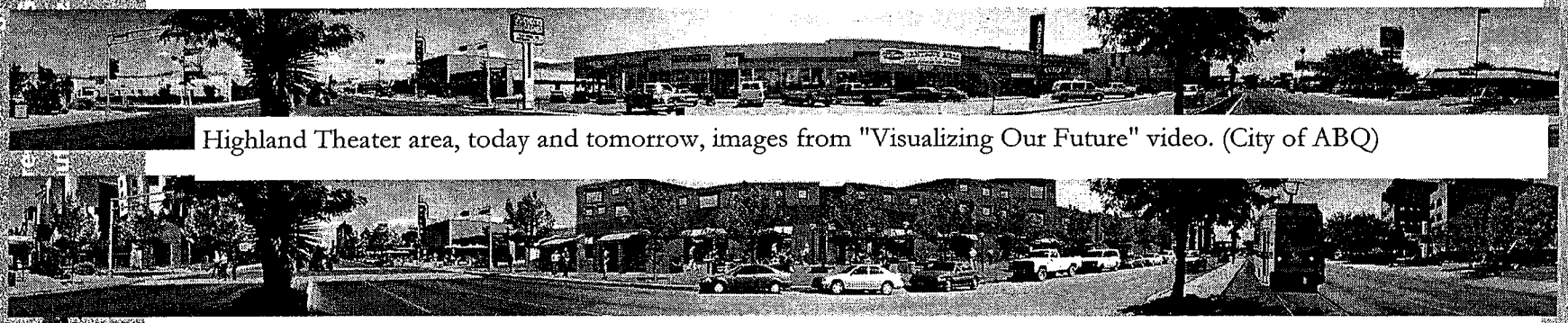
As Nob Hill redevelopment radiated towards the University of NM to the west and the Highland area to the east, the City of Albuquerque adopted the Non-Hill sector development plan in January of 1988.

The 209 page plan document identified the boundaries roughly as Washington, Lomas, Zuni and Girard.

The goals, stated on page 7 of the plan include:
- Promote neighborhood safety
- Identify and preserve the existing character of the residential area
- Encourage a mixture of compatible uses
- Recognize and preserve building and areas of architectural and environmental significance
- Provide adequate parking
- Provide an efficient circulation network that includes transit, bicycle, pedestrian and vehicular systems
- Stimulate commercial revitalization

City of Albuquerque's Centers and Corridors

Centers and corridors provide a visionary framework for infill and redevelopment throughout the community. Activity centers such as downtown, and major transit corridors such as Central Avenue (historic Route 66) can be magnets for focusing development effectively to foster transit, walking, and compact, mixed use neighborhoods.



Highland Theater area, today and tomorrow, images from "Visualizing Our Future" video. (City of ABQ)

http://www.cabq.gov/planning/pages/longrange/centcorrs.html

Area Analysis—Neighbors—the Hiland theater

De Anza's neighbor (located approximately four blocks east) is the Hiland Theatre—one of Albuqueruqe's most endearing theaters and performance spaces— the following excerpt is from the NM Route 66 Association publication, *Route 66 New Mexico*: The Hiland Theater was built in 1952 by the Peloso family and seats 882. Its architecture has been described as "somewhat Art Moderne." The theater was built as part of a complex that included a Penney's Department Store and a White's Auto Parts/Appliance Store.

The theater is now the home to Musical Theater Southwest (MTS) that books approximately 200 live performances per year. The theater was once part of the Commonwealth chain. By way of a generous gift from the Peloso family, it was possible for MTS to purchase the block of buildings including the Hiland theater in 1996. In 1998, a $1.1 million dollar renovation was undertaken which rebuilt the theater's infrastructure and renovated the lobby and box office. The $15,000 Hiland Theater neon sign restoration was made possible by a gift from Norm and Marcia Seim. The theater is an impressive showcase, however in order to bring the theater up to 21st century standards, MTS has charted an ambitious three year $3,000,000 renovation plan that will result in a venue expected to draw 100,000 patrons a year. MTS is now the largest community based producer of exclusively musicals in the country. The theater is located on Old 66 at 4804 Central SE, phone *505-262-*9301, www.hilandtheater.com.

——Courtesy and permission of reprint— the *New Mexico Route 66 Association*

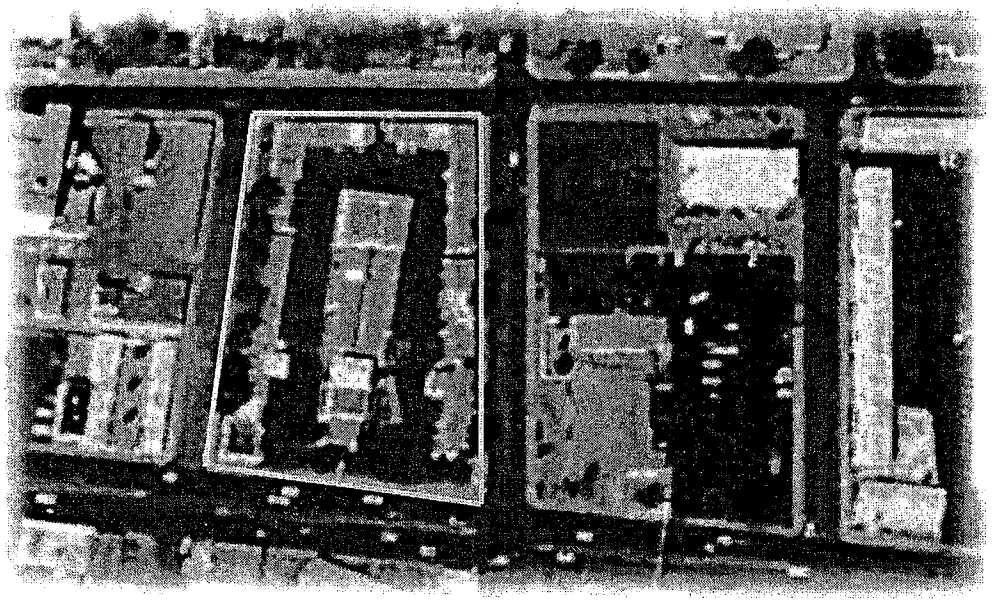


Area Analysis

Immediate Area

Surrounding the De Anza are the following uses:

To the east, is Washington Street, across which the parking lot of a small office building and an old bank. To the north are single family residential homes. To the south is Central Avenue., across which a restaurant, a building that has been used for offices and now is a night club, a tattoo parlor, a hair parlor, and other retail uses. To the west is a former tourist court motel that has been converted to housing as part of a housing program of an established non-profit.



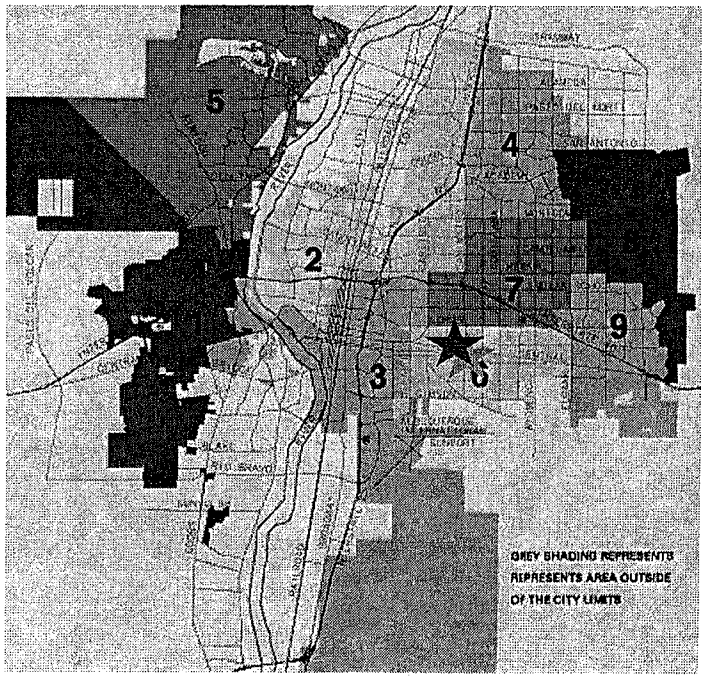
Political Representation



Hess Yntema, District 6
Albuquerque / Bernalillo County
Government Center
One Civic Plaza NW
City Council, Room 9087
Albuquerque, NM 87102
Telephone: (505) 768-3100
Office Fax: (505) 768-3227
Hyntema@cabq.gov



Mayor Martin Chavez
City/County Building, 11th floor
One Civic Plaza, NW
Phone: (505) 768-3000
Fax: (505) 768-3019
askthemayor@cabq.gov



Area Analysis—Linkages

Any given property is subject to its surrounding area and the linkages to other activity centers in that area. Located on historic Route 66, the De Anza is blessed with an abundance of nearby linkages

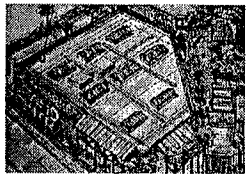
State Fair—in existence since 1881, the 236 acre campus of New Mexico's state fair is located less than one mile east of the De Anza Motor lodge on historic Route 66 where it intersects with San Pedro Blvd. (http://www.nmstatefair.com)

Nob Hill— home to the first shopping center west of the Mississippi river, Nob Hill is well known for its gourmet restaurants (including Scalo's, and the Flying Star café), nightclubs, and unique boutiques.

Hiland Theater—the soon to be renovated Hiland Theater is home to the Musical Theater Southwest and performances of all types.

Highland area antique row— located less than a block away, the Highland area is home to over 216 antique dealers.

Microsoft's beginnings— located just 1.1 miles east of the De Anza and originally incorporated in Albuquerque in 1976 is Microsoft's first business address, recently purchased by a Microsoft Co-Founder. Prior to moving to Bellevue-WA, Microsoft also occupied space in the One Park Central Tower (San Mateo and Central)



International Marketplace— the former Ta Lin grocery store is the site of this new Asian marketplace and epicenter of the Near Heights MR Plan —anticipated construction is late 2003—located just over one mile to the east.

Airport— Two miles southwest of the De Anza is New Mexico's primary International Airport with a 2002 total of 3,063,036 enplanements.

Uptown—Two miles to the northeast is Albuquerque's 2nd largest Central Business District (CBD), and the state's largest regional shopping centers.

Downtown— Albuquerque's primary central business district is just 2.5 miles west and is home to over $350 million of new construction in the last five years.

University of NM/TVI— located 1.1 miles west of the De Anza is New Mexico's largest university.

Hospitals— University of New Mexico Hospital, St. Joseph's Hospital, Lovelace, VA, and Presbyterian Hospital are located within two miles.



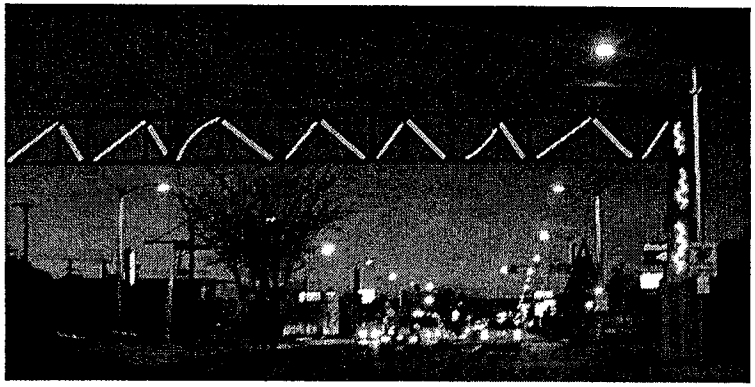
Microsoft employees 1979

Area Improvements —Intersection Upgrades

The Nob Hill Highland Renaissance Corporation , the Highland Merchants association, and the neighborhood associations have been actively involved in working with the City of Albuquerque's capital improvement program to provide necessary upgrades to lighting in the area.

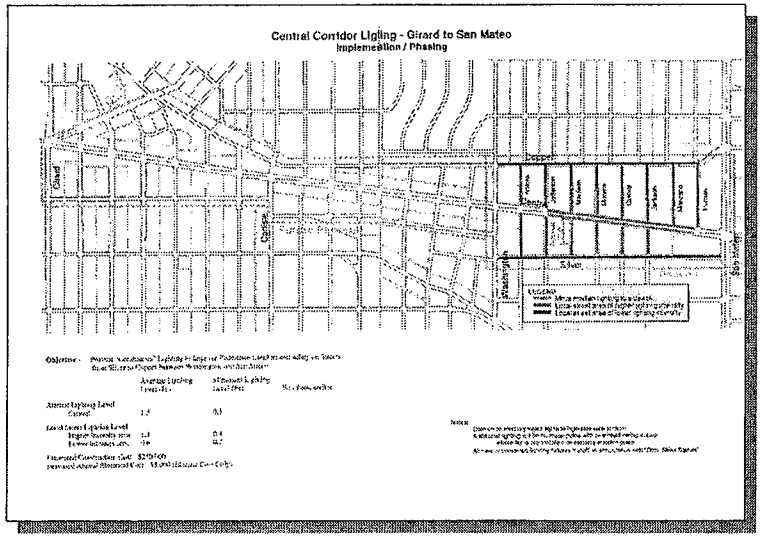
The creation of a "gateway" into the area was completed in the mid 1990's, and eight Central intersections are scheduled to receive substantial upgrades further identifying the area as a unique place to visit.

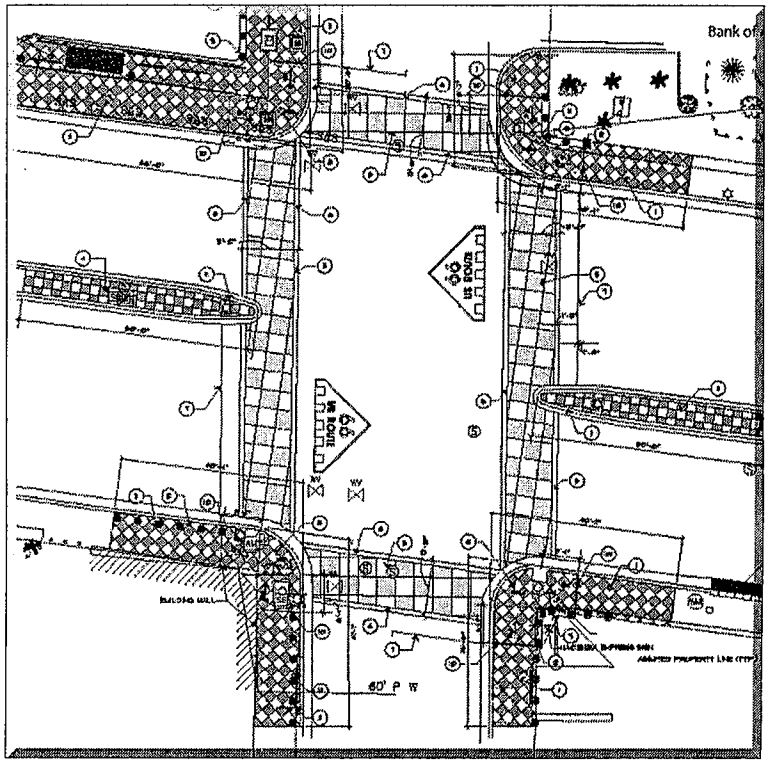
Continual improvements in the infrastructure and the creation of an area identity will be an integral part in shaping the De Anza's future success.



Click on the rendering below to open a 36"x24" scale map of how the Washington and Central intersection will change.

Click on the map below to see a full size image of the planned lighting upgrades.





Area Improvements & Community Leadership

The renovation and restoration of the De Anza is supported by one of Albuquerque's premier redevelopment non-profit entities—the NobHill-Higland Renaissance Corporation (NHHRC) which has done extensive community work and historical research into the De Anza. NHHRC is a nonprofit, community-based membership organization formed in 1998 to energize and organize the revitalization of the historic commercial district of Central Avenue (Old Route 66) between Girard and San Mateo Boulevards.

Their primary goals include:

- focusing on community concerns in a comprehensive way
- developing partnerships that add value to revitalization projects
- creating a safe and attractive business district
- promoting sustainable economic growth and reinvestment
- ensuring the appreciation and preservation of our historic and cultural assets.

They have successfully worked with private investors, public governments, and other associations to:

Design and Streetscape:

- Partnered with Highland Business and Neighborhood Association to redesign and assist property owner negotiations for the Monroe & Central intersection and sidewalk improvements.
- Partnered with Highland Business and Neighborhood Association to obtain capital funding for Washington intersection work.
- Design concepts for the entire streetscape and pedestrian improvements.
- Organized an open house event for public input and to display neighborhood association presentations of new streetscape designs.
- Based on strong community concern for improved neighborhood safety through street lighting, developed an Urban Lighting District Plan for street lighting improvements throughout the business district and obtained the first phase funding by city G.O. bond (sponsored by Councilor Yntema.)
- Worked with the Traffic Engineering Dept., neighborhood groups, and property owners to develop a traffic flow analysis and to design unique, artistic traffic barriers to address traffic and street crime activity along Silver Ave.
- Worked with citizen activists and the Traffic Engineering Dept. to coordinate the design and placement of bicycle racks in the Nob Hill commercial district.
- Organized median adoption program to renovate and xeriscape Central Ave. medians, raising over $8,000 in con-

Area Improvements & Community Leadership

tributions and $1,700 in grants so far and using over two dozen volunteers, matched by city-paid replacement of water systems.

- Provided professional design consultation with staff and NM MainStreet architect on facade, landscape and signage improvements for six district businesses.
- Developed, with Main Street assistance, Facade Improvement Program guidelines for future program funding.
- Conducted survey and contracted for update of Nob Hill Parking Study to examine parking needs, traffic management and public safety (with funding from City of Albuquerque Family & Community Services and Flying Star Cafe.)

Economic Restructure, Investment & Recruitment:

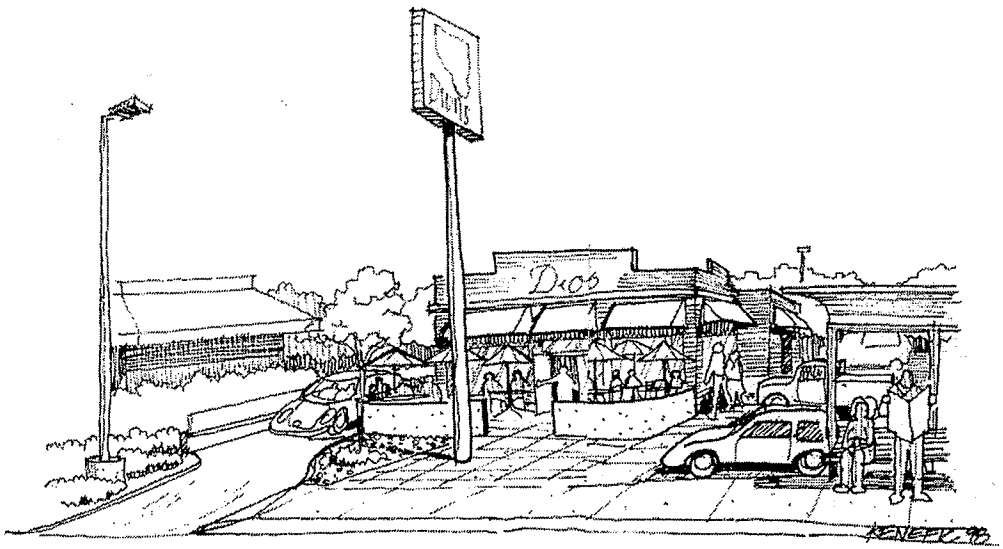
- Supported placement of the Center for Theatre in the Hiland Theater/Frank Peloso Performing Arts Center and legislative funding for theater improvements.
- Successfully worked to save the historic Jones Motor Co. building from decay and demolition, promoting its reoccupation, rehabilitation, and registration as a landmark.
- Planned and sponsored series of six public forums on "Revitalizing East Central" in partnership with 1000 Friends of New Mexico, Mayor's Office of Economic Development, the NM Community Development Loan Fund and others.
- Commissioned study of the possibilities for reuse and rehabilitation of Central Ave. motels.
- Assisted in research and development of a motel ordinance setting standards for operation and safety on city task force.
- Initiated dialogue on Crime Prevention issues between Upper Nob Hill residents, organizations, businesses, and police.
- Developed a package that identifies development priorities and provides area information to developers to facilitate appropriate project development, and offers opportunity for communication between developers and neighborhood representatives
- MainStreet to develop and conduct a workshop series on Marketing Your Small Business in a Global Economy, including topics ranging from facade and signage design to utilizing web sites and finding alternative lenders
- Worked as regional partner with the City of Albuquerque Development Services in the establishment of the Highland Central Metropolitan Redevelopment Area.
- Partnered with New Mexico MainStreet, Route 66 Association, and Albuquerque Development Services to develop a plan for the public purchase and private redevelopment of the historically and culturally important De Anza Motel as an MRA project.

Area Improvements & Community Leadership

Promotion *I* Education:

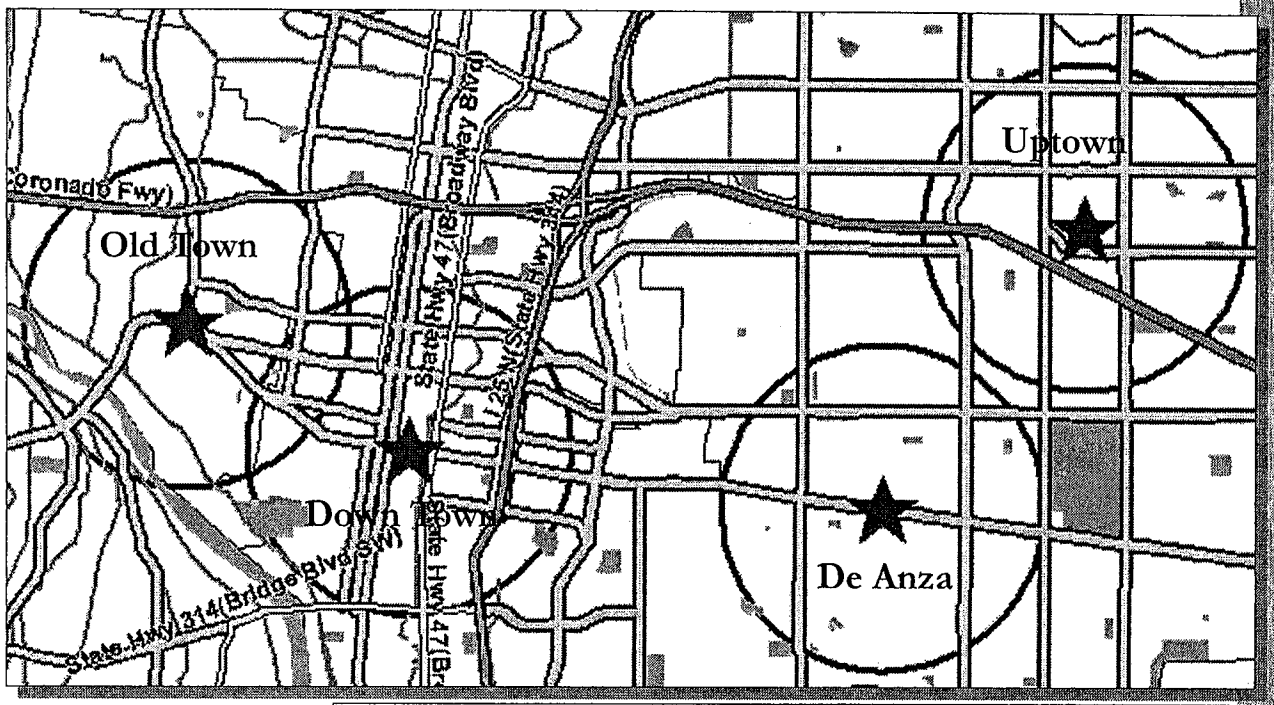
- Partnered with the City, NM Route 66 Assn., ACVB, and local merchants in the planning and promoting of the official celebration of the Route 66 Jubilee (75th anniversary).
- Obtained funding for, developed, and launched web site---rt66central.com--- to promote local businesses and tourism, educate public about local history and architecture, and inform the business and development community about the area's assets and opportunities. NHHRC continues to maintain the site.
- Developed "Windows into Route 66 History" poster exhibit from research and production to installations in store windows during the Jubilee, in the South Broadway Cultural Center, and in the Hiland Theater lobby gallery.
- Assisted Nob Hill Business Association with planning and logistical support of annual Nob Hill Holiday Shop & Stroll events for three years
- Initiated "branding" analysis of district's image conducted and donated by partner business Kilmer & Kilmer (with recommendations and budget still to be fully funded and implemented.)
- Commissioned donated design of large light pole banners by Kilmer & Kilmer (awaiting sponsor funding and PNM approval).
- Initiated stories and provided information to local and national media regarding NHHRC, area history, revitalization activities, local economic trends, events, and businesses, etc.

NHHRC and its board has agreed to work with the future owners of the De Anza to assist in the preservation and redevelopment of this historic property.



The picture to the left is an illustration of one possible renovation of an existing viable restaurant, this change would make the restaurant more pedestrian friendly, and resemble a sidewalk café.

Demographic Analysis



As a measure of comparison for the De Anza trade area, this study compared a one (1) mile radius around the middle of Old Town, Downtown, Uptown and the De Anza area to highlight any similarities between these trade areas, and discover possible demographic Gap's for the area. (Gap is an imbalance between two different areas that might be an indicator of demand for that demographic variable)

As the table to the right demonstrates, the De Anza sub-market has a larger population, higher population density, higher income levels, and a larger concentration of white collar workers.

The De Anza submarket has less persons per household than the rest of the submarkets, and an average income level per capita that is almost twice as high as the downtown SubMarket.

	Old Town	Uptown	Downtown	De Anza
Population - 2002				
Population	9,267	13,209	14,422	15,606
Change 1990 to 2000	-4.20%	-2.20%	0.40%	0.10%
Median Age	37	41	33	41
Population Density	2,865	4,245	4,404	4,935
Average HH Size	2.11	2.09	2.41	2.00
Owner Occupied Housing Units	47%	55%	29%	49%
Renter Occupied Housing Units	42%	38%	55%	45%
Total Housing Units	4,952	6,757	7,087	8,261
Average Vehicles Per Household	1.5	1.62	1.21	1.47
Avg. household income	$44,689	$43,150	$30,482	$48,066
Median Household Income	$42,566	$44,073	$37,724	$41,394
Per Capita Income	$21,113	$20,521	$13,199	$24,063
Type - 1990				
White Collar Occupations	61.80%	69.50%	55.40%	77.00%
Blue Collar Occupations	38.20%	30.50%	44.60%	23.00%

Demographic Analysis—Retail

Interestingly enough, the De Anza demographic radius ranks 2nd only to Uptown in number of retail establishments.

De Anza also ranks 2nd only to Downtown in total employees, and in 3rd place in total establishments.

With total retail sales of $408,533,000 the De Anza is twice as large as Downtown's retail sales, almost three times as large as Old Town's retail sales, and 2nd only to Uptown in retail sales.

Based on the demographic information collected, the De Anza area (as defined by the radius of one mile), is positioned to take advantage of the improving condition of the area.

The business summary below indicates that the De Anza has the 3rd highest employment base, behind Downtown at 35,589 and Uptown at 18,367, with the second highest sub-market for retail sales, behind only the Uptown submarket.

Business Summary Retail: Establishments	Old Town	Uptown	Downtown	De Anza
Apparel Stores	16	65	9	27
Appliances	1	4	1	1
Bakeries	3	8	2	1
Bars	0	3	11	9
Books and Stationary	2	7	3	7
Camera and Photography	0	4	0	2
Candy and Confectionery Stores	2	8	1	1
Catalog and Mail Order	1	4	2	4
Department Stores	4	11	0	2
Drug Stores	1	0	4	3
Florists	5	3	4	6
Furniture Stores	7	17	14	18
Gasoline Service Stations	4	7	4	5
Grocery Stores	8	19	13	22
Hardware	0	0	0	0
Hobby, Toy, and Game Shops	4	7	1	12
Jewelry Stores	13	30	2	8
Liquor Stores	0	0	3	2
Lumber and Building Materials	3	3	2	1
Motor Vehicle Dealers	5	14	16	32
Nurseries, Lawn and Garden	1	2	0	1
Optical Goods	0	14	2	5
Other Retail Establishments	104	57	36	91
Paint and Wallpaper	1	3	4	7
Radio, TV, and Consumer Electronics	8	39	9	20
Recreational Vehicle Dealers	1	2	1	2
Restaurants	54	66	70	71
Shoe Stores	0	23	1	5
Sporting Goods and Bicycles	4	15	3	8
Variety and Other General Merchandise Stores	0	1	0	3

Business Summary Total				
Total Employees	6,717	18,367	35,589	14,072
Total Establishments	995	1,993	2,462	1,574
Total Payroll	$183,423,111	$571,349,618	$1,232,330,947	$334,862,745
Total Retail Sales	$168,426	$569,629	$183,078	$408,553

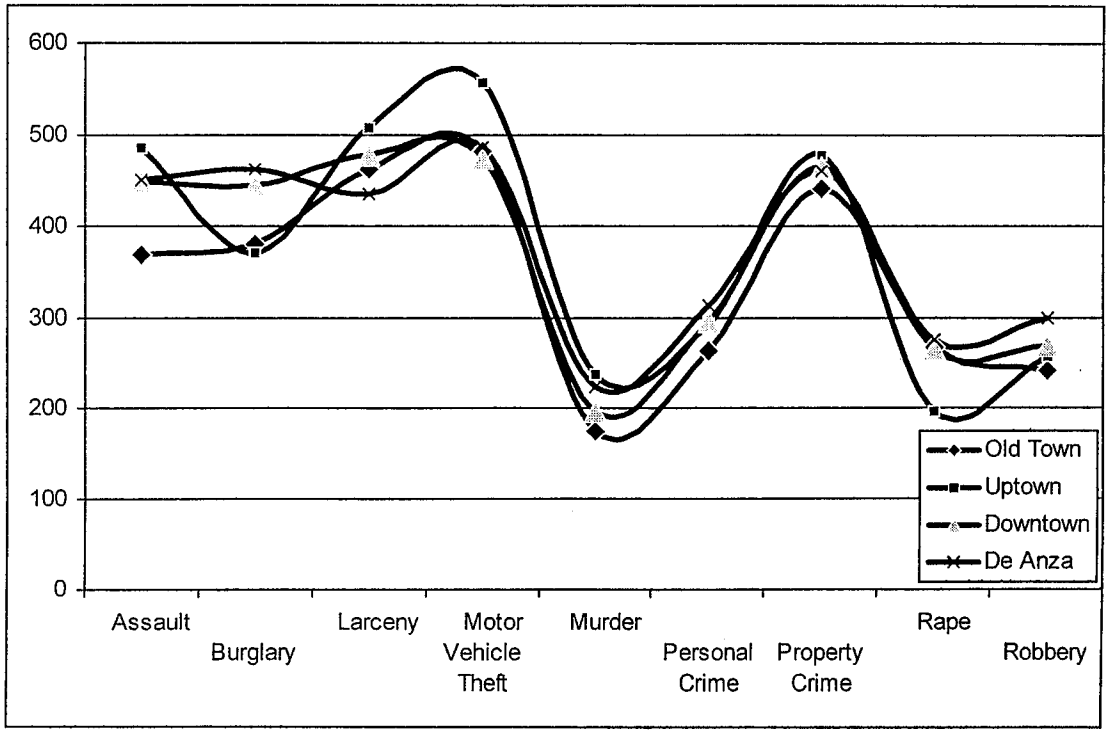
Demographic—Crime Analysis

Crime information has been downloaded from the CCIM site-to-do-business website for the four different trade areas. The number that corresponds to each crime is an index number based on the United States average of 100. So if the Uptown area has close to 500 for Assaults, then it is 5 times higher than the United States average.

In general, the one (1) mile radius around the De Anza has very similar crime ratios to that of Old town, Downtown, and Uptown.

Please note that the crimes shown in this graph are considered TYPE I, violent crimes and do not includenon-violent crimes that are often association with the East Central area.

The perception of crime in the area as discussed in the focus group sessions is most likely a correct one. In this instance, the different in the type of crime becomes important. As the graph below indicates, this area is in line with other areas in town for violent crime, but what the graph does not indicate is the higher incidences of non-violent crime. Non-violent crimes like prostitution and drug dealing are certainly large enough detractors to keep tourists from staying at a place like the De Anza. The presence of these crimes has a tendency to push legitimate users away from the area. Several former customers of the De Anza have related that they stopped staying there when they visit due to the "cheap illegal renters". The same customers also indicated a desire to return when the "bottom feeding, crime wheeling residents could no longer afford to live and/or operate at the De Anza."



All values are displayed as indexed numbers indexed against the U.S. index base. (U.S. Average = 100)

Location Analysis

As part of the process of determining the best use for the De Anza Motor Lodge, one must analyze what the De Anza's location and its underlying infrastructure could best support. The location analysis model below, developed by the CCIM institute in 2002, allows the user to score each of the general and specific criteria for the locations general area. In the weight column, the user inputs how important that factor is to that particular use (office, hotel, etc.) Based on this scoring system, while the De Anza is not an ideal location for any particular use, the location is best suited for a hotel, followed by a residential use.

Location Analysis

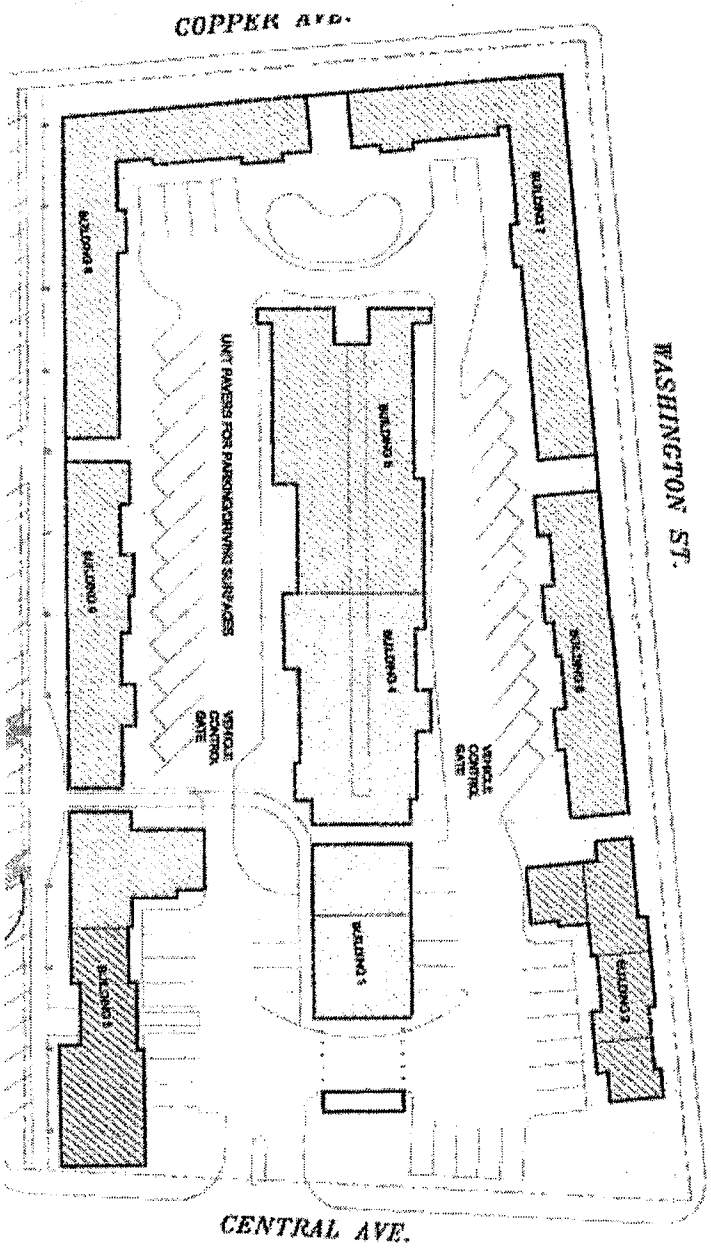
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Scale: 0 = Not Applicable, 10 = Highest
Weight: On a scale of 0 to 10 Rate the importance of each criterion for the respective use at any location.
Subject: On a scale of 0 to 10 rate the subject location for each criterion.
Note: The subject location should have the same rating for all *General Criteria* for all uses.

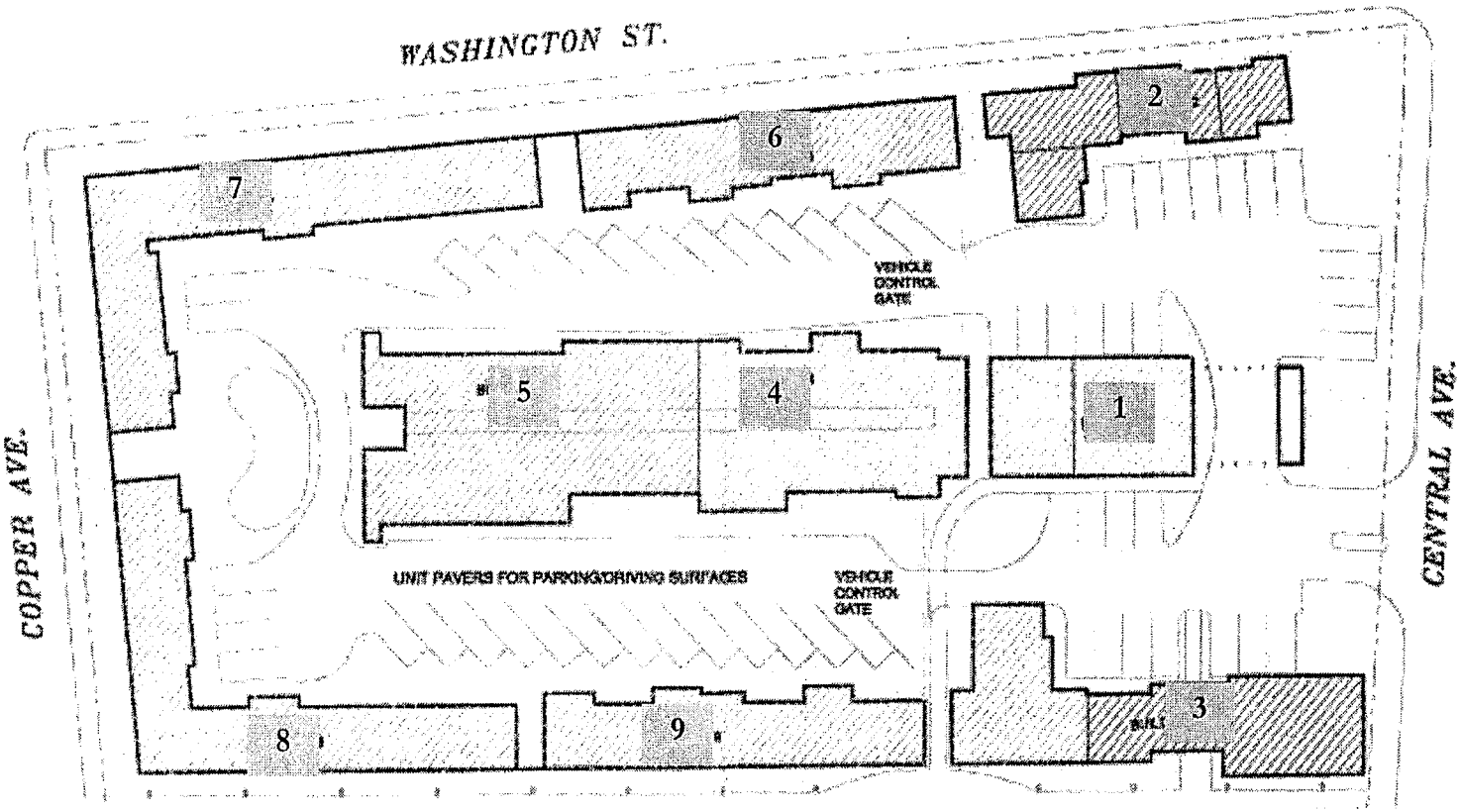
Value changes on use / Constant value	Office		Hotel		Retail		Residential	
General Criteria	Weight	Subject	Weight	Subject	Weight	Subject	Weight	Subject
Road System	7	8	8	8	7	8	1	8
Public Transportation	8	10	10	10	5	10	5	10
Retail Centers	0	7	9	7	8	7	7	7
Municipal Services	7	8	7	8	3	8	9	8
Educational Facilities	6	5	1	5	0	5	9	5
Recreational Facilities	4	5	8	5	0	5	9	5
Health Services	5	6	8	6	0	6	8	6
Cultural Amenities	6	8	10	8	0	8	9	8
Population Density	8	7	1	7	10	7	4	7
Employment Centers	8	7	5	7	8	7	7	7
Growth Vectors	8	2	5	2	8	2	6	2
Disposable Income	4	6	5	6	10	6	4	6
Crime Rating	9	2	5	2	9	2	10	2
Use Specific Criteria	Weight	Subject	Weight	Subject	Weight	Subject	Weight	Subject
Customer Base	9	5	2	5	10	5	8	5
Labor Pool	8	7	5	7	7	7	7	7
Suppliers	4	5	5	5	8	5	1	5
Competing Uses (Existing and Zoned Sites)	8	4	8	4	7	4	4	4
Land UseTrends	8	4	7	4	8	4	4	4
Area interest in Redevelopment	10	10	10	10	10	10	10	10
Location Weighted Rating by Use		6.10		6.54		5.97		6.13

Site Analysis—obtained from site visit and appraisal

Address:	4301 Central NE Albuquerque NM
ZIP:	87108
Building Size:	in 1 and 2 story buildings
Land Size:	2.05686 acres
Rooms:	85
Unit Mix:	25 single units, 40 double units, 20 Family units + owner's unit of 2 bedroom one bath
Other Improvements:	Former coffee shop, managers office, and swimming pool.
Zoning:	CCR—Community Commercial/Residential (similar to R-3 and C-2 uses with some exceptions)
Sector Development Plan:	Nob Hill enacted 1988
Topography:	Flat gentle slope from Northeast to southwest
Access:	The property is bordered by four (4) streets with direct access to Central Avenue.
Frontage:	The property has approximately 229 feet on frontage along Central, and 287 feet along Washington Blvd.
Age:	Built in 1939
UPC# (Tax)	1-017-057-256241-34902
Traffic Counts:	33,300 cars on Central, 7,200 cars on Washington
Flood zone	Portions of the property are part of a 100 year flood boundary as the streets of Central, Copper and Zuni were apparently all designed to carry floodwaters
Construction:	Block with stucco finish, reinforced concrete foundation, flat roof with tar and gravel, plaster/celotex and gypsum board on wood stud interior wall finishes, low grade carpet finishes
HVAC:	Original two pipe system was recently replaced with individual wall mounted electrically powered heating/ cooling package units.
Deferred Maintenance:	35 of the units are closed due to low occupancies. A recent appraisal indicated $20,000 was needed to cure deferred maintenance. The owner has indicated that he has recently spent over $100,000 upgrading all electrical services.



This site plan was provided by a 3rd party, and is to be used for illustrative purposes only.



Building #	Current Use	Stories	Estimated Size	# of rooms	Avg. Unit Size	Unit #'s	Notes
Building 1	Office	2	2,730	1	2,730	Office	
Building 1 - 2nd Story	Apartment	2	1,260	1	1,260	Manager's Quarters	
Building 2	Motel	1	2,904	6	484	100-106	and storeroom
Building 3	Restaurant	1	1,426	1	1,426	Restaurant	
Building 3	Motel	1	2,310	5	462		and storeroom
Building 4	Motel/Maid Quarters	1	3,402	8	425	138-145	
Building 5 - 1st story	Motel	2	5,632	16	352	130-137 & 146-153	54' wide less '10 all
Building 5 - 2nd story	Motel	2	1,972	6	329	183-188	
Building 5 - Basement	Banquet/Art	2	1,000	1	1,000	Banquet/Art	
Building 6	Motel	1	2,574	10	257	107-116	
Building 7	Motel	1	4,431	12	369	117-129	and store Room
Building 8	Motel	1	4,173	13	321	154-166	and Boiler Room
Building 9	Motel	1	2,904	10	290	167-176	
			36,718	90			less office, restaurant, banquet, managers apartment
				86			motel rooms

All measurements are estimates—an ALTA Survey should be ordered to verify building sizes

Site Analysis

As part of the process of determining the best use for the De Anza Motor Lodge, one must analyze what the De Anza's site would best support in alternative uses. Slightly different from the location analysis which looks at the surrounding area, site analysis looks solely at the site itself. The site analysis model below, developed by the CCIM institute in 2002, allows the user to score each of the general and specific criteria for the specific site. In the weight column, the user inputs how important that factor is to that particular use (office, hotel, etc.) Based on this scoring system, the location of the De Anza is best suited for a hotel, followed closely by a residential use.

Site Analysis

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Scale: 0 = Not Applicable, 10 = Highest
Weight-On a scale of 0 to 10 Rate the importance of each criterion for the respective use for any site.
Subject- On a scale of 0 to 10 rate the subject site for each criterion.
Note: The subject site should have the same rating for all *General Criteria* for all uses.

Value changes on use
Constant value

General Criteria	Office		Hotel		Retail		Residential	
	Weight	Subject	Weight	Subject	Weight	Subject	Weight	Subject
Traffic Count	6	7	9	7	10	7	4	7
Easy Access	10	6	10	6	9	6	9	6
High Visibility	8	10	9	10	8	10	7	10
Major Intersection	9	8	6	8	7	8	5	8
Curb Cuts	0	6	6	6	7	6	5	6
Frontage	6	7	6	7	7	7	3	7
Traffic Signal	6	7	6	7	6	7	5	7
Turn Lanes	7	7	6	7	7	7	5	7
Stand-Alone Site (streets on sides)	5	10	5	10	10	10	3	10
Building Design condusive to use	4	10	10	10	4	10	9	10
Accessibility to I-25/40	8	7	9	7	8	7	4	7
Accessibility to Airport	4	8	10	8	2	8	2	8
Accessibility to Downtown/Uptown	8	8	10	8	4	8	2	8
Use Specific Criteria	**Weight**	**Subject**	**Weight**	**Subject**	**Weight**	**Subject**	**Weight**	**Subject**
Configuration for use	8	2	10	10	10	2	10	9
Topography	6	9	8	9	4	9	6	9
Floor Area Ratio	8	3	5	3	8	3	3	3
Side of Street	5	10	4	10	9	10	3	10
Traffic Patterns	5	8	10	8	10	8	6	8
Neighboring Uses	8	6	8	6	5	6	4	6
Site Weighted Rating by Use		7.12		7.83		7.16		7.87

Market Analysis—Residential

Residential (Multifamily) in Albuquerque has been a strong real estate market for Albuquerque during the last 24 months. Continued population growth, constraints on land use for multi-family, and increasing rents have made consistent dents in the vacancy rate. Based on the two models below, the occupancy rate for Multi-family will surpass 95% between .66 to 1.02 years, hitting 100% between 2.23 and 3.98 years. At 90%, the market starts to wean itself of concessions, at 95%, rents start to rise, and at 100% a full blown affordable housing crisis sets in. The last wave of occupancy increases witnessed in the early 1990s' also witnessed a 50% increase in rents from $.49/sf to $.74/sf.

While the residential market is heating up, the small unit sizes, and perception of crime in the area, will most likely limit the De Anza for conversion to residential to student housing. With the University located one mile west on a City of Albuquerque bus line, the location is ideal for student housing, or possible senior housing.

Potential GAP Analysis Low

Demand (low)	**Multifamily Residential**
Current Demand (2002)	70,254 units
Future Demand (2003)	1,100 units
	71,354 units
Supply	
Existing Inventory (2002)	75,138 units
Pipeline (2003)	600 units
Total Supply	75,738 units
Demand-Supply=Gap	(4,384) units
# of years until 100% occupied	3.98 years
#of years until 95% occupancy	1.02 years

(typically 95% is the equilibrium point. The equilibrium point is that point at which rents neither move up or down)

Potential GAP Analysis High

Demand (high)	**Multifamily Residential**
Current Demand (2002)	70,254 units
Future Demand (2003)	1,700 units
	71,954 units
Supply	
Existing Inventory (2002)	75,138 units
Pipeline (2003)	600 units
Total Supply	75,738 units
Demand-Supply=Gap	(3,784) sf
# of years until 100% occupied	2.23 years
#of years until 95% occupancy	0.66 years

(typically 95% is the equilibrium point. The equilibrium point is that point at which rents neither move up or down)

Market Analysis—Office

"The U.S. office sector continued to deteriorate in the third quarter of 2001, while other major commercial real estate sectors either declined or were flat, according to a Moody's quarterly real estate report. The five weakest real estate markets overall were Austin; Bakersfield, Calif.; Ventura County, Calif.; Tucson, Ariz.; and Charlotte, N.C. And the strongest real estate markets across all property types were New York; **Albuquerque, N.M.**; Salt Lake City; and Los Angeles. Office (on the whole and in general) markets reported a score of 48—out of a possible 100—which is the lowest for any major property type, with the exception of hotels."
According to Moody's—January 29, 2002—http://www.collectionsworld.com/news/012902_1.htm

While the national office market struggles, according to Real Start Commercial Guide, Albuquerque's higher than national average occupancy rate of 87.1% on its supply of 12,240,577 square feet can be attributed mostly to a lack of significant construction during the economic boom years of the 1990's.

Rents average $15.32 per square foot, with a 14.5% load factor.

A majority of the office construction today is build to suit, condominium ownership, or GSA leased facilities.

Based on a conservative and aggressive data model for GAP analysis (right) and assuming no new construction, Albuquerque's office market is 3.4 to 5.82 years away from recovery to a point where rents can be raised.

When that occurs, an increase in rents naturally sparks new construction.

The physical layout of the buildings, with shallow bay depths and limited parking, coupled with a weak office market does not lend the de Anza well to a conversion for office.

Potential GAP Analysis Low

Demand (low)	**Office**
Current Demand (2002)	10,657,384 sf
Future Demand (2003)	166,913 sf
	10,824,297 sf
Supply	
Existing Inventory (2002)	12,240,577
Pipeline (2003)	Unknown
Total Supply	12,240,577
Demand-Supply=Gap	(1,416,280) Sf
# of years until 100% occupied	8.49 years
#of years until 95% occupancy	5.82 years

(typically 95% is the equilibrium point. The equilibrium point is that point at which r

Potential GAP Analysis High

Demand (high)	**Office**
Current Demand (2002)	10,657,384 sf
Future Demand (2003)	282,060 sf
	10,939,444 sf
Supply	
Existing Inventory (2002)	12,240,577 sf
Pipeline (2003)	Unknown sf
Total Supply	12,240,577 sf
Demand-Supply=Gap	(1,301,133) sf
# of years until 100% occupied	4.61 years
#of years until 95% occupancy	3.44 years

(typically 95% is the equilibrium point. The equilibrium point is that point at which r

Market Analysis—Retail

On a national level, retail demand is very dependent on consumer expenditure patterns. While retailers have been impacted by the terrorist attacks of 9/11, its impact was not as severe as many feared. Discount retailers like Wal-Mart and Target, continue to thrive and gain market share from larger department stores as consumers focus on the cost/value relationship more than brand name recognition. According to *Real Star*, Local vacancy rates fluctuate from a high of 18.8% in the Cottonwood submarket to a low of 4.5% in the north valley, with the citywide average at 7.3%. Local brokers note that a large portion of the vacant space today consists of big box retailers, like K-Mart that have closed or sought bankruptcy protection.

According to the Real Start Commercial Guide, a local commercial real estate report, the De Anza is situated between the NE and SE submarkets.

Neighborhood centers in the NE are averaging an occupancy of 87.8%, while those in the SE are averaging an occupancy of 83%.

Even if the sub-market was stronger for retail, The shallow bay depths of each of the buildings and low ceiling heights does not lend the De Anza well to a conversion for retail uses.

Definition of GAP according to the American Heritage Dictionary: **a disparity.**

Potential GAP Analysis Low

Demand (low)	**Retail**	
Current Demand (2002)	17,303,733	sf
Future Demand (2003)	271,007	sf
	17,574,740	sf
Supply		
Existing Inventory (2002)	18,661,480	sf
Pipeline (2003)	Unknown	sf
Total Supply	18,661,480	sf
Demand-Supply=Gap	(1,086,740)	sf
# of years until 100% occupied	4.01	years
#of years until 95% occupancy	1.57	years

(typically 95% is the equilibrium point. The equilibrium point is that point at which ren

Potential GAP Analysis High

Demand (high)	**Retail**	
Current Demand (2002)	17,303,733	sf
Future Demand (2003)	1,303,694	sf
	18,607,427	sf
Supply		
Existing Inventory (2002)	18,661,480	sf
Pipeline (2003)	Unknown	sf
Total Supply	18,661,480	sf
Demand-Supply=Gap	(54,053)	sf
# of years until 100% occupied	0.04	years
#of years until 95% occupancy	0.33	years

(typically 95% is the equilibrium point. The equilibrium point is that point at which ren

Market Analysis—Lodging

Brief National Overview

"Since the tragic events of September 11, 2001, the U.S. lodging industry has agonized over the weekly reports of how far behind occupancy, ADR (Average Daily Rate), and RevPAR (revenue per available room) are from comparable 2000 levels. While the percentage of decline appears to be shrinking from the extreme measurements of late September, the industry is still projected to struggle through most, if not all, of 2002. " - Article from the April 2001 issue of Lodging— When and Where?- By Robert Mandelbaum (http://www.lodgingnews.com/lodgingmag/2002_04/2002_04_12.asp?zone=12)

When Markets Will Achieve Their 2000 RevPAR Levels		
2002	**2003**	**2007 and beyond**
Albany, NY	Albuquerque, NM	Austin, TX
Houston, TX	Columbia, SC	Boston, MA
	Denver, CO	Dallas, TX
	Fort Lauderdale, FL	Detroit, MI
	Omaha, NE	Honolulu, HI
	Philadelphia, PA	Indianapolis, IN

Our forecast indicates that, as a group, the major metropolitan markets in our sample will not surpass their 2000 RevPAR level until 2004. The aggregate RevPAR for the 51 markets was $69.48 in 2000. The RevPAR for these same cities is forecast to reach $70.76 in 2004.

Local conditions

Albuquerque lodging visits come from three primary sources, those that fly into Albuquerque from outside of New Mexico, those that drive to Albuquerque from outside New Mexico, and those that drive to Albuquerque from inside New Mexico.

Current demand for lodging in Albuquerque is in excess of 60%, which is often a threshold that sparks increasing ADR's and RevPAR.

While automobile travel statistics are not regulated and therefore not collected, deplanements are collected at Albuquerque's primary airport– the Sunport International. The table to the right shows deplanements between 1990 to 2002. Over the 12 year period, deplanements had increased 22%.

	Deplanements	% change
1990	2,497,111	
1991	2,476,997	-0.8%
1992	2,634,786	6.4%
1993	2,805,786	6.5%
1994	3,078,326	9.7%
1995	3,066,382	-0.4%
1996	3,310,703	8.0%
1997	3,141,355	-5.1%
1998	3,079,568	-2.0%
1999	3,131,853	1.7%
2000	3,146,250	0.5%
2001	3,093,903	-1.7%
2002	3,054,610	-1.3%

For new development, the De Anza is not an ideal location for a new lodging facility. Although its supporting linkages are strong, it does not offer the freeway visibility or adjacent-to-the-airport proximity that many national economy hotel chains favor. **To overcome, this, the new owner of the De Anza will need to market the property as a cultural destination and to the local businesses, hospitals and the University as a place to for their customers to stay.**

Market Analysis—Lodging

If the De Anza was to maintain it's use as lodging, then it would not be seeking a new supply of customers, just a different profile of customers, or a new "niche" of clientele.

The table below is provided by Smith Travel Research and shows lodging fundamentals. The ADR (average daily rate) multiplied by the occupancy yields the RevPAR (revenue per available room).

According to the appraisal, in the case of the De Anza—it has 85 rooms available, typically at an average "rack" rate of $21.95, and an occupancy of 40% indicates an RevPAR of $8.78 per room per night.

The higher than normal vacancy rate in the property can be attributed to the property's condition, customer base, and the fact that 35 units need some work before they can be put into use.

LODGING FUNDAMENTALS

A Decade of Selected Performance Measures

	Supply % Chg	Demand % Chg	Occupancy	% Chg	ADR	% Chg	RevPAR	% Chg	GOP (RTS)	Fixed Charges (RTS)
1991	1.5%	-1.2%	61.8%	-2.8%	$58.28	0.0%	$36.05	-2.7%	27.4%	28.3%
1992	0.8	2.1	62.6	1.3	59.17	1.5	37.06	2.8	29.5	25.6
1993	0.4	1.9	63.6	1.6	60.79	2.7	38.64	4.2	30.5	22.8
1994	1.2	3.1	64.7	1.7	63.19	3.9	40.91	5.9	36.2	24.0
1995	1.5	2.1	65.1	0.6	66.22	4.8	43.10	5.4	37.0	20.1
1996	2.4	2.32	64.9	-0.3	70.53	6.5	45.81	6.3	38.2	17.6
1997	3.6	2.8	64.4	-0.8	74.71	5.9	48.13	5.1	40.3	15.8
1998	4.2	3.1	63.8	-0.9	78.17	4.6	49.86	3.6	40.2	13.5
1999	4.1	3.0	63.2	-1.1	81.29	4.0	51.33	2.9	39.2	13.9
2000	3.1	3.7	63.5	0.6	85.24	4.9	54.15	5.5	40.9	13.5
10/2000			65.8		86.34		56.81			
10/2001	2.5	-2.9	62.3	-5.3	85.96	-.4	53.55	-5.7		

Source: © 2001 Smith Travel Research

What is GOP and RTS?
Gross Operating Profit (GOP) measured as a Ratio to Sales (RTS)

Highest and Best Use (HABU) Analysis—Key Steps

The following pages represent a highest and best use analysis for potential property conversions. The highest and best use analysis is modeled after CCIM institute standards.

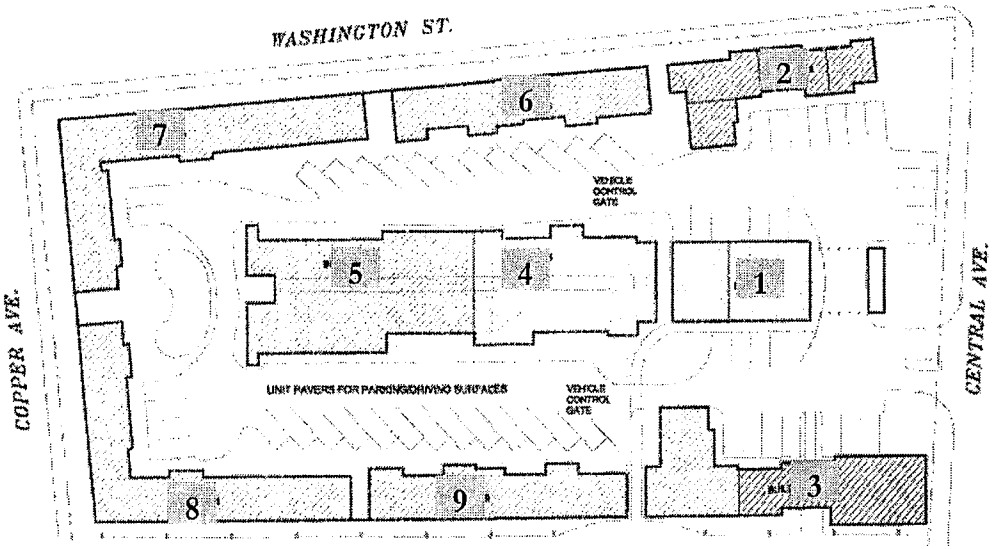
To properly analyze highest and best use, two determinations must be made:
1. The highest and best use of the site is made as though it were vacant and available for use.
2. The highest and best use of the improved property is analyzed and estimated

Due to the historic nature of the property, step #1 was not used as part of the HABU Analysis

The highest and best use of land as if both vacant and improved property must meet four criteria:
1. Physically possible—This criterion identifies uses for which the subject site is physically suited. For improved properties, physical characteristics such as size, design and condition of the improvements also must be analyzed.
2. Legally permissible—This criterion concerns uses that are physically possible and are permitted on the site. Legal permissibility depends on public and private restrictions, zoning, building codes, environmental regulations and other governmental regulations that pertain to the property.
3. Financially Feasible—Alternative uses that are physically possible and legally permissible are then analyzed to determine which will produce an income or return equal to or greater than the amount needed to satisfy operating expenses, financial obligations, and capital amortization. All alternative uses anticipated to produce a positive return are regarded as financially feasible.
4. Maximally productive—Among financial feasible uses, the use that produces the highest price, or value, consistent with the rate of return warranted by the market is maximally productive use.

Based on the preceding pages, a residential or lodging use are the most likely to meet the four standards as set out above.

Integrating supporting uses



As the site plan to the left indicates, the buildings labeled #1, #2, and # have the potential to be used for different uses than motel.

Restaurant

Building #3 contains approximately 1,426 square feet of a former restaurant. The unique nature of the artwork in the floor and the history of the restaurant, coupled with its location makes it an ideal location for a Mexican food restaurant (ala the Old Baca's) that could offer breakfast, lunch and dinner.

Gift/Curio Shop or Gallery

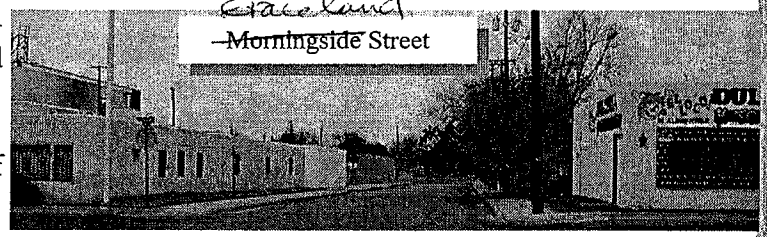
Portions of building #1 and all of Building #2 would make good locations for an Albuquerque visitors information center, gift shop, curio shop or gallery. The Zuni tribe has expressed an interest in renting a portion of the facility to display and sell Zuni products. The NM Route 66 association has also expressed an interest in leasing a portion of the space.

Building #	Current Use	Stories	Estimated Size	# of rooms	Avg. Unit Size	Unit #'s	Notes
Building 1	Office	2	2,730	1	2,730	Office	
Building 1 - 2nd Story	Apartment	2	1,260	1	1,260	Manager's Quarters	
Building 2	Motel	1	2,904	6	484	100-106	and storeroom
Building 3	Restaurant	1	1,426	1	1,426	Restaurant	
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Building 5 - Basement	Banquet/Art	2	1,000	1	1,000	Banquet/Art	
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Building 8	Motel	1	4,173	13	321	154-166	and Boiler Room
Building 9	Motel	1	2,904	10	290	167-176	
			36,718	90	less office, restaurant, banquet, managers apartment		
				86	motel rooms		

The Basement

The basement contains precious art murals that are part of the basement walls.

While this room has been used in the past for banquets, weddings and meetings, the artwork would need to be preserved and secured prior to allowing public access.



The vacation of ~~Morningside~~ street, located directly west of the property, might improve the area and offer more parking

Given the limited scope of this study, the difficulty in assessing the best way to secure and preserve the mural while maintaining a public use and the wide range of possibilities for the basement, the basement was not put into economic use.

Market Analysis—Summary Findings

As the different steps of the market analysis process are completed, a "pulse" check is necessary to minimize time spent on a product type that has a low chance of success. The summary table below suggest that a residential use and a lodging use are the only uses that warrant continued study.

Step	Process	Residential	Retail	Office	Lodging
1	Is there demand for this product?	Yes	Not until 2005	Not for 5 years	Possibly
2	Is the use legally permissible?	Yes	Yes	Yes	Yes
3	Is the area suitable for this use?	Area scored **6.13**	Area scored **5.97**	Area scored **6.10**	Area scored **6.54**
4	Do current market conditions support this use?	**Yes**	**Yes**	**No**	**Yes**
5	Are the improvements conducive to this use?	Subject scored **7.87** **YES**	Subject scored **7.16**	Subject scored **7.12**	Subject scored **7.83** **YES**
6	Proceed with Highest and Best Use Analysis	Yes			Yes
7	Financial Proforma	Maybe			Yes
8	Marketing and Business Plan	RFP respondent			RFP respondent

As part of the RFP process, the RFP respondent will be responsible for providing a marketing/business proforma and financial proforma as part of their application. The proforma provided in this study is not in-depth and is provided for informational use only.

Financial Analysis– Renovations

The De Anza has withstood several renovations in the past and it is in need of a renovation today.

Once beautiful landscaping has deteriorated to little more than dirt lots. According to the most recent appraisal by American Properties (copy attached in supporting documents), 35 units are not in rentable condition. The owner indicates that he has removed the old steam pipe heating system and replaced it with individual package heat/cooling units. He also has indicated that he has spent close to $100,000 in bringing the properties electrical service in compliance with code.

The following items are estimates and are used for illustrative purposes only, as the consultant has not obtained bids for any work on the project:

Possible General Renovations needed at the De Anza

New Roof	$	84,000
Parking lot replacement	$	87,120
Perimeter Landscaping	$	50,000
Security Gates parking area	$	25,000
Preservation and securing of basement artwork	$	15,000
Installation of elevator to basement and 2nd floor	$	100,000
Restoration of the Swimming pool	$	15,000
Conversion of one supply room to laundry room	$	4,500
Conversion of two supply rooms back to lodging or residential use	$	15,000
	$	395,620

Residential Use Renovations

Kitchen appliances, cabinets, plumbing	$	3,200
Carpet Replacement	$	650
Painting	$	650
Bathroom upgrades (keep original finishes where possible)	$	500
Removal/disposal of old materials, furniture	$	100
Total per unit	$	5,100
x 87 units	$	448,800

Lodging Use Renovations

Furniture and fixture replacements	$	1,100
Carpet Replacement	$	650
Painting	$	650
Bathroom upgrades (keep original finishes where possible)	$	500
Removal/disposal of old materials, furniture	$	100
Total per unit	$	3,000
x 87 units	$	264,000

Financial Performance—Residential

Residential Analysis

Unit income		Approx. Size	Monthly Rent	Rent per Sf
67	Studios	325	$ 325	$ 1.00
20	1 bedroom suites	425	$ 366	$ 0.86
1	Owner's unit	1260	$ 800	$ 0.63
88	Totals=	31,535	$ 29,885	

Potential Income	%	Annual Amount	per unit
Gross Potential Rent		$ 358,620	$ 4,075
Less vacancy @	12%	(43,034)	$ (489)
Less loss to lease	3%	(8,966)	$ (102)
Plus Utility Billback		$ 70,470	$ 801
Plus laundry income		$ 5,220	$ 59
Total Net Income		$ 382,310	$ 4,344

Potential Expenses		%	Annual Amount	per unit
	Property Taxes	5%	$ 21,000	$ 239
	Insurance	3%	$ 11,000	$ 125
	On-site management	14%	$ 55,000	$ 625
	Off-site management	4%	$ 13,381	$ 152
Utilities				$ -
	Water	7%	$ 26,100	$ 297
	Gas	4%	$ 15,660	$ 178
	Electric	10%	$ 36,540	$ 415
	Accounting and Legal	1%	$ 5,000	$ 57
	Advertising	2%	$ 8,000	$ 91
	Janitorial	0%	$ -	$ -
	Landscaping Maintenance	1%	$ 5,000	$ 57
	Pool Maintenance	0%	$ 1,000	$ 11
	Pest Control	0%	$ 1,000	$ 11
	Unit Turnover	3%	$ 13,050	$ 148
	Reserve for Replacement	5%	$ 17,600	$ 200
Total Expenses			$ 229,331	60%

Net Operating Income	$ 152,979

Highest and Best Use Analysis—Residential

The Potential value of the property renovated was calculated using a 8% Capitalization (CAP) rate, which is a CAP rate that is 100 basis points above the average trend reported for "like new" properties by the *NM Apartment Report.* Changes in interest rates, investor preferences, and market conditions could alter this CAP Rate. Based on this updated proforma, a developer could most likely pay no more than $700,000 for the property.

Potential Value			
Based on CAP rate of	8.00%	$ 1,912,241	Market CAP
Possible Financing Terms			
LTV	75%	$ 1,434,180	
DCR	1.2	$ 127,483	
Interest Rate	6.75%		
Term	25		
Monthly payments		$ 9,909	
Annual Debt Service		$ 118,907	
Maximum ADS Available based on DCR		$ 106,236	
Potential Development Costs			
Acquisition of De Anza		$ 891,000	
General Renovation Expenses		$ 395,620	
Residential Renovation Expenses		$ 448,800	
Construction Carrying costs		$ 125,000	
A & E		$ 35,000	
Closing costs, inspections, fee's		$ 35,000	
Sub-Total		$ 1,930,420	
Contingency	5%	$ 96,521	
Total development costs		$ 2,026,941	
Potential Developer profit			
Potential Market value		$ 1,912,241	
Potential Development Costs		$ 2,026,941	
Potential developer profit		$ (114,700)	-6%

Financial Proforma—Lodging

Lodging Analysis

Unit income		Rack Rate		# of days available			% occupied	Annual Revenue per room	
#	Type								
61	Studios	$ 39.00	x	365	=	$ 868,335	50%	$ 434,168	(67 less 6 units for gift shop)
20	1 bedroom suites	$ 49.00	x	365	=	$ 357,700	50%	$ 178,850	
	Restaurant Income							$ 14,260	assumes $10/sf NNN
	Gift Shop Income							$ 17,424	assumes $6/sf NNN
1	Managersr's unit		x	365	=	$ -	50%	$ -	
82							Totals=	$ 644,702	

Potential Income	%	Annual Amount	per unit
Gross Potential Rent		$ 644,702	$ 7,326
Plus incidental income	5%	$ 32,235	$ 366
Total Net Income		$ 676,937	$ 7,692

Potential Expenses		%	Annual Amount	per unit	
	Property Taxes	6%	$ 32,000	$ 364	
	Insurance	3%	$ 15,000	$ 170	
	On-site management	11%	$ 55,000	$ 625	Full time manager maintenance technician
	Off-site management	9%	$ 42,534	$ 483	
Utilities				$ -	
	Water	5%	$ 26,100	$ 297	
	Gas	3%	$ 15,660	$ 178	
	Electric	10%	$ 52,200	$ 593	
	Accounting and Legal	1%	$ 5,000	$ 57	
	Advertising	12%	$ 58,000	$ 659	
	Janitorial	7%	$ 35,000	$ 398	
	Landscaping Maintenance	1%	$ 5,000	$ 57	
	Pool Maintenance	0%	$ 1,000	$ 11	
	Pest Control	0%	$ 1,000	$ 11	
	Unit Turnover	3%	$ 13,050	$ 148	
	Reserve for Replacement	4%	$ 17,600	$ 200	
Total Expenses			$ 374,144		

Net Operating Income $ 302,792

Highest and Best Use Analysis—Lodging

Potential Value			
Based on CAP rate of	12.00%	$ 2,523,269	CAP used in appraisal
Possible Financing Terms			
LTV	75%	$ 1,892,452	
DCR	1.2	$ 252,327	
Interest Rate	8.00%		
Term	20		
Monthly payments		$ 15,829	
Annual Debt Service		$ 189,951	
Maximum ADS Available based on DCR		$ 210,272	
Potential Development Costs			
Acquisition of De Anza		$ 891,000	
General Renovation Expenses		$ 395,620	
Lodging Renovation Expenses		$ 264,000	
Construction Carrying costs		$ 125,000	
A & E		$ 15,000	
Closing costs, inspections, fee's		$ 35,000	
Sub-Total		$ 1,725,620	
Contingency	5%	$ 86,281	
Total development costs		$ 1,811,901	
Potential Developer profit			
Potential Market value		$ 2,523,269	
Potential Development Costs		$ 1,811,901	
Potential developer profit		$ 711,368	39%

Highest and Best Use—Lodging "Rack"rates

At one of the public meetings for De Anza, several participants pointed out that a $49 room rate was not very high. This room rate was arrived using conservative forecasting, and the De Anza has every possibility of obtaining higher room rates, dependent on the renovation performed on the property, the operator/manager, and most the marketing that is performed.

The table below indicates going room rates for other hotels in town and provides an indication of where the De Anza might end up as a "rack" rate. This will be dependent upon the other mixed uses and the marketing done to attract visitors to a unique experience.

The table below is a summary of a recent survey was printed in the NM Business Weekly February 7-13, 2003 issue as a summary of the typical room rate for single business off-season. An informal follow-up survey determined quoted rates were anywhere from $10 to $25 lower per night.

Hotel Name—Submarket	Phone #	# of rooms	Sq. ft. of meeting space	Room rate	Year built/ Renovated
Albuquerque Marriott Uptown	881-6800	411	14,500	$139	1982/2001
Hyatt Regency Downtown	842-1234	395	24,865	$179	1990/2001
Radisson Hotel & Conference Midtown	883-3311	386	26,000	$69	
Double Tree Hotel Downtown	247-4344	295	18,000	$65	1976/1998
Sheraton Old Town	843-6300	187	41,000	$89	
Hilton Midtown	884-2500	283	26,000	$99	1971/2002
Howard Johnson Conference Center (Hotel Circle)	296-4852	158	4,200	$39	1982/2000
Courtyard by Marriott Midtown	823-1919	150	2,300	$69	1996
Hotel Blue Downtown	924-2400	134	3,372	$59	2000
Best Western Winrock	843-9500	173	5,000	$79	1974/2000

Marketing—Cultural Tourism

According to the Travel Industry Association of America's –2001 report on Historic/Cultural Travel— "The average age of the households taking historic/cultural trips is 48 years old. One-third are 55 years or older. These households are likely to have a college degree or more. Four in ten work in professional or managerial capacity; one in five are retired. The median household income is $53,600 and most households own their homes. One-third of households includes children."

"One in seven (14%) of all U.S. domestic person-trips includes a visit to an historic place or museum accounting for 141.7 million person-trips… most ...are taken for leisure. Nearly all involve an overnight stay ..(on) an average of 5.7 nights, two-thirds of whom stay at a hotel, motel or B&B, the balance with family or friends.

Tips for Doing It Right

1. Focus on authenticity and quality
2. Preserve and protect resources
3. Make sites come alive
4. Find the fit—between your community and tourism
5. Collaborate

- Five basic principles of Heritage Tourism

Households on historic trips spend an average of $722 per trip, excluding transportation to the destination. Summer is the most popular season for historic trips; accounting for four in ten historic person-trips.

Besides visiting historic sites and museums, shopping is the most popular activity on historic trips. The next most popular activities are visiting national and state parks, engaging in outdoor activities, attending cultural events or festivals, and going to beaches.

Unfortunately, the lack of empirical data on cultural traveling and its impact on hotel rates made it difficult to ascertain a possible rental rate for the De Anza. Because of that, a conservative number of an effectively doubling of existing room rates was utilized.

More info on travelers can be found at Travel Industry Associations website—http://www.tia.org/

Marketing—Heritage/Cultural Tourism

The financial success of De Anza will depend on creating an "experience" for the visitor and primarily on the marketing of that experience The one-on-one marketing of CG Wallace and the building of a Fred Harvey type reputation for quality and cleanliness need to become cornerstones of the De Anza experience. An experience one cannot find at the national hotel chains.

Fred Harvey pioneered cultural tourism in NM with his famous tour of the Native American pueblos, high mountain deserts, mountains, and other natural amenities offered along the Atchison , Topeka & Santa Fe rail lines

"A leader in the "cultural tourism" movement (a term sneaking into the hospitality vocabulary on the heels of "eco-tourism") is George Kanahele, a Hawaii-based consultant who jokingly refers to himself as an organizational alchemist. He specializes in "leading and managing by values," which he pioneered in Hawaii in the 1980s to help Caucasian-owned hotels incorporate native values into their management systems. He has worked with hotels and resorts throughout the world, including Canada and the Pacific. "

"Every hospitality situation contains three basic elements: host, guest, and place, which includes the surrounding community, culture, and people," Kanahele says. "The trouble is that the hotel industry focuses mainly on the guest-host relationship. When you neglect the host-place connection, you alienate the place, as well as its host people and culture." True hospitality—the sort that brings guests back and helps employees enjoy their work—occurs only when the relationships of host, guest, and place are in harmony, he says. — http://www.lodgingnews.com/lodgingmag/2000_02/2000_02_01.asp

Tips for Doing It Right

The experts interviewed for this article offered these insights into preserving living cultures and fostering positive relationships.

- Do your homework. But to really understand a culture, you must do more than read about it—spend time with the people.
- Be sensitive and respectful at all times—don't treat the people like museum exhibits or circus performers.
- Learn about the culture's traditions and rules so you don't unwittingly breach them.
- Always be sincere, up front, and honest. That way the culture will respect you, even if you make mistakes along the way.
- Think in terms of "win-win"—how will the relationship benefit all parties?
- Remember that it's a continual learning process, not only because living cultures are complex, but because the issues affecting them may change.
- Look beyond the bottom line. Investing in cultural training and preservation is more likely to bring intangible benefits than profits you can measure, but it pays off in good community relations, repeat customers, loyal employees, and a better chance that your destination's uniqueness—which draws visitors in the first place—will survive.
- Take advantage of expertise from organizational consultants, cultural trainers, museum personnel, and others with insights into promoting and preserving local cultures. State tourism departments may be able to refer you to knowledgeable sources. –

http://www.lodgingnews.com/lodgingmag/2000_02/2000_02_01.asp

Marketing—Cultural Tourism - Zuni Pueblo

As evidenced in this letter, the Zuni Pueblo has an interest in the linkages that tie together the Zuni Pueblo and the De Anza and in cross promotion of the two entities.

JULIEN P. QUETAWKI, SR.
Governor

CRYSTALYN SANCHEZ
Lt. Governor

CARLETON ALBERT, SR.
Head Councilman

ARDEN KUCAVE
Councilman

PUEBLO OF ZUNI
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Zuni, New Mexico 87327-0339
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CHARLOTTE T. BRADLEY
Councilwoman

EDWARD WEMYTEWA
Councilman

DAN SIMPLICIO
Councilman

WILLIAM TSIKEWA, SR.
Councilman

In reply refer to:

January 28, 2003

Attn: Marianne Dikinson
Elizabeth Chestnut
Nob Hill/Highland Renaissance Corporation
Albuquerque, New Mexico

Fax: 505-255-0082

Dear Ms. Dikinson and Ms. Chestnut,

As Tourism Director for the Pueblo of Zuni, I am writing in support of the pending purchase and renovation by the City of Albuquerque and the Nob Hill/Highland Renaissance Corporation of the historic De Anza Motel property. This site has strong connections to Zuni Pueblo as a result of its long association with Mr. C. G. Wallace, a former trader in Zuni. Many Zuni community members hold a wealth of memories about Mr. Wallace and the De Anza Motel. Furthermore, the Motel features a unique mural by noted Zuni artist Anthony Edaakie depicting ceremonial Shu'lak'o figures.

Restoration of the De Anza Motel will prove to be an important asset for the state, city as well as the Pueblo of Zuni. Travelers along Route 66 will discover the connection to Zuni Pueblo. In particular, a restored Motel will provide opportunities to invite visitors to come to Zuni and for the sale of Zuni arts at the proposed store.

I applaud your continued support of this important revitalization initiative.

Sincerely,

Tom R. Kennedy
Tourism Director

Marketing—Where will they come from?

In 1995, The American Travel Survey was collected by the Business of Transportation Statistics for the U.S. Department of transportation. Results of this survey can be found at—http://www.bts.gov/programs/ats/ . According to the 1995 survey, some 3,258,000 trips (the numbers in the table below are quoted in thousands), were made to New Mexico from visitors outside the state, the largest share of which came from Southwest portion of the country. 59% of these trips were made by automobile, and 39% by plane.

	Destination in New Mexico, origin in:																			
			Northeast				Midwest				South						West			
	Total		New Eng.		Mid-Atl.		E. N. Cent.		W.N. Cent.		S. Atlantic		E.S. Cent.		W. S. Cent.		Mountain		Pacific	
Trip characteristics	Num.	Per.	Num.	Per.	Num.	Per.	Num.	Per.	Num.	Per.	Num.	Per.	Num.	Per.	Num.	Per.	Num.	Per.	Num.	Per.
All household trips	3,258	100.0	37	100.0	145	100.0	105	100.0	121	100.0	154	100.0	50	100.0	1,188	100.0	961	100.0	496	100.0
Principal means of transportation																				
Personal use vehicle	1,919	58.9	--	1.1	12	8.5	20	18.6	72	59.7	10	6.7	19	37.8	966	81.3	729	75.9	90	18.1
Commercial airplane	1,269	39.0	37	97.6	133	91.5	78	74.5	44	36.1	143	93.1	28	56.2	206	17.3	209	21.8	391	78.9
Other	70	2.1	--	1.2	--	--	7	6.9	5	4.2	--	0.2	3	6.0	16	1.3	23	2.4	15	3.0
Main purpose of trip																				
Business	1,039	31.9	11	29.2	37	25.3	40	38.2	30	24.6	49	31.6	12	24.1	338	28.4	245	25.5	278	56.0
Pleasure	1,995	61.2	26	68.7	85	58.3	57	53.7	78	64.7	89	57.5	35	68.7	786	66.2	636	66.2	204	41.0
Visit friends or relatives	736	22.6	20	54.4	23	16.1	18	16.9	40	33.1	46	29.7	15	30.6	231	19.4	226	23.6	117	23.6
Leisure	1,258	38.6	5	14.3	61	42.2	39	36.9	38	31.7	43	27.8	19	38.1	556	46.8	410	42.7	87	17.5
Other	224	6.9	1	2.1	24	16.4	9	8.1	13	10.7	17	10.9	4	7.2	64	5.4	79	8.2	15	2.9
Nights away from home																				
None	422	12.9	2	4.8	--	--	13	12.2	8	6.3	6	4.0	3	5.1	274	23.1	71	7.4	45	9.2
1 to 3 nights	1,186	36.4	5	14.0	11	7.7	40	37.8	40	33.2	16	10.5	18	36.4	530	44.6	444	46.3	81	16.3
4 to 7 nights	987	30.3	14	37.7	68	46.9	35	33.0	37	30.6	50	32.7	15	29.0	276	23.2	349	36.4	143	28.8
8 nights or more	663	20.3	16	43.5	66	45.4	18	17.0	36	29.9	81	52.8	15	29.4	108	9.1	96	10.0	227	45.7
Mean, excluding none (nights)	6.5	NA	11.2	NA	7.9	NA	4.6	NA	7.5	NA	10.5	NA	7.1	NA	5.4	NA	4.8	NA	10.3	NA
Type of lodging at destination																				
One or more nights at dest.	2,803	100.0	35	100.0	145	100.0	93	100.0	113	100.0	146	100.0	47	100.0	896	100.0	877	100.0	451	100.0
Friend's or relative's home	860	30.7	16	45.4	46	32.0	23	24.9	40	35.4	58	39.8	9	20.0	290	32.3	269	30.7	108	23.9
Hotel, motel, or resort	1,489	53.1	14	38.6	80	55.1	54	57.8	51	44.6	69	47.0	25	52.8	385	43.0	520	59.2	293	65.0
Other	454	16.2	6	16.0	19	12.9	16	17.2	23	19.9	19	13.2	13	27.2	221	24.7	88	10.0	50	11.1
Nights at destination																				
Mean nights at destination	6.0	NA	10.9	NA	6.6	NA	3.6	NA	6.9	NA	10.1	NA	6.1	NA	5.1	NA	4.5	NA	9.2	NA
Friend's or relative's home	5.8	NA	9.9	NA	8.2	NA	3.5	NA	4.8	NA	10.1	NA	5.6	NA	4.8	NA	5.8	NA	5.2	NA
Hotel, motel, or resort	5.3	NA	3.9	NA	5.8	NA	3.2	NA	5.1	NA	5.8	NA	4.1	NA	3.7	NA	3.4	NA	11.0	NA

Of those trips, 32% were made for business, 61% for pleasure, and 6.9% for other reasons.

On average these visitors spend 5.3 nights a hotel. Of those that stayed the night, 53.1% stayed in a hotel, motel or resort.

In the table above, the following abbreviations are explained: * Num. = Number Per.= Percent. Above this are geographic regions of the United States (i.e. New. Eng = New England, W.N. Cent.= West North Central, etc.)

Marketing—Where will they come from?

The same survey analyzed New Mexican's who made trips inside the state. A majority of those trips (83%) were made by automobile and while 45.7% stayed with relatives or friends, another 39.7% stayed at formal lodging, for an average of 2.8 nights.

	Destination in New Mexico, origin in:																			
	Texas		Colorado		California		Arizona		New York		Oklahoma		Florida		Ohio		Utah		Kansas	
Trip characteristics	Num.	Per.	Num.	Per.	Num.	Per.	Num.	Per.	Num.	Per.	Num.	Per.	Num.	Per.	Num.	Per.	Num.	Per.	Num.	Per.
All household trips	1,054	100.0	595	100.0	443	100.0	218	100.0	82	100.0	75	100.0	66	100.0	46	100.0	54	100.0	49	100.0
Principal means of transportation																				
Personal use vehicle	878	83.3	496	83.3	71	16.0	151	69.4	--	--	60	80.0	3	4.8	15	32.6	35	63.8	38	77.1
Commercial airplane	170	16.1	90	15.1	358	80.7	67	30.6	82	100.0	15	20.0	63	95.2	23	51.4	18	34.0	10	20.6
Other	6	0.6	9	1.6	15	3.3	--	--	--	--	--	--	--	--	7	16.0	1	2.2	1	2.3
Type of lodging at destination																				
One or more nights at destination			7,001	100.0	3,312	100.0	3,689	100.0	7,480	100.0	3,312	100.0	4,168	100.0						
Friend's or relative's home			3,201	45.7	1,405	42.4	1,796	48.7	2,766	37.0	1,405	42.4	1,361	32.6						
Hotel, motel, or resort			2,778	39.7	1,283	38.7	1,495	40.5	3,380	45.2	1,283	38.7	2,097	50.3						
Rntd. cabin, condo, or vac. home			176	2.5	116	3.5	60	1.6	345	4.6	116	3.5	229	5.5						
Ownd. cabin, condo, or vac. home			169	2.4	129	3.9	41	1.1	256	3.4	129	3.9	127	3.1						
Camper, trailer, recreational vehicle, tent			366	5.2	224	6.8	142	3.9	293	3.9	224	6.8	69	1.7						
Other			310	4.4	155	4.7	155	4.2	441	5.9	155	4.7	286	6.9						
Nights at destination																				
Mean nights at destination			3.7	NA	2.6	NA	4.6	NA	4.2	NA	2.6	NA	5.4	NA						
Friend's or relative's home			3.9	NA	2.5	NA	5.1	NA	3.9	NA	2.5	NA	5.4	NA						
Hotel, motel, or resort			2.8	NA	2.5	NA	3.0	NA	3.8	NA	2.5	NA	4.7	NA						

The information provided in the proceeding tables indicates that the "marketing" of De Anza will become an integral part of its operations.

Is renovating the property enough?

Some of the participants of the January 29th, 2003 town hall meeting indicated to association members their concerns about a hotel boutique, residential or any use:

- If a boutique motel does not succeed—the lack of a converted use could again lead the property to being used by drug dealers and prostitutes.
- I would like to see more mixed uses out of the property.
- "The study indicated that as a residential use, the property would support a senior community or a student community—I would rather have seniors, but why would they live there?"
- We need a place that supports our poor artists—a place of vibrancy that offers creative space.
- "My house backs up to the De Anza, and a motel use is too loud, but a residential use is not my first choice either, what say will I have in what kind of residents live there?"
- "How do we know if tourists come from Europe and Asia to visit the property?"
- "If there is a Nobhill Merchants Association, why isn't there a Highland Merchants Association?"
- "This whole process seems skewed, why isn't an Albertson's being considered and who is to say if this property has any historical significance?"

Responses from volunteers who have been involved in the area for decades included:

- While there is no assurance that any use would lower crime, given the amount of money a developer/investor must spend to acquire and renovate the property, the highest and best use analysis does not support the current use economically. Even if the motel rents were merely doubled from the low $20 range to the mid $40 range, the economics of crime are no longer easily supported in this community. Increased security, a parking gate, and the mixed use nature of the property are also likely to discourage criminal activity.
- The study recommended a lodging use (or boutique hotel with the appropriate marketing), followed by a residential use. Although both uses are economically viable, the lodging use supports a variety of other mixed uses including the restoration of the old Turquoise Café, an addition of a museum/gift shop/zuni pueblo/curio store, and a cultural center show casing the unique, if not priceless art and history of the property.
- The Highland Senior Center is approximately two blocks from the De Anza and it's on Albuquerque's most trafficked bus line. The area has been home to senior communities for over three decades—including Manzano del Sol, and Encino Gardens, and is also home to the new Valencia Court Senior apartments, which is adjacent to the Albuquerque Grand.
- Any support of a limited use such as artist lofts, decreases the income the property can generate, which decreases what an investor can pay the City to purchase the property. Decreased rents leave less money for necessary renovations and leave less money for the City to reinvest in the area from its sale's proceeds of the property.
- The City of Albuquerque will select a developer in its request for proposal (RFP) process, which allows area stakeholders an opportunity to comment on the various proposals.

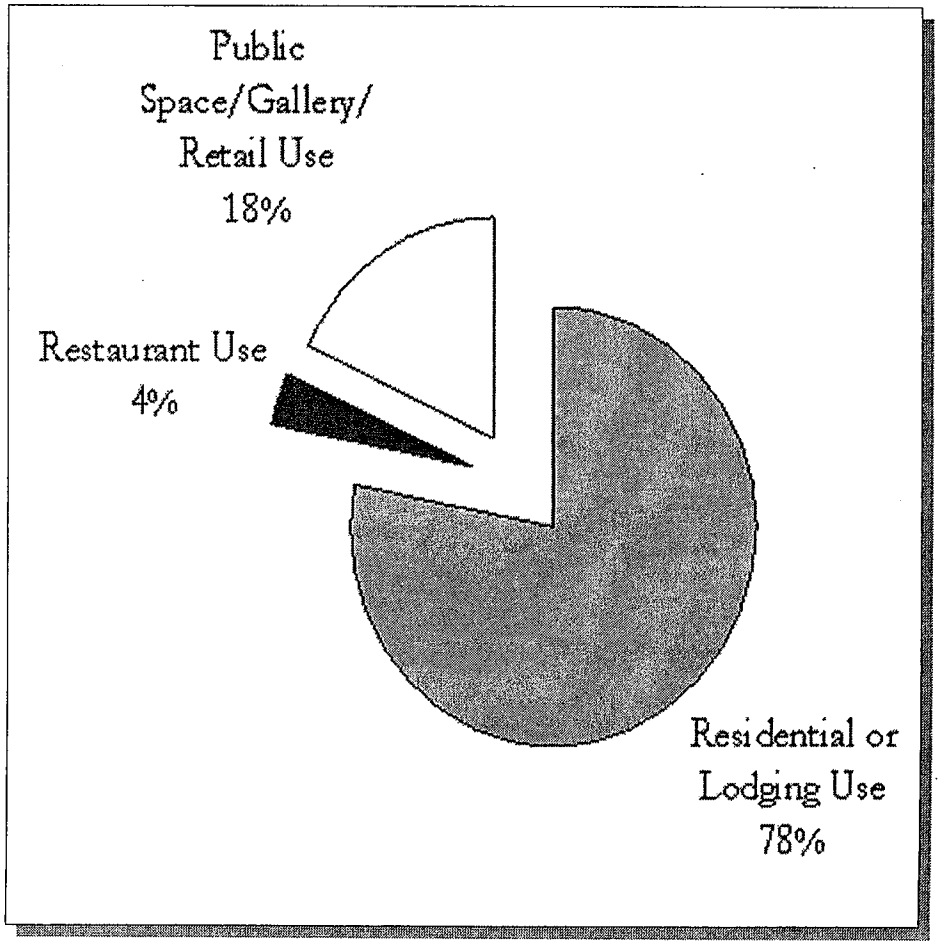
Is renovating the property enough?

- While the travel research for the study was exhaustive, no quantifiable statistics were found on foreign visitors to this specific area. Anecdotal evidence of foreign visitors was discovered in interviews with neighborhood residents—who indicated they had family and friends who had a desire to have a "nice place" to send their relatives, the owner, and several internet travel sites like virtual tourist.

- There is Nob Hill and Highland Business & Neighborhood Association that have been a viable organizer of activities in the area for over a decade.

- The results of this study were skewed as the City did not instruct the consultant to do a highest and best use analysis as though vacant (as if the building were demolished). The City of Albuquerque gained a significant interest in the property after area stakeholders demonstrated that the loss of the De Anza structure, its artwork and history would be a loss not just for the area, but for the entire region. The artwork in the De Anza is not removable and has been identified as the only such artwork in existence off an Indian reservation. One expert on Route 66 indicated that "the political, real estate, cultural, and architectural history of this property make it one of the paramount buildings on Route 66."

- The chart to the right indicates the "mixed-use" aspect of the property based on the study's highest and best use analysis—78% of the property is best utilized by residential or lodging uses, 18% for public space, retail uses (curio shop, gallery, meeting rooms), and 4% for the restaurant.

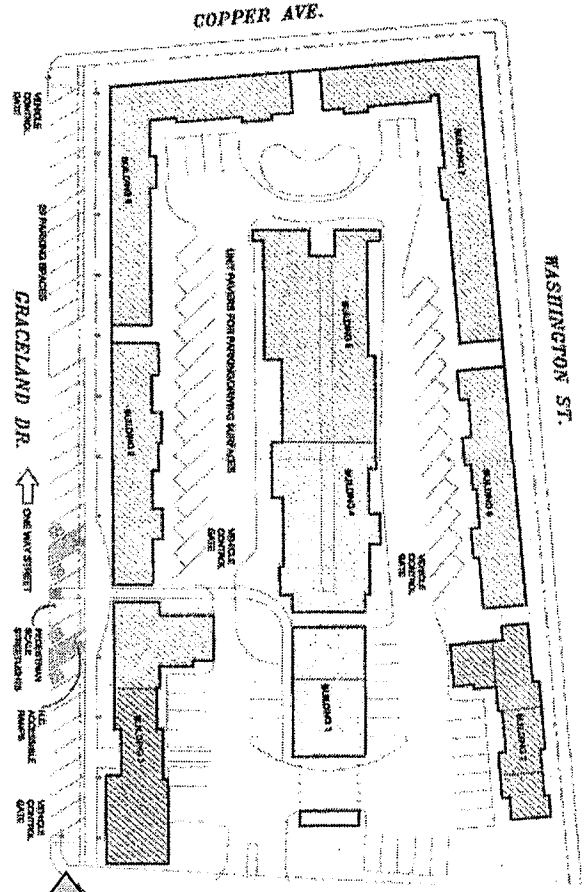


Site related renovations—additional parking and security

It has been pointed out that the vacation of Graceland Drive and conversion into a one way feeder street from Central Avenue to Copper Avenue might make it an ideal parking court, improve the properties security with gated access, limit vehicle traffic to those that have business at the De Anza, and provide room for RV and Bus Parkign, as well as 15 to 30 parking spaces depending on design and configuration.

The diagram to the right provides an indication of one possible redesign that could facilitate this transition.

To complete this vacation, the adjoining property owners would also need to be in agreement to this possible change.



The Impact of Financing

Conventional financing

Most lenders would require a business plan, a down payment from 25% to 35% , a 15 to 25 year amortization, and interest rates that are normally 200 basis points above conventional residential rates. The more the financing costs a buyer in down payment, interest, or other terms, the less they can afford to pay for a property or its renovations.

SBA Financing

The Small Business Administration offers a SBA 7(a) Loan program that covers loans between $100,000 to $2,000,000. SBA would guarantee up to 75% of the loan, and the owner/operator/developer would need anywhere from a 10% to 75% down payment. The loans are fully amortizing for a period between 7 to 25 years depending on use of proceeds. Motels are included as businesses that qualify for this type of financing.

The lower the risk in a property, the lower the return the buyer/investor anticipates, the higher the sales price. Unfortunately the chances of finding a hotel/café/gallery operator are not near as likely as finding individual operators with good track records.

Possible Sales solution:

A. Create a business condominium with ownership of the structures broken up as follows:

1. 79 to 82 (depending on the number of the storage rooms are converted back) unit motel would be sold to a motel operator
2. The old Turquoise café would be sold to a established restaurant operator
3. Ownership of the basement would be maintained by the City of Albuquerque, preserved and protected the artwork, and offering the facility as a meeting room—managed by the Highland Senior Center or similar City operation.
4. The building located on the far southeast corner of the parcel (labeled #2 on page) contains six (6) units that would make an ideal conversion to a retail use as a supporting industry - like a gallery, gift store, curio store, travel information center.
5. The land and the structure would be protected under a condominium owners association that would set forth codes, covenants, and restrictions and manage the common area elements together.

Master Owner/Leasing Solution:

A similar solution could also be achieved by selling the entire facility as one large operation, most likely at a discount from the condo-sale solution as the operator would want to hedge his risk for leasing their non-core competencies (i. e. a hotel operator does not typically run a restaurant or gift shop/gallery).

The Impact of Financing

Route 66 Corridor Preservation program
In 1999, Congress passed an act that created the Route 66 Corridor Preservation program which is administered by the National Park Service. The program offers cost-share grants to successful applicants to help preserve the most significant and representative historic properties on the mother road. A summary flyer on the program can be obtained at this website—www.cr.nps.gov/rt66 or by clicking here.

Sign Renovations and Restoration
The New Mexico Heritage Preservation Alliance offers tools and resources to entities that have an interest in preserving Route 66 signs—of which De Anza might qualify. More information can be found at www.nmheritage.org or by clicking here.

Historic Tax Credits
According to Ed Boles at the City of Albuquerque, research indicates that the property would be eligible for historic tax credits. The tax credits come hand in hand with restrictions on changes to the property. Up to 200% of the money spent on renovating the property to its former historic status is eligible for a tax credit, paid in annual increments of 20% for a ten year period. Typically large corporations or tax credit syndicates are large enough to use these tax credits, which are often sold at a discount from their face value.

One potential issue related to this program is the fact that the De Anza Motor Lodge has been an evolving structure over the last few decades. At one time the property had carports that have since been filled in with additional units. It was originally built with vigas that protruded from the parapet walls. A decision as to which historic De Anza to restore the property to will have to be dealt with early on in making an application to the federal government entity that manages this process, the National Parks Service .

The lack of firm renovation expenses and lack of information on what "style" of property the would be renovated to, has limited this study from completing a financial model based on historic tax credits. More information on this program can be found here—http://www2.cr.nps.gov/tps/index.htm or clicking here.

Summary Recommendations

Demographics Analysis
The De Anza sub-market is the second most viable retail market after the Uptown area, and has a larger population than the Downtown, Oldtown, and Uptown markets.

Location Analysis
Based on a location analysis, the De Anza and its immediate area best supports a lodging use, followed by residential, then office, and lastly retail. Industrial was not considered as it is a use that is not compatible with the areas zoning or existing uses.

Site Analysis
The property is situated on 2.05686 acres of CCR zoned land which allows uses similar to R-3/C-2. The improvements include an 88 unit motel (50 rooms are rentable, 30 are not, and 3 are converted to store rooms). Built in 1939, the property is an excellent candidate for historic preservation. The property current physical layout and design is mot conducive to be used as a lodging facility, then residential, retail, and office.

Market Analysis
From a residential stand point, residential is the strongest possible use as the market is forecasted to be at 95% by the time the De Anza could be converted in use. The weakest demand is for office space with a vacancy rate of 12.9%. Retail use is strong, but the property in its current state is not physically suitable for retail use. While suffering from the weakened national conditions, the lodging market is strong enough to support the continued use of De Anza as a motor lodge, but rents would need to be increased to support renovations at the property.

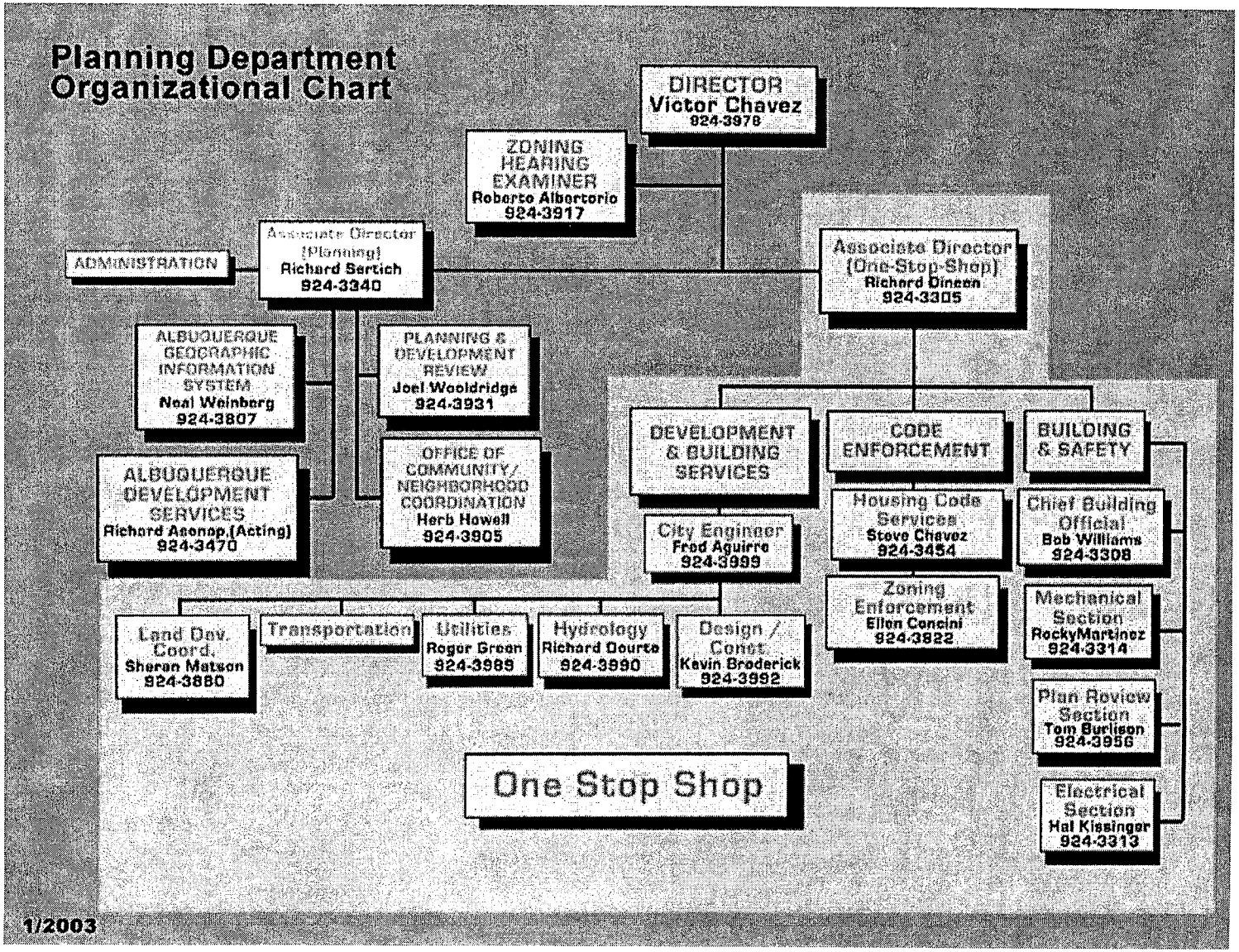
Based on the above analysis, residential and lodging were considered "go" decisions, and retail and office were considered "no-go" for redevelopment.

Financial Analysis—Highest and Best Use
Based on estimated renovated costs and potential income and expenses, and assuming a purchase price of $891,000, a residential redevelopment has the an unlikely potential for a profit (thus requiring a discount on the purchase price), while lodging has the potential to earn a development profit of $711,368.

Based on neighborhood responses, focus groups and direct interviews, lodging is the proffered use.

The City of Albuquerque's role—RFP process

While the City of Albuquerque intends to purchase this property, they do not intend to be the long term operator. During Q2-2003 the City will issue an RFP to the development community looking for a developer to purchase, renovate, preserve the De Anza. The RFP will be issued by Albuquerque Development Services which is part of the City of Albuquerque's one stop shop in the planning department.



Focus Groups, Surveys, and Facilitated Sessions

During the month of November, 2002—three focus group sessions were held with stakeholders (one who has a share or an interest in a venture) in the area. With the assistance of the Nob Hill Highland Renaissance Corporation, individuals representing residents/neighborhood associations, real estate owners and professionals, and cultural experts were invited to one of the three sessions

A survey question list was developed for each group which they were asked to fill out as they entered the meeting. After collecting those surveys, several group questions were presented one at a time.

Each recipient was offered the ability to fill out a small postcard that was hung on the wall under each group question. As a team, the group prioritized many of the answers, added new answers, and sometimes eliminated or clarified other answers.

Each session ran about 90 minutes length allowing each respondent to commit their individual answers in writing, then refine those answers in a positive group atmosphere.

The following pages represent the survey questions and answers, as well as summary results from the group sessions.

Focus Groups—Real Estate Community

During November 2002, owners, agents, and property managers in the area were brought together to discuss short and long term real estate dynamics in the area. Each participant was asked to fill out individual surveys, followed by group questions. The following represents the results from this focus group session:

Participants had been involved in the area for an average of
13.88 years, while one stakeholder has been involved in the area for over 45 years.

Rated Questions - Scale 1-10 = 1 not so important - 5 Neutral - 10 very important

1. To what degree is it important to live close to work? - **7.90**
2. To what degree is it important to be able to walk to work? **5.40**
3. To what degree is parking important? **8.70**
4. To what degree are cultural amenities important? **8.80**
5. To what degree is the closeness of shopping important? **7.80**
6. What is your perception of safety and security in the area? #1 being not safe at all, #10 being completely safe. **3.78**

Non-Rated Survey Questions

7. What would it take for you or your firm to consider relocating your business to the area?
   Already there – Safety - Removal of services to drug addicts, homeless teens, needle exchange, from the area - already here - already here - Already here - Already here

8. I would prefer to walk or drive to shopping (circle one)
   Answers were even split between those who prefer to walk versus those who prefer to drive

9. During the last 10 years, do you believe real estate rents have increased, remained neutral, or decreased? (circle one)
   60% of respondents believed rents had increased (albeit in small doses)
   30% believed rents had remained neutral
   10% believed rents had decreased

10. During the last 10 years, do you believe real estate values have increased, remained neutral, or decreased? (circle one)
    60% of respondents believed values had increased (albeit in small doses)
    30% believed values had remained neutral
    10% believed Values had decreased

11. What would you consider to be the most important factors in purchasing or renting a residence in the area?

Focus Groups—Real Estate Community

Attractiveness, usability, safety - location convenience, quality of living - Business and residential ambiance - Public safety problems from Central corridor spilling over into residential area- Safety - convenience to work and shopping- Nob hill area = old, est. Neighborhood, Highland=scary- value/cost vs. salability - live work/ few other urban areas in Albuquerque - Security, relative quiet, nearby amenities, interesting architecture, community feeling

12. What is your primary reason for going to the Highland area? / What is your frequency of visits to the area?
Business / daily -Live work in area / daily - work, live, shop- 8 to 10 times per month- Live here - home and rental property in area - Our office - 125 Truman NE - working/shopping/eating out- live work/ few other urban areas in Albuquerque - 3-4 times a week, meetings + work related, occasional shopping or gallery visits

13. Do you believe any specific public or private facilities are needed for the area?
If so, specify
100% of the participants answered affirmative – some of them included :a Community Center, strong retail or restaurants, interested in converting Zia motel to special needs housing Performing Arts Center - Community center, hardware store, basic consumer goods, movies/cultural, restaurants, decent lodging - Public Restrooms, lighting, Neon signage, low speed limit, more use friendly for pedestrians -Community meeting or Center area - Adequate financing - Open space, theater, public restrooms, hardware store Parking, lighting, restaurants, shopping and safety - strong retail or restaurants - Large meeting spaces

14. What do you look for in a small store? / What do you look for in a large store?
Small Stores
convenience, proximity, range of selection / Unique of a kind / Beauty-aesthetic appeal / Personnel service, unique mix of items
Large Stores
Selection/ familiarity, availability of basic goods / convenience, bulk, speed all in one / Ease of parking and cleanliness / more choices of products / price-variety / large choice

15. How often do you frequent small local stores or boutiques vs. large regional stores in a week?
Small Stores
5, 4, equal, 2, 5,4,3-5, 3-4, 10+
Large Stores
1, 5, 6, 5, 2, 2, 1, 1-2

Focus Groups—Real Estate Community

Group questions—the participants were asked to answer a series of questions on 3x5 index cards—the answers were collated and mounted on a while allowing the group as a whole to make adjustments, additions, deletions, and prioritize answers.

What positives does the area offer

Access to Airport
Access to Uptown
Access to Downtown
Close to home
Art galleries
Historical aspects of Uptown Area
Highland High School
Highland Pool
Recent Historical Heritage
Easy Access to Freeways (centrally located)
Potential for Redevelopment
Potential for "66" focus for business & opportunity
Unique neighborhoods (Diverse and eclectic)
Being able to walk along shops & restaurants - pedestrian scale
An area near center of UNM & Art culture
restaurants
Historical aspects
Bus Service
Big Focus De Anza and Highland Theater
Antiques
Proximity to Nob Hill
Need small unique shops
Connection to Nob Hill, University, Commercial area, residential neighborhood - close by
Old Signs and Neon
Hiland Theater and Music Theater SW

What negatives have an impact on the area?

Presence of nuisance properties
High concentration of social services to drug addicts & homeless particularly on Silver Ave SE and Washington
Limited Resources for Police presence
Safety - particularly at night
Motels used as housing of last choice
collection of unsavory characters
drug homes in neighborhoods
drunks, prostitutes, druggies, panhandlers, and some murders
empty rundown businesses and safety around them
not enough going on to make it worth a trip from another part of town
high level of crime
vandalism & graffiti
Redlining by banks/lenders
lack of pedestrian friendly environment
litter/graffiti/zoning enforcement/traffic improvements - lack of services and commitment from city
"loan" stores and check cashing
package liquor catering to alcoholics
need more small space for small businesses
speed along Central
Perception of a ghetto image
La Mesa/Trumbull crime has relocated to this area
lots of empty or run down buildings
encroachments of big box superstores
Decaying infrastructure - private and public
Big box buildings don't rent - bowling - standard brands - functional obsolesce

Focus Groups—Real Estate Community

What incentives could the area offer to encourage businesses to relocate to this area?

Ambassador program for clean & safe
Express funding by City for the specific area to eliminate crime and improve perception of doing business in area
Public infrastructure improvements - pedestrian oriented
Large private investment in new buildings and housing
Marketing & ID promotion - focus & advertising low crime
much better lighting
establishment & enforcement of strong codes and ordinances
Tax breaks - property and other government (federal)
more boutiques and upscale restaurants
cleaner & better lit streets
enforce nuisance ordinance zoning
address safety concerns - lighting - police protection - vagrancy - drug dealing
less crime
a significant turn around in the direction of the area
clean up streets vacant buildings - eliminate blight
a few strong anchor businesses and restaurants
create incubator for small businesses - self funding or with grants - is critical for the beginning business owner in the area
offer financial incentives - lower taxes - low interest rate loans or grants - zoning/bldg. exaction's/fees and time reduced
fewer vagrants and panhandlers
sufficient pedestrian traffic would significantly decrease illicit activity
risk takers to set a critical mass
one or two highly visible successful projects like De Anza and Zia Motor Lodge as "models"
Close the motels - level them and reconstruct
Improvements to bus stop locations and streets - cleanliness and safety

What does the area need to be economically viable?

Level the motels and put in a few anchor businesses with walking & parking access (ala Flying Star/La Montinta Co-op)
Map crime
Mix of rental and ownership housing of all types and for all incomes
clean-up unpleasant aspects - buildings - drug addicts - prostitutes - pimps - vagrants
level motels which will attract development of real estate along Central as an extension of downtown and nob hill success - resulting in fewer vagrants & criminals & this area will thrive
Overcome negative perceptions Re: safety, cleanliness lack of goods & services, not having value "old" lets go to new stores, new housing, new areas
need most to address Central Ave - motels:rehab conversion, and or elimination
Eliminate crime and the perception of crime
Major influx of funds & dedications of property & business owners to improve area
major efforts by City to eliminate crime in this area

Where do you do most of your shopping - where and why?

Nob hill - close to home, good restaurants, interesting shops - but there is no hardware store, limited groceries, limited clothing
Nob Hill - shops & restaurants - close to home and places to eat - good food - not a real selection of clothing
In Nob Hill - convenience of services - also Home Depot and Cost co.
Nob Hill - walkable - concentration - access - or day to day Zuni/San Mateo mall for clothes
Nob Hill - its close and convenient hours - has stores I like, good prices on natural goods (coop), good gifts, very good restaurants, and I know lots of business owners
Northeast malls for convenience
Our family supports local businesses - Nob Hill to Lomas most groceries/gas
Westside - why? Its where I love it has all I need
Good sit-down restaurants
Home depot Cost co, theater development, grocery stores in NE heights

Focus Groups—Cultural Resources

In a rare opportunity, NHHRC assembled an all star cast of experts on cultural, route 66, historical, and Native American topics to discuss the De Anza Motor Lodge and how to best preserve, protect and honor its art.

1. As it relates to the artwork at the De Anza - what cultural issues or safety issues should we be sensitive too?

Preserve the murals and artwork
Cultural/Safety
Work with existing structure - no demolition
Murals - zuni crafts outlet, connection to the Zuni Pueblo
Convince visitors this is a safe place to visit day or night
Safety - access to the murals is by a steep stairway, an improved gradual ramp would allow wheel chairs and the elderly
Preserve original architecture and layout of spaces
Identifying which Indian groups will be most concerned about public viewing
Murals: preservation and restoration
Murals: Respect for Zuni ideas pertaining to access (limited)
Restricted access to property and fragile art
Respect of all Zuni tradition, arts and crafts
Security Risk - basement access and mural protection
Neighborhood - De Anza as a meeting center
Respect for and protection of murals is important - security and conservation $ are needed
Would like to have historic/cultural tours (paid to generate maintenance $) for organized groups (and an Orientation)
Cultural - access to and treatment of murals in keeping with Zuni values
Cultural - turquoise collection was part of a motels history, now at the Heard Museum in AZ, Turquoise craft could be displayed
Cultural & safety issues - artwork - respectful use and viewing, neighborhood - management of visitation, provide peace & quiet nighttime hours in surrounding areas
In renovating the motel, Zuni pueblo can provide the Zuni rock - we have a rock quarry that will provide the material
Cultural issue - could provide display, meeting, office space for arts organization that were connected
Use of images in other media/ownership of images needs to be resolved
Cultural - De Anza property is rehabilitated such that its importance in Albuquerque's Route 66 mix is clarified and amplified
Cultural - De Anza's immediate neighbors benefit from its rehabilitation and return to service, whatever the use or mix of uses
Cultural issue - murals need to be preserved with Zuni Pueblo input
Area as a whole needs upgrading to make this location safer
Safety - controlled access on Graceland security for neighborhood and particpants/guests
Parking for long vehicles - RV's, motorhomes on Graceland (tour busses?)
Zuni oversight of the murals and possible restoration
Cultural issues - could provide site for public art in proximity to nob hill gateway
Route 66 & Motor Oriented use - historically and currently
Protection of art by a see-thru-shield
Interpretive activities - who does it? Lots of history - Motel history / Route 66 history / Wallace history / State history / Zuni history / De Anza history
Education of public as to murals "meaning"
Restaurant: tourist attraction - Zuni connection - floor/inlays
Public access is a problem - because of physical location of artwork - elevator could be costly
Route 66 Motel - Historic Importance - Tourist Neighborhood Draw
Present art in a way that is both sensitive to Zuni culture and to role of Indian tourism along Route 66 - Wallace story is important to understanding economics of southwest tourism
Tie in with IPCC & Zuni Pueblo - possible tours?

2. What is your vision for the De Anza? (list on one card)

Motel Mixed use of history and benefits the neighborhood
Document oral history about property
Economic revitalization in neighborhood
Connections to Zuni, Wallace, Route 66, National labs (workers stayed there)
Historic interpretation celebration of history
Boutique motel - conference center concept - restaurant and shops - interpretive center
Route 66 interpretive center with changing exhibits
Mixed use project with retail - housing - office - live work - and conference center and cultural tours
Visitors/Welcome center for area (department of tourism)
De Anza as important historic personality whose work with

Focus Groups—Cultural Resources

native Americans should be preserved in some way
Restaurant serves breakfast and lunch - good American and NM food!
1953 Pink Cadillac was part of motels history (driven at the time by Gordon Church)
De Anza mixed multiple use site that benefits neighborhood, the historic Route 66 audience, and adds-socio economic & cultural value thru education and interpretation
Multi-use facility - motel units (66 tourism) - Office/retail - Dining - interpretive site (including murals)
Interaction - commerce & recreation - locals and visitors
Historic integrity - but only to an extent necessary to accommodate new uses
Uses that meet the neighborhood, city, state, and national needs
Emphasis on uniqueness of building, art & history
Not visibly altered from present state, but landscape & onsite advertising low-key to compliment surroundings, keep old signage
A cultural tourism attraction that appealed to & educated travelers and NM residents
Public/cultural side - is supported by a coalition of non-profits, pueblo, preservation organizations, etc.
Heritage motel is a place that lives up to its past glory
We think this place is incredibly valuable- challenge is sharing & sparking that passion in others (consumer/public)
Heritage tourism activity node - mixed use - Boutique motel - tourist amenities - restaurant - gift shop - visitor center - neighborhood amenities - meeting center - restaurant
New outlet for Pueblo of Zuni Arts & Crafts - provide and sell authentic Zuni products
Art connection could help assure arts/crafts continue in mix of area revitalization
Motels is place neighbors can have visitors/relatives stay (feel safe, have enjoyable, unique experience)
New uses (plural) that are compatible with the site
Restore facades (vigas)
Historic qualities reflected in uses, interpretation, display of historic & cultural assets
Mixed Use public/private facility, used day & evening, B&B or studios, retail uses that generate traffic into/out of motel

3. Quantify how many visitors you foresee on a annual basis visiting the De Anza for the art work.

30,000
150,000-300,000
150,000
50,000 (motel/museum/restaurant)
20,000
150,000 (hopefully)
25,000
18,000
100,000
200,000
350,000
Motel (50x2.5x365x.75=34,218, Cnf Cntr (100 week x 50=5,000), Restaurant 60x12x360=259,000, Visitor Center-30,000x360x.15=90,000
Motel rooms - @ 50 room x 75% occupancy = 18,250 guests
$$$ impact - ea. guest spends $100/day x 75% occupancy = $1,8250,00 guest impact

5. What key to the puzzle does you or your group offer to the success of De Anza?

Deb Slaney - Historian, CG Wallace, Jewelry
Zuni Pueblo - genuine authentic Zuni Arts & Crafts and provide more info about Zuni Culture
NM Rt. 66 Association - nonprofit "match" to Federal $, mgmt of interpretive center, historic resources
City - Al Soto– the City of Albuquerque - we will own the property
Beverly J - Man power
Gordon Church - Will help with arts function(s) planning
Kammer - insights into historic development of property and Indian trade as it relates to Route 66
City - Kim C.- City participation and assistance in selecting a developer & getting development approvals
City - Ed Boles - potentially sound advice on historic preservation matters. National register listing
Village of Los Ranchos de Albuquerque - cooperative advertising - regional tourism
City - EPA asbestos - lead based paint cleanup grants (if it exists)
Elizabeth Akiya Chestnut - Aside from living in the neighborhood, the historic and cultural perspective & passion about the De Anza, to work to see succeed - Museum professional/oral history
NM Rt. 66 Association - interpretive/tourist/ welcome center - connection with historic/preservation funding sources - marketing outlets
NHHRC - leading advocacy for purchase planning and redevel-

Focus Groups—Cultural Resources

opment - working on big picture for MRA & other revitalization, infrastructure improvements - marketing expertise

4. List the top 4 things you believe De Anza needs for your vision to be a success.

Good food - changing venue or many activities
Facade improvement (vigas), parking - authentic and a "draw"
$ for excellent rehabilitation, marketing and support
Effective management by non-profit and private interests
Public & Private ($$$) long term commitment
Interpretive Center and Cafe
Funding Marketing & Promotions
Adequate funding, sensitivity to its historic role, publicity
1. Visitors (money) 2. Arts & crafts
promotion great management
1. Revenue stream to support amenities, 2. Marketing plan
Strong, coordinated, well planned, consistent leadership, and project administration, financial support ($)
1. Conference center & tie to tourism industry & 2. Safe parking
International exposure - Consistent, high quality operation
Well-structured public/private partnership - developer/operator with city& community - marketing plan
Committed steering group to forge coalition -find funding for public part
NMMS - ties to National Trust - ties to Main street network - design & financial consulting services
NHHRC - clearinghouse for community/government partnerships
Influence with private & non-profit potential players

6. Who are we missing - whose assistance should we seek?

Tax Credit review - State of NM historic preservation division - 228 E. Palace Ave Santa Fe NM 87501 - 505-827-6320 - Dorothy Victor & John Murphey
Potential Grants - National Park service - long distance trails - Route 66 corridor - Preservation program - Michael Romero Taylor & Kaisa Barthali - 982-6742
Zuni pueblo - Tom Kennedy
NM Scenic Byways TPE funds - Laurie Evans
Route 66 Corridor partners for act funding - Michael Romero
Development community representative
Political part connections for donations
Maxwell Museum - JJ Brody

Sha'lak'o
By Brandon Calavaza

It is at this time everyone comes,
From all walks of life,
It doesn't matter,
As long as your pay your respects.
It is at the end of every year they come
The bringers of wealth,
But not of the physical,
But to our health, our well-being,
For everyone to brace.
Then comes the six deities,
The Shalako,
With gracefulness they come,
Clucking as they go
Going to their homes.
As the night progresses the Shalako dance,
Dancing all night,
Being playful sometimes,
Playing with the religious leaders,
Playing with their brother,
Playing with the Koyemshi.
Each step they take is with grace, pride and elegance,
Dancing from side to side,
Then they stop,
They cluck their beaks,
and wisp away like the wind,
to the other side.
As the morning sun rises they stop,
They stop and rest for the afternoon ahead,
Where they will prove themselves,
Prove that they are bringer of good fortune.
As the six enter the village,
Going through the bridge to the south,
They wait,
They wait for their brothers.
With all of them there they begin,
They begin their race,
They race from one end to another,
With each step they bring wealth,
Wealth to all to spectate.
After it ends they go,
They go silently with their beaks open,
They go back to Kothluwalawa, Zuni Heaven,
To await next year.

Focus Groups—Neighborhood Stakeholders

During November 2002, neighborhood stakeholders were invited to a weekend focus group meeting. Although the participants were few in number, they represented on average stakeholders who have lived in the area for 24.57 years, with households of 1.67 persons per household, and income ranges as low as $15,000 to $125,000. Participants average home value was $198,000 and average rent was $600 per month. 50% of the participants had a college education 40% with a graduate or masters degree. Although the age range was as low as 25, and high as 75, predominantly the participants were 40 to 55 years old. Many of the respondents lived in single family residences, but they also considered themselves eligible to move into duplexes, lofts, or townhouses.

Scale 1-10 = 1 not so important - 5 Neutral - 10 very important

1. To what degree is it important to live close to work? **7.50**
2. To what degree is the closeness of public transportation to your house important? **5.57**
3. To what degree is it important to be able to walk to work? **6.33**
4. To what degree is security (controlled access) important to your community? **9.57**
5. To what degree is it important to have a back yard? **8.43**
6. To what degree is parking important? **8.29**
7. If there was adequate parking, to what degree is it important to have a garage? **8.86**
8. To what degree are cultural amenities important? **9.50**
9. To what degree is the quality of nearby schools important? **6.57**
10. To what degree is it important to have nearby facilities for children's activities during out-of-school time? **6.50**
11. To what degree is nearby pre-school childcare important? **5.80**
12. To what degree is it important for your community to be pet friendly? **8.86**
13. To what degree is the closeness of shopping important? **9.29**
14. What is your perception of safety and security in the area? #1 being not safe at all, #10 being completely safe. **5.43**
24. To you, which is most important - being part of a neighborhood or having privacy? (circle one) - 75% **prefer a neighborhood/community feel versus privacy**
25. How often do you frequent small local stores or boutiques vs. large regional stores in a week? 2food-town/1costco 3-4/2 4/1 4/1 15-20/1-2 4/0.5 50%/50%

Focus Groups—Neighborhood Stakeholders

Please indicate the top four aspects of the Highland Area you like the most?
Hiland Theater Complex
Bank of America offices
Small older houses
Trees
Antique Shops
Close to nobhill and UNM
Multiuse & mixed use real estate
Small businesses like Tricklock
Barber shop (Fernando Archuleta - 45 years in area)
New Chinatown's Hawaiian lounge
Highland High School

Please indicate the top four aspects of the Highland Area you like the least?
Drugs/Crime
Nightlife (Drugs & Crime)
Paint & Body shop - trashed lot
Empty Buildings
Vast parking lots south of Central near High School
Arts/Architecture pushed out of neighborhood by crime

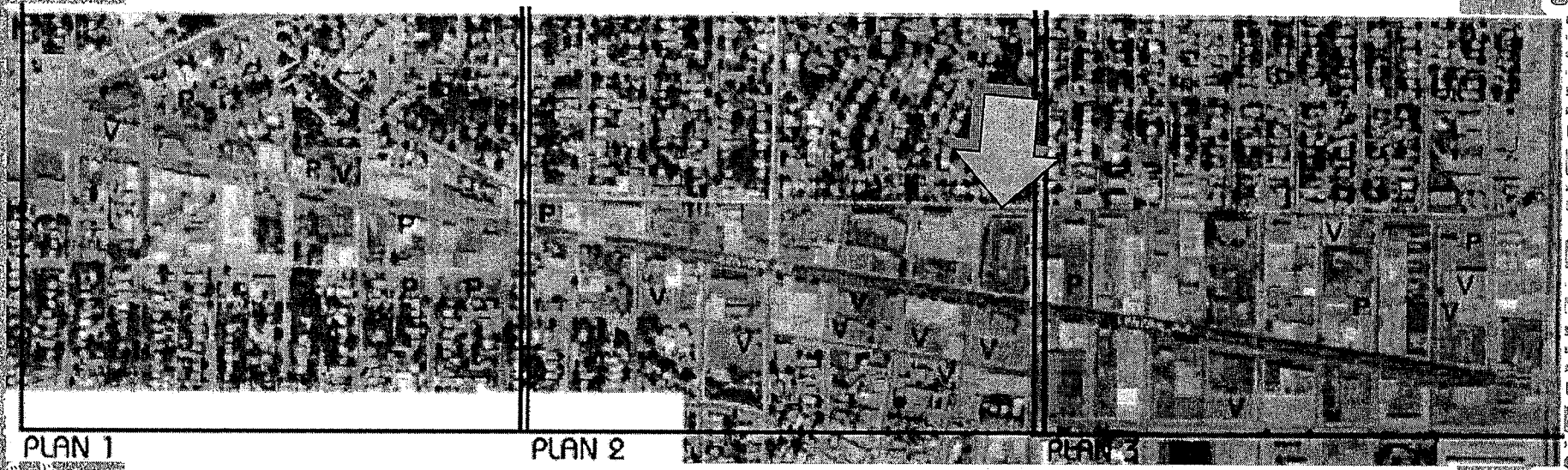
White elephants (buildings that are not desirable or are functionally obsolete (by order - of need - highest is pressing, lowest is not as pressing) *
Royal Motel
Premier Hotel (and all marginal motels)
Zia Motel
No name motel
Gem Bldg. at Quincy & copper - interesting but deteriorated
American Inn
Paint and Body Shop next to Wendy's
Riteway motel
Old Ice arena/bowling alley
Old Pizza Hut on Central and Truman
Parking lots behind strip center between Monroe and Madison
Masonic lodge
Castle Superstore
Washington Tattoo parlor
3800 Central SE
Old DMV building (and a sketch of what it looks like!)
The entire block around Pulse

Things that you believe the De Anza needs
Lighting improvements
Fill the vacuum with legitimate uses
effective social and limited services around De Anza
Restaurant
De Anza "parking" for motel on Graceland (vacate street)
Arts/Cultural outlets
Diversification of land use/economy
New restaurant on site
Multi-Use Community Use
Controlled Access
Increased legitimate use

**Please note that these were opinions of the buildings conditions by the group, and do not necessarily reflect the opinions of the City of Albuquerque or Housing Resouces un(Ltd.)*

Support Area Needs— Historic Assets Survey

As part of the Main Street Program, the Nob Hill Highland Renaissance Corporations has developed this draft inventory of development and redevelopment opportunities in the area.



The areas shaded in Red are believed to be historic or contributing to district character and identity
The areas shaded in Yellow are believed to have integrity but not contributing to character
The green areas have no documented historic character

P = Parking
V = Long term vacant properties

The orange arrow points to the De Anza motel

A larger version of this document can be found on the supporting documents page.

Support Area Needs—2002 Survey

The success of the De Anza will depend on a strong infrastructure, a viable walk able area, and good support linkages to other happenings in the area.

The Nob Hill Highland Renaissance Corporations board of directors has reviewed the results of the focus groups and past surveys and believes that the De Anza, and the creation of a Metropolitan Redevelopment area in this area would allow:

- Priority redevelopment of "white elephant" properties, to include housing solutions.
  - Iceland Bowl
  - Royal Motel
  - 3800 Central/Premier Motel (nearly the entire block is underutilized)
- (Assuming the requisite planning was done as a part of Streetscape Improvements) The implementation of planned parking structure solutions as part of the development of these types of properties.
- TIF District (relative to development) and BID creation (relative to maintenance, promotion and security concerns.
- The De Anza as a Rt.66/Heritage Lodging and Conference Center
- Contribute to the physical presence of NH-HRC, and its improvement programs, in the community

Parking requirements:

1. Too many spaces req./land needs to produce more income per sq. ft./encourages boxes behind huge lots instead of creating street walls
2. Too many curb cuts allowed (makes sidewalks dangerous/uncomfortable for pedestrians); parking lot access should be from side streets when possible, minimize curb cuts in general
3. Parking needs should be met with on street parking, shared facilities parking structures whenever possible

Setbacks:

1. Large allowance encourages boxes behind huge lots instead of creating street walls
2. Parking should be in rear or in structures for new construction
3. Building entrances should face the primary street and be pedestrian accessible
4. Existing business with front lots could be used to create patios & pedestrian access

Scale:

1. Review of front & side setbacks, greater densities & heights along Central? Reduced densities along Copper & Silver?

Support Area Needs—2002 Survey

Zoning uses & Mixed uses:

1. Current C2 zoning needs to be analyzed for what is allowed. Artisan manufacturing and live/work should be encouraged to allow artists' lofts, cottage industries (but not sweat shops) and food production, including catering/bakeries, etc.
2. Mixed uses within buildings should be encouraged---e.g. retail and office below, residential above. At ground level, mixed use as well. Not only retail.
3. Liquor licensing can be better regulated in this area—less package, more restaurant licenses.

Building/Design standards:

(Some recommendation could/should come from the Nob Hill Sector Plan's Design Guidelines)

1. Landscaping should encourage Southwest/xeric landscapes; requirements should be revised to allow trees only on side streets, not on Central, and to be compatible with the NH-H Streetscape Plan. Large trees should not be planted under utility lines! (see Copper alongside Highland Senior Center).
2. Plan should encourage shade creating as part of building design—canopies, awnings, overhangs, walls and etc.
3. Need to encourage retaining/rehabbing historic signage/neon
4. Need to look at sign ordinance for scale and number allowed; may need to regulate scale and spacing to encourage better impact.
5. On-site lighting requirements, maintenance, and enforcement is woefully inadequate and needs substantial improvement
6. Glazing minimums for ground floors should be set and enforced

Streetscape: needs to be made much safer and inviting (walkable)

1. Add back on-street parking, extend curbs to allow for pedestrian crossing
2. Safety & landscape/street furniture Locations
3. Explore possibilities for broader sidewalk and interactive pedestrian streetscape

Proposed Plan/Projects for the Nob Hill-Highland Business District

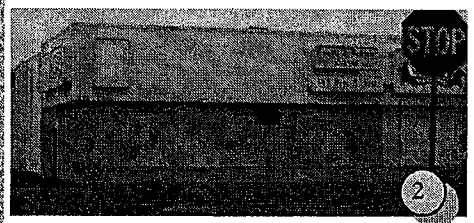
1. Develop Zoning Amendments & Design Guidelines for Highland area (a la Downtown Plan)
2. Institute Façade Rehab Loan/Grant program (with design guidelines)

Support Area Needs—Other development opportunities

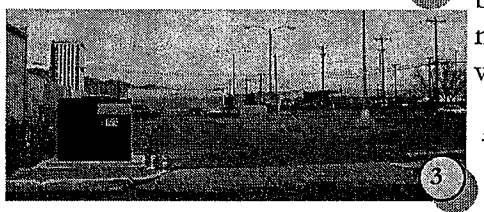
As part of the real estate, cultural and neighborhood meetings specific properties * in the area were identified for their potential to be redeveloped to a higher and better use (the De Anza was already assumed to be a portion of this group).



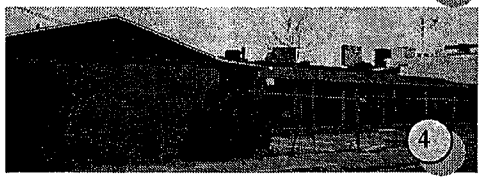
Some of these properties were identified due to the incompatible use (industrial type uses), undeveloped use (parking lots), long tenure as a vacant property, lack of pedestrian accessibility, or because the architectural style was in conflict with its surroundings.



A large majority of the properties identified are located east of the De Anza, symbolizing a continued redevelopment trend starting at Nob Hill Shopping Center and radiating east towards San Mateo.



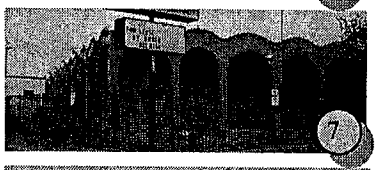
From the real estate community's stand point these buildings offer the a good inventory of properties that might be readily available for purchase and redevelopment.



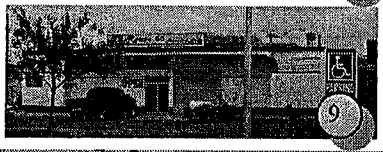
** The buildings selected were determined by focus groups meetings and do not necessarily reflect the opinion of Todd Clarke, Housing Resources or the City of Albuquerque and are used for illustrative purposes.*



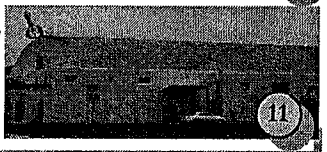


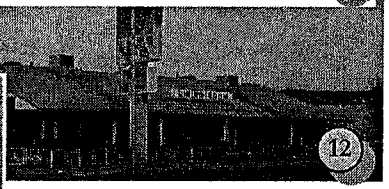


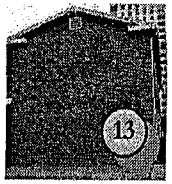


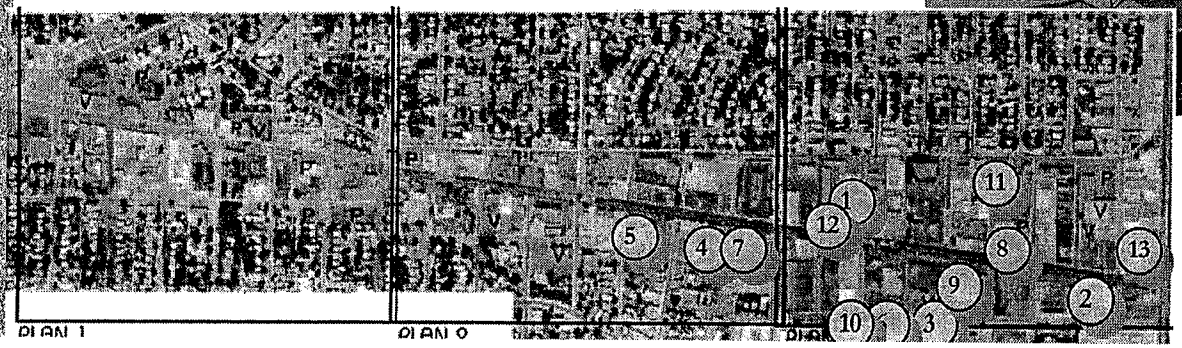












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Support Area Needs—1994 Survey

EAST CENTRAL REVITALIZATION - SURVEY RESULTS – 3/23/94

This is an abbreviated report from the survey performed on 89 businesses participated in this study. The complete survey can be found in the Documents section.

SURVEY RESULTS:

Question 1: What are the most critical issues or concerns for the area?

Area 1: Approximately 57% of the respondents stated that transients were a critical issue; 48% said crime; 38% said physical decline and parking; 19% stated they needed more foot traffic, and 14% stated that lighting was a concern.

Area 2: Approximately 68% of the respondents stated that crime was a critical issue; 64% said that transients and physical decline were concerns, 32% stated that prostitution was a concern, and 9% stated that lighting was a concern.

Area 3: Approximately 50% of the respondents stated that transients were a concern; crime & graffiti, 48%: physical decline, 43%; prostitution, 30%; and lighting and traffic, 20%. ***(the area boundaries and the full text of this document are found in the Documents section.)***

Question 2: What type of businesses would you like to see operate in the area?

Area 1: approximately 43% of the respondents stated that they would like to see more retail businesses, and businesses that generate foot traffic; 24% stated that they would like to see more restaurants/cafes in the area. Miscellaneous responses were a gas station, day care center, nighttime events, a bar, and retail which included a hardware store, grocery store, and auto parts.

Area 2: Approximately 73% of the respondents stated that they would like to see authentic ethnic food restaurants in the area; 55% of the respondents stated that they would like to see more antique shops; 23% said they would like to see any upgrade in businesses; 14% said more small retail; and 9% stated that they would like to see more office uses. Miscellaneous businesses were support services for Nob Hill, women owned businesses, gay & lesbian owned businesses, art galleries, businesses oriented toward young people, video arcade, theatre, and spa.

Area 3: Approximately 41% of the respondents stated that they would like to see- more retail and uses that stimulate foot traffic. Approximately 17% said antique shops; 15% said office uses; 13% said more discount stores; 11% said more restaurants and tourist attractions, and 20% stated that they had no preference for businesses and were satisfied with the existing mix of uses. Miscellaneous businesses listed were fast food restaurants, grocery store, police station, bank, a park, art galleries, youth center, and SeaWorld.

Question 3: Please Indicate which of the following would Improve the East Central Avenue area from Girard

Support Area Needs—1994 Survey

Blvd. to San Mateo Blvd.

The following percentages represent the total responses from Areas 1, 2 and 3 for items perceived as critically needed or that they would make a difference in improving the area.

Area 1: More restaurants, sidewalk vending, bus shelters, graphics signage control

Area 2: Closer parking, sidewalk vending, benches, more parking, sidewalk repair, and graphic/signage control.

Area 3: More restaurants, sidewalk vending, planned nightline events, and closer parking.

There were also several respondents who identified items that they did not want to see at all. These items were bus shelters, benches, night time events, sidewalk vending, graphic/signage control. Many of these items concerned people because of the potential attraction for people to loiter and perhaps provide opportunity to commit crime, i.e. night time events drawing people to unsafe areas presently Inadequately lit.

Question 4: Is there anything else that would Improve the area?

This question provided an opportunity for people to reiterate their strongest opinions, as well as to add something that may not have been covered. Several miscellaneous issues not covered were:

Change Highland High School to a closed campus.
Slow down traffic on Central Avenue.
Provide median cuts;.
Eliminate medians altogether on Central, and provide angled parking rather than parallel; move landscaping between sidewalk and curb.
Eliminate gun shops.
Eliminate motels notorious for prostitution.
More day time events.
More trash cans.
Diagonal parking on Bryn Mawr.
Improve bus service along Central Avenue,
Language barriers between several cultures.
Open a.. Boys & Girls Club.
Central Avenue to maintain a 50's and 60's character to identify with Rt. 66 history.
Central Avenue to be identified as Rt. 66 to minimize segregation of neighborhoods along it.

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Support Area Needs—1994 Survey

SITE- SPECIFIC ISSUES:

Firestone parking lot being used by other businesses.
Hiland Barber Shop at 4807-A Central has no easement behind the building to access property.
Preserve mountain view seen from Baca's Restaurant on Central.
Traffic moves too last at 4400 Central.
Highway House Motel would like a median cut for their site at 3200 Central, SE.
Army Navy Surplus building at Wellesley and Central could be on the National Register of Historic Buildings.

NOTE:

When asked if businesses would be willing to give up their Street parking on Central, the majority of respondents answered NO. However, some indicated that if there was a parking facility close by, they would consider It. Many businesses In Area 3 do not have a parking shortage, so the concern was greater for businesses in Area and 2.

When asked if businesses had a preference for construction to take place along Central Avenue, many people had different answers. Several people said no time was good. Other people said that work should be done at night. Some people stated that the work Should be done faster, with 24 hour crews to start a job and finish Promptly. What we heard was that the dead of winter is better for some businesses, and the summer is better for other businesses near the university, when student numbers drop. Overall, it appears that construction is a problem in this area, and should occur quickly.

SURVEY SUMMARY:

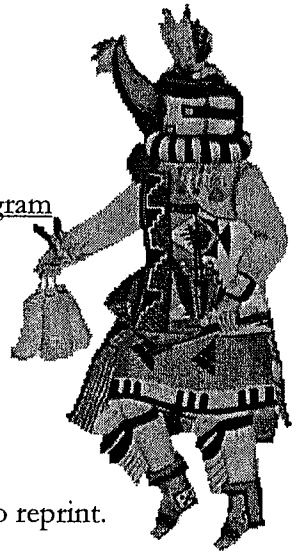
In conclusion, the major problems for the East Central area are ***transients, crime, parking, physical decline, lighting, prostitution,*** *traffic,* ***and foot*** *traffic.* The majority of store owners would like to see ***retail, antique shops, restaurant/Cafes, office use, and businesses that*** *attract* ***foot traffic.*** Most people want to see ***better security, more bicycle police, more landscaping and lighting, more parking, and new or renovated storefronts.***

Documents

While the documents below have been made available to the public, they are copyright of their respective creators. They are included as resource materials to assist in the analysis of the De Anza Motor Lodge

PDF copies of documents mentioned in this report can be found by clicking on the links below. All documents are believe to be public domain and freely available to the public. To read these documents you will need a PDF view like Adobe Acrobat—which can be downloaded for free from the Adobe.com website.

De Anza Documents	Nob Hill /Highland Documents	City of Albuquerque Documents
Appraisal	Sector Development Plan	Centers and Corridors Plan
Phase I	Intersection Upgrades	Planned Growth Strategies
Historical Reference	Lighting Upgrade Plan	NM Apartment Report
	1994 East Central Survey	Route 66 Sign Preservation Program
This Market Study in PDF format	Site plan of historic assets inventory	Route 66 Building Preservation
Summary PowerPoint Presentation	Nob Hill Highland Motels Inventory and Strategies for adaptive re-use *By Michelle Negrette 5/2000*	Main Street News 2002
		Historic Tax Credit Information



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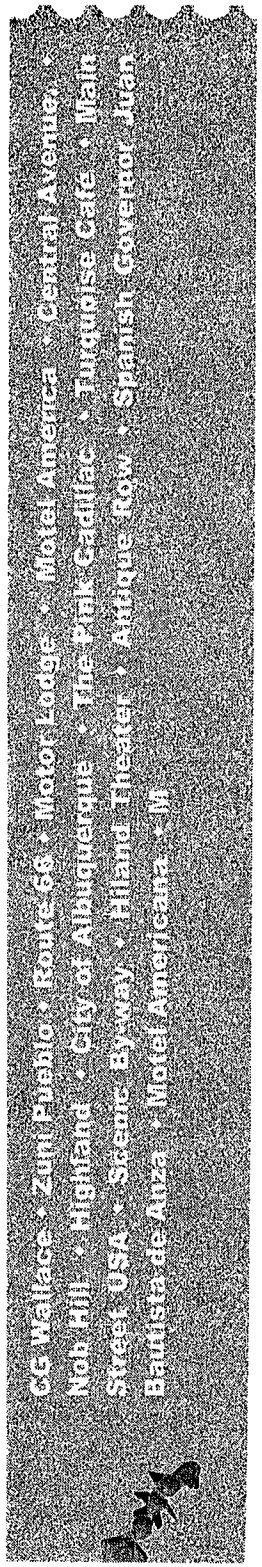
Website/CD-ROM Navigation

If you are navigating this document as a web page or on the CDROM please note the following:
The table of contents provide direct access to each page.

Clicking on the De Anza logo at anytime will bring you back to this page.

<——You can click on the artwork to the left to navigate back one page

And the artwork on the right to move forward one page ——>



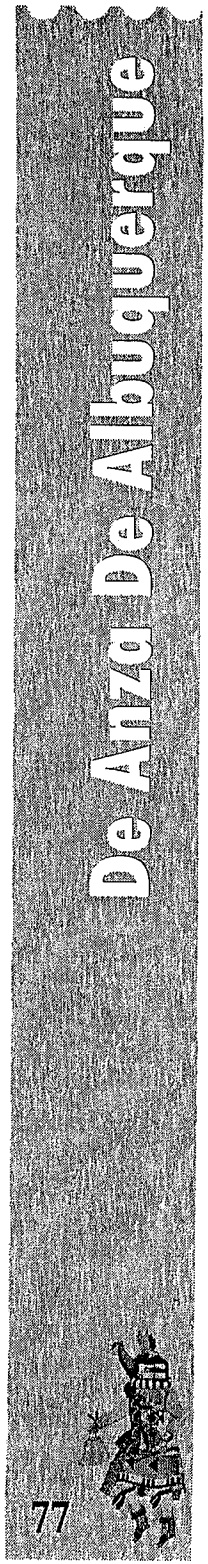
Supplemental Section

Housing in the MRA

Prepared for
The City of Albuquerque

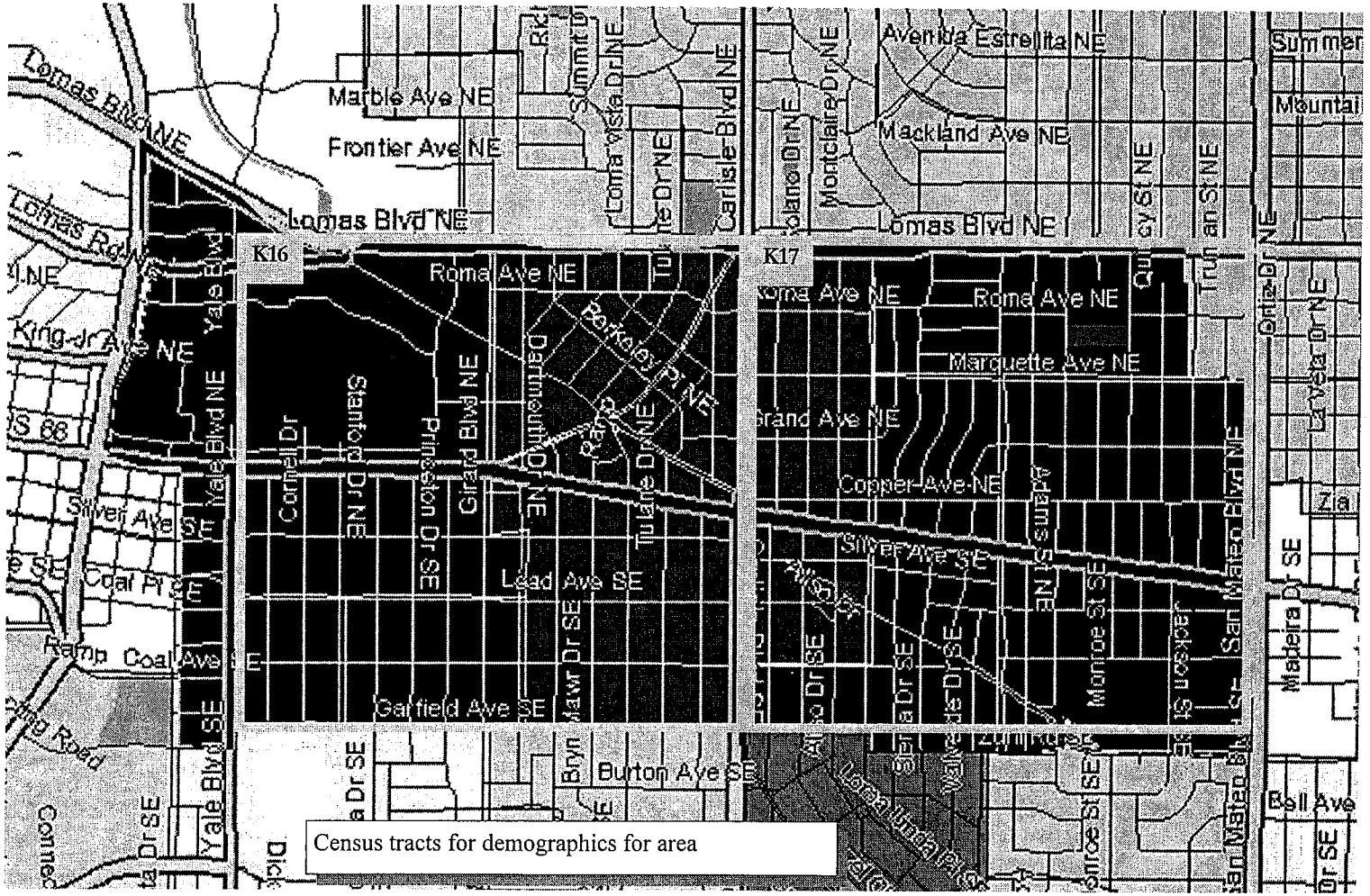
By

Todd Clarke CCIM
Housing Resources (un)Ltd.
www.nmhousingresources.com



Supplemental Section-Recommendations

A housing analysis was performed on the Highland MR Area based on two different functional geographic regions—from a demographic stand point Census block groups 350010005004, 350010005005, 350010005006, 350010005007, 350010007001, 350010007002, 350010007003, 350010007004, 3500110018002, where used and from a comparable sales for single family residences utilized zone atlas pages K16 & K17. As the diagram below indicates, there is an amazing overlap between these census block groups and zone atlas pages, making them conducive to be used for a housing analysis for single family and multi-family housing product.



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Supplemental Section– Housing Demographic Review

The housing demographics on this page indicate that the largest profile of resident base is single (46.8%), 18 to 24 years old (29.8%), renting (58.8%), employed (65.7%), making less than $15,000 (19.7%) and living in a residence that was built in the 1940's (32.9%). The second largest population profile is co-habitating with a partner (34.1%), 25 to 34 years in age (18.8%), owning (34.4% - most likely their first home), and making between $15,000 to $25,000 (15.6%). The third largest population segment is 35 to 55 years old, making between $25,000 to $50,000 and lives in the area for the diversity of service and urban feel. Although a much smaller segment of the population, retirees living alone on a fixed income are also represented in the area.

Population By Age & Gender

	2002 Estimate	%
Age 0 to 4	395	3.5
Age 5 to 13	593	5.2
Age 14 to 17	320	2.8
Age 18 to 24	3,391.00	29.8
Age 25 to 34	2,145.00	18.8
Age 35 to 44	1,552.00	13.6
Age 45 to 54	1,456.00	12.8
Age 55 to 64	629	5.5
Age 65 to 74	400	3.5
Age 75 to 79	189	1.7
Age 80 to 84	167	1.5
Age 85 Plus	150	1.3

	2002 Estimate	%
Employment		
Employed	6,721	65.70%
Unemployed	341	3.30%
Not In Labor	3,154	30.80%
In Armed Forces	22	0.20%

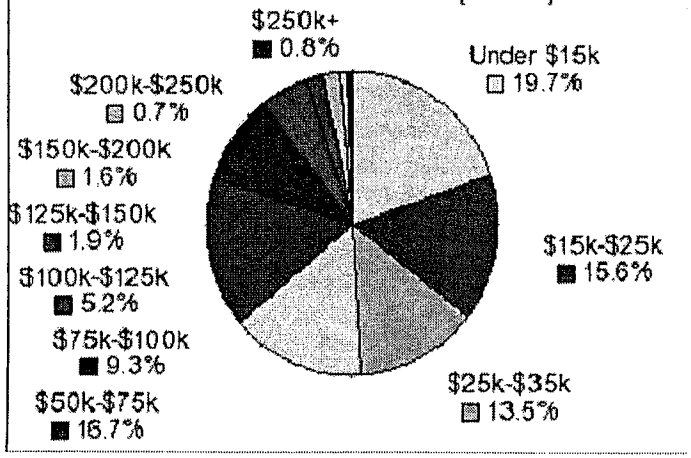
1990 Year Structure Built

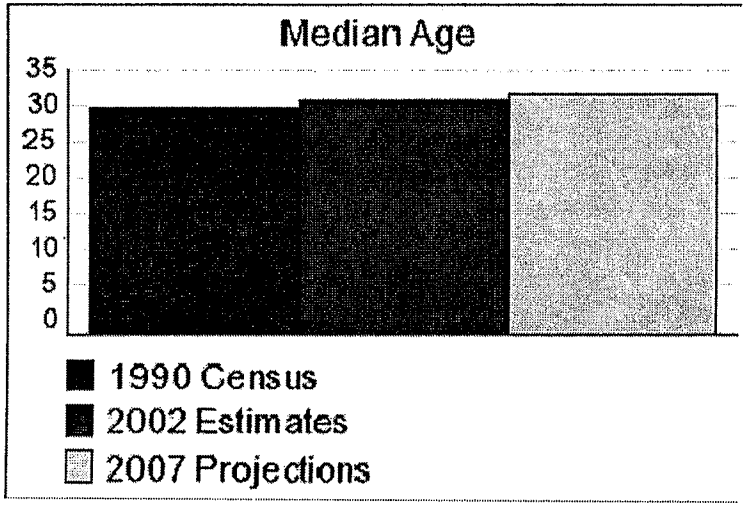
Built: prior to 1940	1,094	19.90%
Built: 1940 to 1949	1,806	32.90%
Built: 1950 to 1959	1,209	22.00%
Built: 1960 to 1969	539	9.80%
Built: 1970 to 1979	431	7.80%
Built: 1980 to 1984	266	4.80%
Built: 1985 to 1988	149	2.70%
Built: 1989 to March 1990	0	0.00%

	%	2002 Estimate
Total Housing Units		5,588
Owner-Occupied	34.40%	1,812
Renter-Occupied	58.80%	3,346
Vacant	6.80%	430

	2002 Estimate	%
Total Households	5,158	
Size of Household:		
1 Person	2,415	46.80%
2 Person	1,761	34.10%
3 Person	597	11.60%
4 Person	243	4.70%
5 Person	97	1.90%
6 + Person	45	0.90%
Ave Hhld Size	1.83	
Length of Residence:		
Stability (In Res. 5+ Yrs)	22.70%	
Turnover (% Yearly)	30.20%	

Average Hhld Income	$37,408
Median Hhld Income	$36,208
Per Capita Income	$17,526





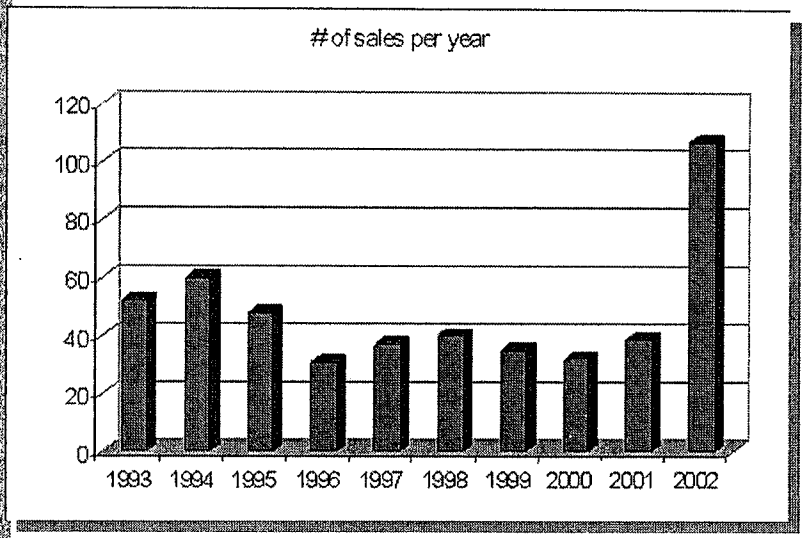
De Anza De Albuquerque

Co Wallace • Zuni Pueblo • Route 66 • Motor Lodge • Motel America • Central Avenue • Nob Hill • Highland • City of Albuquerque • The Rink Cardiac • Turquoise Girl • Main Street USA • Scenic Byway • Hilario Thicker • Antique Row • Spanish Governor Juan Bautista de Anza • Motel America • Ih

Supplemental Section- Single Family Analysis

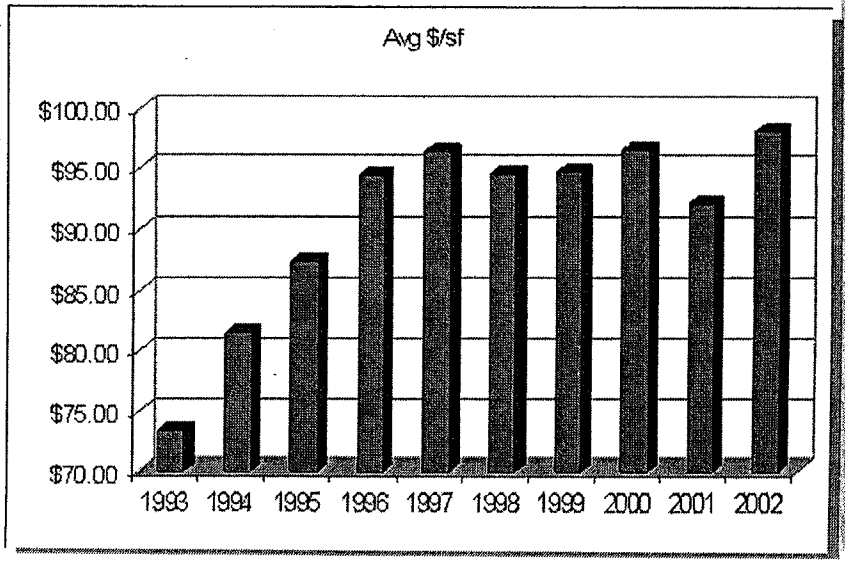
A ten year trend single family sales analysis was performed on the housing sub-market to provide an indication of the vibrancy of the sub-market, and to make a determination if housing values were showing any appreciation.

The number of sales per year has been at a steady pace of 20 to 60 housing units per year, with the exception of 2002, which witnessed over 100 sales. Based on the demographic information which indicates 1,816 single family households, this market witnesses an average turn of houses of 2.2% of the total inventory. 2002 represented a 5.51% churn of the existing inventory, at the highest recorded price per square foot—approaching $100/sf. This also reflects a national trend in 2002 with an all time high of 5.563 million houses sold in December of 2002, a record to date.



Information provided from Southwest Multiple Listing Service, the area showed a steady increasing in house prices per square foot from the low $70 range to the high $90 range in the 10 year period.

Based on this information, the market appears to have responded favorably to low interest rates, and the market continues to represent good housing value for those looking for starter homes, empty nesters, or small households. The price per square foot is within striking distance of the typical price per square foot for new construction—$100/sf inclusive of the land.



Although the ten year trend indicates that most houses take an average of 81 days to sell, more recent housing trends indicate less that trend has dropped to less than 60– days.

Based on this, subject to available sites, the area is ripe for an infill urban development within walking distance to Route 66.

The following pages discuss potential price points for new developments.

Supplemental Section- Single Family Analysis

A recent housing study performed by Zimmerman/Volk on behalf of 1000 Friends of New Mexico, indicated that there are eight primary places for new home owners to select and consider housing to move to: Greater downtown, Westside/Atrisco Plaza, Nob Hill Area, Louisiana/Central node, Campbell Ranch, Quail Ranch, Westland development, and Mesa del Sol. The first four of these areas are contained with the 1960 city limits and are targeted areas for redevelopment work by the City of Albuquerque. The last four are outside of the existing service area and represent master planned communities. This study further indicated that based on housing style and price points, each of these areas has a competitive chance of securing a percentage of new home buyers whether from relocation to Albuquerque, or expansion of existing families.

Residents that choose the Highland MR area would likely do so based on its active environment and unique restaurants and retail establishments, coupled with access to Central Blvd., and its strong public transportation services.

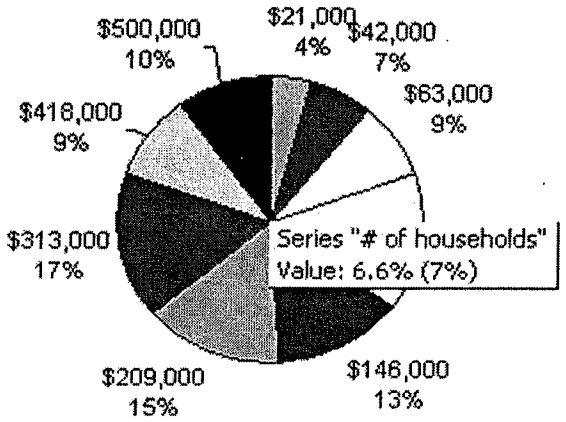
Income ranges studied:

Income low to high			
$	-	- $	4,999
$	5,000	- $	9,999
$	10,000	- $	14,999
$	15,000	- $	24,999
$	25,000	- $	34,999
$	35,000	- $	49,999
$	50,000	- $	74,999
$	75,000	- $	99,999
$	100,000	-	$100,000+

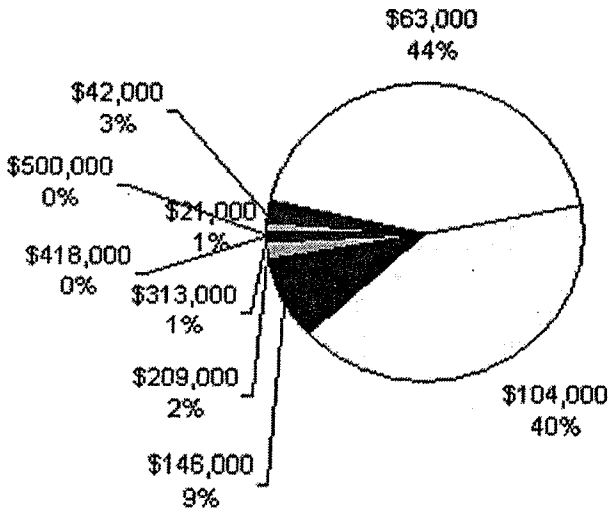
Price Points

Unfortunately, not all areas are the same, so a combination of area services, existing demographics and price points for new housing will draw more buyers to one area over another. **SUPPLY ANALYSIS:** An analysis of existing demographic profile of residents was made to determine the maximum possible purchase price existing residents could pay for housing. For the purposes of analysis, all residents, whether existing renters or owners were used for the calculation. Residents income levels were grouped into major categories (i.e. $10,000 to $14,999) and the highest income in that bracket was multiplied by

Demand - based on Demographics# of households
Maximum House Price existing residents could afford



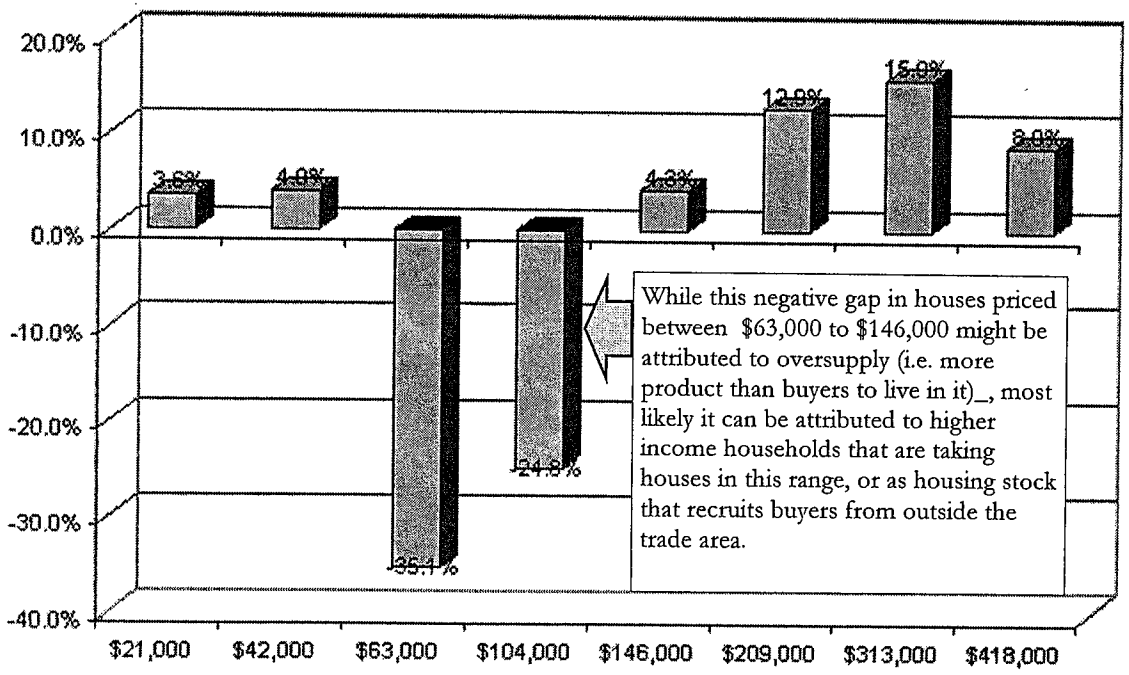
Supply - based on sales in area over 10 year period
Grouped by Maximum house price - matched to income



Supplemental Section- Single Family Analysis

33% to determine maximum house payments per year, then further divided by 12 to determine a maximum monthly housing expense. A net present value calculation using a 30 year mortgage, at 100% of the home value, at 7% interest rate (above current market conditions), was used to determine the maximum mortgage, and thus the maximum home value that income level could support. This analysis is then netted against the Demand Analysis to provide an indication of potentially underserved markets.

DEMAND ANALYSIS: ten years of existing single family sales were inventoried to come up with price ranges that matched the income ranges used in the supply analysis. The graph on the left hand side of page 81 is the demand graph, and the graph on the right hand side is the supply graph, which when subtracted from each other yields this graph below.



As the graph demonstrates, there is small demand for housing in the $21,000 to $62,000 range, and a larger demand for housing in the $149,000 to $209,000 range. The first bracket of demand would most likely lead to a conversion of renters to owners, while the latter bracket would provide many homeowners who love the area, but are ready for a larger house, the opportunity to move up with out moving out.

On fallacy to this analysis is that it assumes that every home buyer would purchase the maximum house they could afford, a trend that becomes less true the higher the income of the household.

A thorough analysis including focus groups with prospective and existing residents in the area needs to be completed to ascertain specific features, amenities, price points and style of housing.

Supplemental Section—Multifamily Analysis

UNM submarket report



The following information is supplied from the *NM Apartment Report* and is reprinted with permission

Sub Market Boundaries

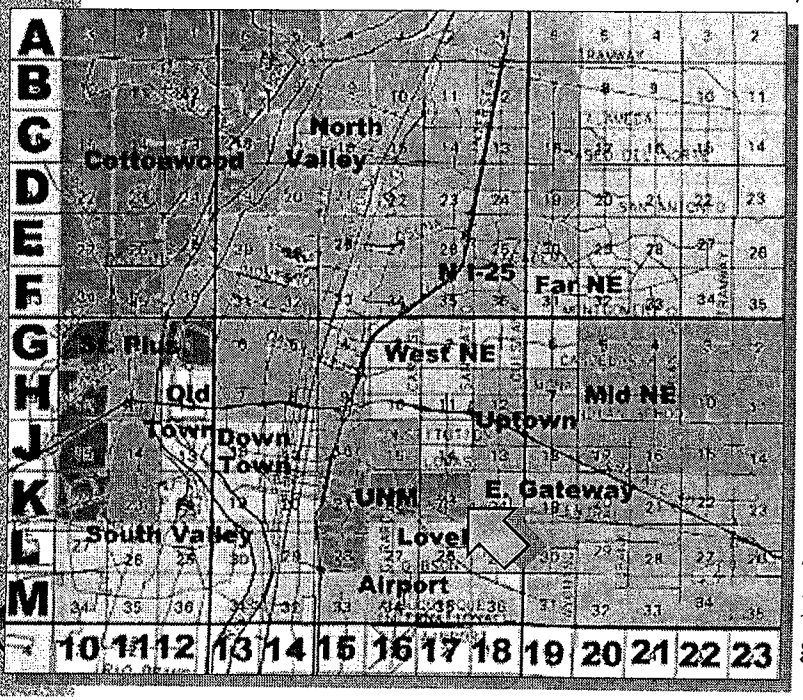
The UNM sub-market is contained in the following Zone Atlas Pages: J15, J16, K15-17, L15 and is roughly bounded by the following streets: *East of Edith, North of Gibson, west of University Coal, then west of San Mateo, South of Lomas until Carlisle, then South of Indian School.*

Community Traits/Identity

Affectionately referred to as the "Student Ghetto" this sub-market contains 8,967 units in 815 apartment communities with an average community size of 11 units. 1Typified by small studio and one bedroom units, this area appeals to students, graduate students, and those who desire to be close to culinary amenities offered in the Nob Hill retail district.

Major Employers

UNM, TVI, APS, and Presbyterian all of whom have headquarters and campuses within the boundaries of the UNM sub-market totaling 40,438 employees (*note – not all employees are employed within the sub-market boundaries*).



Occupancy

In line with the improving Albuquerque market conditions, occupancy in this sub-market increased 3.3% from 94.9% to 98.2% in one year, just in time for the University's new dorm addition containing 400 units.

Concessions

Mostly non-existent.

Typical Ownership

Local investors and regional syndicates; three primary investors control over 1,000 units.

Other Notes

Considered a student property, the Sun Village apartments are located just outside of the UNM sub-market boundaries, and as such, their declining occupancy created by limited access from the removal of the Indian School/Odeila overpass (for Big "I" construction) is not reflected in this sub-market, and has since been corrected after the completion of the "Big I".

Condition

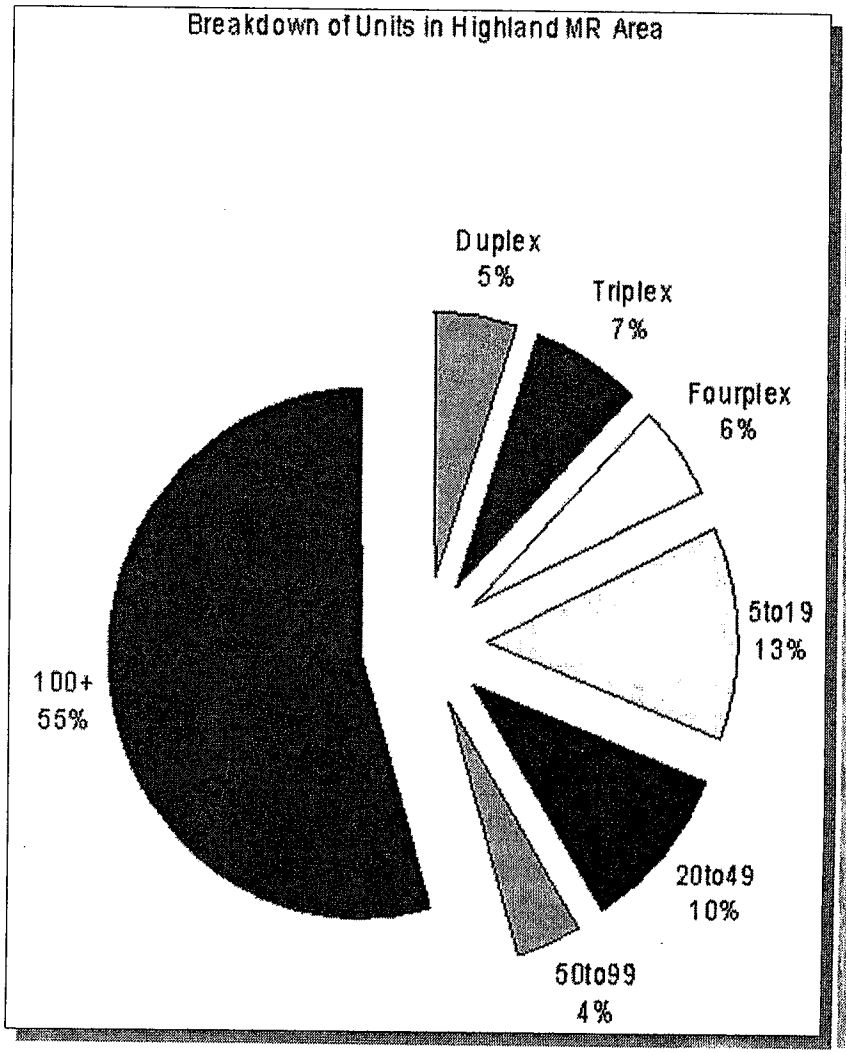
Occupancy
98.2%

Rents per Square Foot
$1.15/sf
Rent per month
$451
Recently Completed
400 dorms

Supplemental Section—Multifamily Analysis

Located in UNM sub-market, this housing area was focused down to Zone Atlas pages K16 and K17 for this market study.

According to the *NM Apartments Database*, there are 5,426 units in 465 buildings in the K16 and K17 Zone Atlas Page. This is substantially higher than the 3,346 "rental" units represented in the 2000 census. The *NM Apartment Database*, consists of individual property addresses performed by windshield survey (i.e. each and every apartment has been visited), whereas the US Census only takes into account those that participate in the census. Based on this information, 55% of the multifamily marketplace in this sub-market is provided in larger apartment communities like Zia Tres, Manzano Del Sol, and a dozen different dorm communities located on the University of NM campus. The recent demolition of the 102 unit SunSpring Apartments at Jackson and Silver, to make way for a Super Wal-Mart expansion, has eliminated potentially substandard housing and increased the occupancy a small percentage.

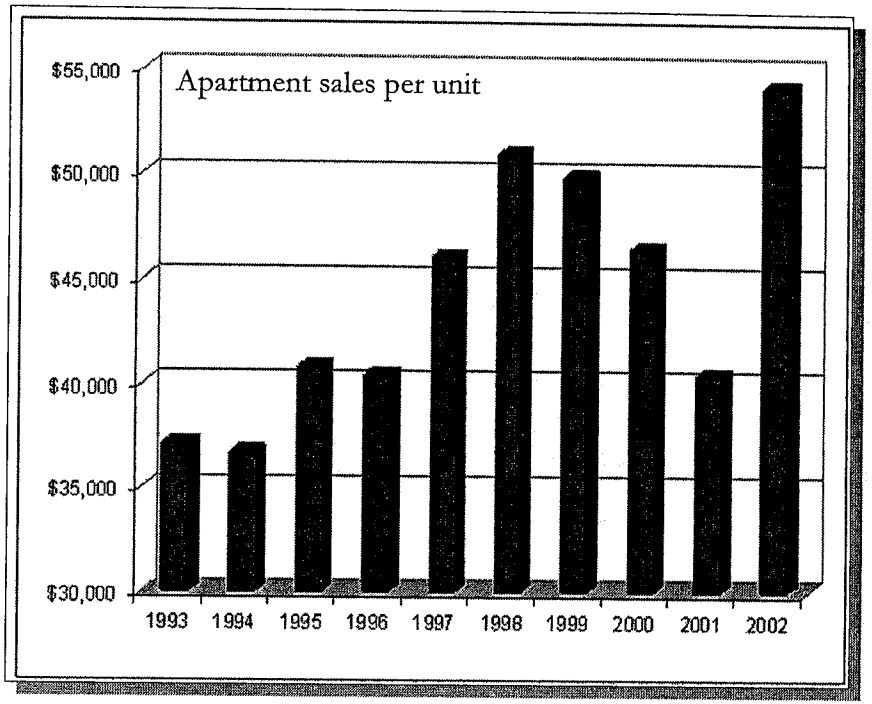


Dozens of mid-sized (20 to 99 units communities) offer mostly studio and one bedroom units and cater to the university student.

Known by apartment brokers as the UNM to Fatima neighborhood, the abundance of duplexes, triplexes, and fourplexes makes this an ideal market for the first time investor who is focused on long term appreciation over short term cash flow.

Supplemental Section—Multifamily Analysis

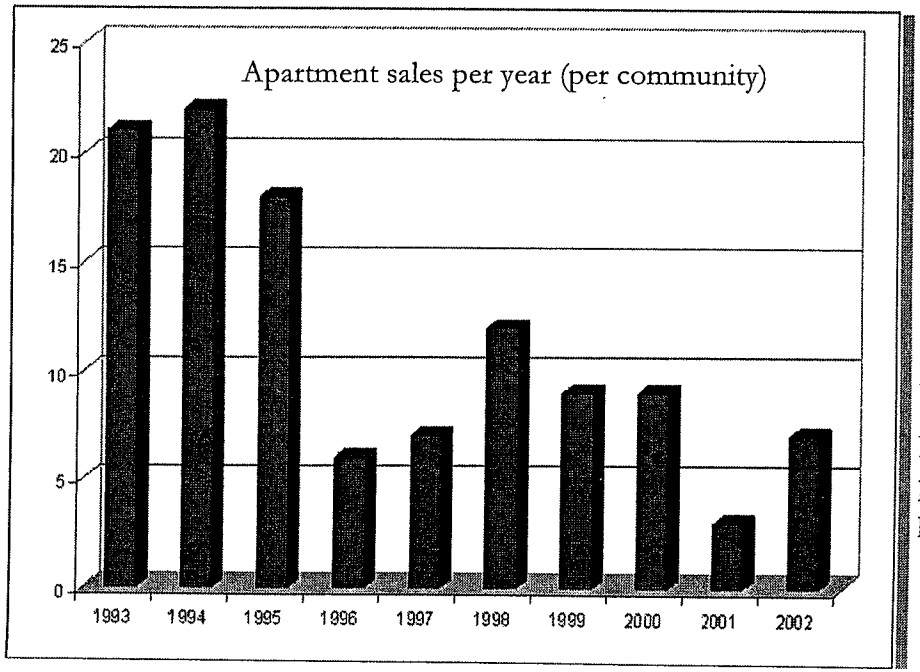
Apartment sales volume has been steadily decreasing since the apartment boom years of 1993-1995 which witnessed 17 to 22 transactions per year. The 2002 uptick to seven sales may relate more to decreasing interest rates than a strong long term trend towards increasing sales.



As one of the most sought after submarkets to own an investment property, buyers are plentiful, and sellers are few and far between.

The price per unit of sales has increased steadily from the mid $30,000 range to the mid $50,000 range, reflecting more sales in the duplex/triplex arena than sales of larger communities.

If this trend where to continue and prices rose to the mid $60,000 range, most developers could afford to build and provide market rate "owner occupant" style duplexes, triplexes, and fourplexes.



Based on the "like kind gravitates together" theory which indicates that most people will move into areas that support their own socio-economic profile, units in this area need to offer studios and one bedrooms, car ports, garages, and laundry facilities.

Besides the University's long term housing plan, there are no known new multifamily units planned for this area.

Supplemental Section-Development

Housing Sales

This simple model uses typical single family development and construction costs to determine that the area's land prices which does not support the typical single family densities of six (6) units to the acre. Multi-family for sale product (live work/condo's/lofts) with an averages sales price of $165,000 (allowing households with an average income of $36,000 or more to qualify), could potentially make a 18% profit.

Housing Rentals

Unfortunately, today's construction costs for multifamily would require an average rent of $1.05 per square foot per month to justify new construction with an apartment community of 40 units per acre.

Although the area rents average more than $1.00/sf, the existing average unit size is much smaller than what new multifamily housing often offers.

To success, new multifamily rental units would be need to be small (350sf to 450 sf) to support a rental range of $368 to $473 per month.

Development Expense	Single Family		Multi-Family Sale		Multi-Family Rent
Lot Size	43,560	sf	43,560	sf	43,560
Land Price @ $5/sf	$ 217,800		$ 217,800		$ 217,800
# of units	6	units	24	units	40
Stories	1	stories	2-3	stories	3
Est. Infrastructure development cost per unit	$ 15,000		$ 7,500		$ 6,500
Total infrastucture cost	$ 90,000		$ 180,000		$ 260,000
Unit Mix	6 x 2,000		24 x 1,500		40 x 900
Estimated Building Size	12,000	sf	36,000	sf	36,000
Hard/Soft Cost estimate per sf	$ 85.00		$ 75.00		$ 70.00
Potential Bldg. Improvement Expense	$ 1,020,000		$ 2,700,000		$ 2,520,000
Potential Rental Income					
Annual Gross Income based on $1.05 per sf	($0.30 higher than citywide average rent)				$ 453,600
Less 5% Vacancy					$ (22,680)
+ additional income					$ 13,608
Potential Rental Income					$ 444,528
Less Expenses @ 35%					$ (155,585)
Less reserves @ $225 per unit					$ (9,000)
Net Operating Income					$ **279,943**
Market CAP rate for new construction based on Q1 2003 buyer/seller gap and interest rates					8.00%
Possible Value for property					$ **3,499,290**
Potential Sales Income	Single Family		Multi-Family Sale		Multi-Family Rent
Sales price per sf	$ 105.00		$ 110.00		
Sales price per unit	$ 210,000		$ 165,000		$ 87,482
Total Sales Price	$ 1,260,000		$ 3,960,000		$ 3,499,290
less Closing costs/commisions @ 8%	$ (100,800)		$ (316,800)		$ (279,943)
Net Sales Price	$ 1,159,200		$ 3,643,200		$ 3,219,347
Review of Expenses					
Land	$ 217,800		$ 217,800		$ 217,800
Land improvements	$ 90,000		$ 180,000		$ 260,000
Building Improvements	$ 1,020,000		$ 2,700,000		$ 2,520,000
Total	$ 1,327,800		$ 3,097,800		$ 2,997,800
Potential Developer Profit	$ (168,600)		$ 545,400		$ 221,547
as a percentage of total development	-13%		18%		7%

Supplemental Section-Recommendations

Demand

As most demographic forecasts for the area indicate, there is limited growth forecasted for this submarket. A comprehensive housing analysis, similar to the one performed in downtown Albuquerque in 2001 (available online at www.nmhousingresouces.com) needs to be performed to show how a "niche" market can be created to meet the housing demands for the area.

Single Family Housing

Historically, single family construction in the area has been dominated by townhouse style developments along the north side of Central on several "president streets". The single story homes offered new housing prices as entry level price points that competed with the older housing stock of the area.

New housing needs to be incentived to develop closer to Route 66, particularly along the south side of Central closing the "no mans" land of parking lots, while tightening the linkages between Highland High School are the rest of the area. Lofts, condo's, live/work spaces would all do well in this area.

Multifamily Housing

As part of an expansion of a large retailer, the area lost of over 100 multifamily units, which left many families scrambling to find comparable housing. The redevelopment of "condo quality", new construction, high density development should be encouraged along Route 66, offering direct access to Public Transportation, and the mixed use feel of the area. Given the area demographics, smaller units focused on the one or two occupant residents, with high quality build outs should be the largest niche to be developed.

Lack of inventory of available land

- Lack inventory of land
- Zoning changes to adopt new urbanism—relaxation of parking
- Centralized parking for the area
- Work with owners of existing properties to convert street edges of existing parking lots to row housing

Affordable Housing

The plethora of small rental units in the area, coupled with starter housing (houses that are available for less than the median house price in the City), provides this area with a large amount of housing stock that is eligible for affordable housing.

The selective use of the MOOP's program (multi family owner occupant), renovation programs, and the development of small scale tax credit projects would all add to the density, lifestyle, and viability of the area.

THE HISTORIC SIGNIFICANCE AND POSSIBLE USES FOR THE DE ANZA MOTOR LODGE

Public Input Process

Community meeting
January 29, 2003

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Community Feedback

As part of the study process for the De Anza, the City of Albuquerque and the Nob Hill Highland Renaissance corporation requested that Housing Resources un (Ltd.) hold a community meeting to receive public feedback on the study, the process and its results.

The meeting was held on January 29, 2003 from 7:00pm to 8:30pm at the Highland Senior Center located at 131 Monroe NE.

A mailer advertising the meeting was mailed to over 500 business and residents located in the MR Plan area. The meeting was also announced in the Albuquerque Journal Business Section on Monday, January 27, 2003.

The sign in-sheet (copy inserted) indicated 27 attendee's, but a cursory head counted indicated closer to 40 attendee's.

The meeting agenda is listed on page 90, afterwards a 30 minute Q&A session was held, with questions and responses as listed on page 52



Study suggests a boutique hotel

The best use of the De Anza Motor Lodge and restaurant at 4301 Central NE would be as a boutique hotel or bed and breakfast with perhaps a gallery or gift shop attached, said Todd Clarke, who was hired to assess the possibilities of the property.

Clarke said the property's dimensions and zoning rules out large retail or industrial uses. The only other feasible use was small-scale apartments.

"For a motel, it has fairly large rooms of 350 to 400 square feet," he said. "That's small by apartment standards, but big for motel rooms."

Our neighboring businesses and merchants wanted a project that would revitalize the area, which historically student housing or an upscale, Clarke said. That leaves a boutique hotel with supporting services like gallery or gift shop and small restaurant as the most suitable use.

The De Anza was built in 1939 by Basil Imler and Indian art collector Charles G. Wallace. Its history and its preserved Zuni art work make it a natural for cultural tourists traveling Route 66, Clarke said.

The city can sell or plans are to purchase the motel and is

DE ANZA MOTOR LODGE

NEW USES: The De Anza Motor Lodge on Central could become a boutique hotel or bed and breakfast with perhaps a gift shop, according to a preliminary assessment.

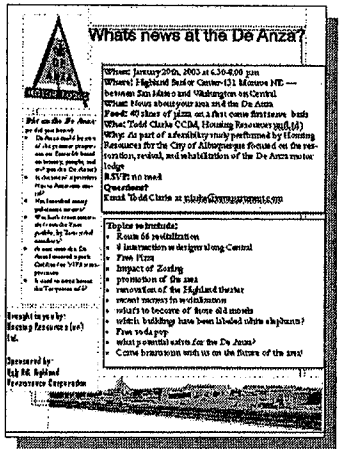
Retail / Real Estate

Center, 131 Monroe NE. Clarke hopes to complete his proposal by March 1.

DIANE VELASCO
Of the Journal

enabling Clarke's contract finally to determine the best use of the property.

The proposal for the mixed use project will be open for public comment Wednesday at the Highland Senior



What's news at the De Anza?

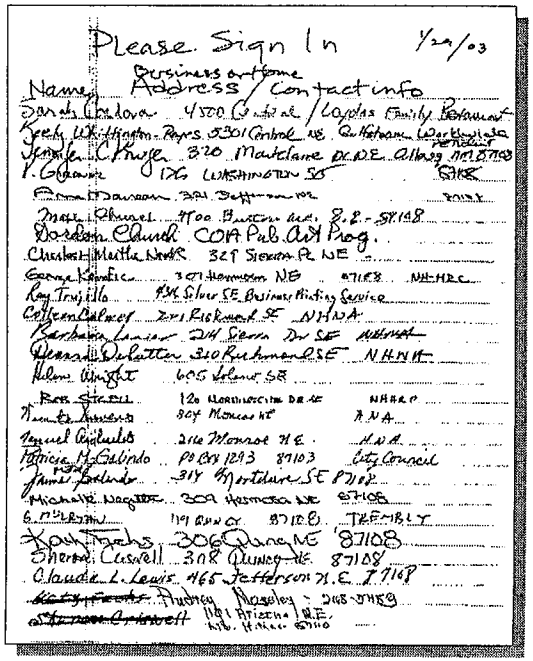
DE ANZA MOTOR LODGE

When: January 29th, 2003 at 6:30-8:00 pm
Where: Highland Senior Center-131 Monroe NE —
between San Mateo and Washington on Central
What: News about your area and the De Anza
Food: 40 slices of pizza on a first come first serve basis
Who: Todd Clarke CCIM, Housing Resources unlt.(ltd)
Why: As part of a feasibility study performed by Housing Resources for the City of Albuquerque focused on the restoration, revival, and rehabilitation of the De Anza motor lodge
RSVP: no need
Questions?
Email Todd Clarke at

Topics to include:
- Route 66 revitalization
- 9 intersection re-design along Central
- Free Pizza
- Impact of Zoning
- promotion of the area
- renovation of the Highland theater
- recent increase in revitalization
- what's to become of those old motels
- which buildings have been labeled white elephants?
- Free soda pop
- what potential exists for the De Anza?
- Come brainstorm with us on the future of the area!

Brought to you by:
Housing Resources (ltd)

Sponsored by:
Nob Hill Highland Renaissance Corporation



Please Sign In 1/29/03

Name	Business or Home Address / Contact info
Sarah Gardner	4500 Central / Loyola Family Restaurant
Keely Washington	Reps 5301 Central NE Quikfoam Warehouse
Angela Kruse	320 Manzano DR NE Albuq NM 87123
[illegible]	126 Washington SE 87108
Erma Dawson	321 Jefferson NE 87108
Mary Chavez	4700 Buena Ave. S.E. - 87108
Gordon Church	COA Pub Art Prog.
Charles Martha Neal	327 Sierra PL NE
George Kemble	321 Harrison NE 87108 NHHRC
Ray Trujillo	834 Silver SE Business Printing Service
Colleen Culver	2011 Richmond SE NHNA
Barbara Lucier	214 Sierra Dr SE NHNA
Deborah Dekatter	310 Richmond SE NHNA
Allen Wright	605 Edmond SE
Rob Stovall	120 Northridge Dr NE NHHRC
Nanita Sanchez	309 Monroe NE NNA
Manuel Caballero	2116 Monroe NE NNA
Patricia M. Salvido	PO Box 1293 87103 City Council
James Jaramillo	314 Montclaire SE 87102
Michael Nagler	309 Hermosa NE 87108
G. Mullen	119 Dunlap 87108 TREMBLY
Joan Fachs	306 Quincy NE 87108
Sherrie Cassell	308 Quincy NE 87108
Claudia L. Lewis	465 Jefferson N.E. 87108
[illegible]	Audrey Moseley 268-3489
[illegible]	1121 Arizona NE Alb. NM 87110

Community Feedback

Time	Presenter	Item
5 mins.	Kim Calander City of Albuquerque	Introduction of the Highland MR plan
7 mins.	NHHRC board?	What's done, what's coming, and what needs to be addressed (include old motel renovation, Hiland theater, area promotion, website)
5 mins.	Marianne Dickinson	Infrastructure changes to Highland/Nob-Hill area (lights, intersections)
3 mins.	Elizabeth Chestnut City of Albuquerque	History of De Anza
5 mins.	Elizabeth Chestnut	The importance of the De Anza
4 mins.	Todd Clarke CCIM Housing Resources	Why is the City purchasing? (crime reduction, art, history, culture)
3 mins.	Todd Clarke	Site Analysis
5 mins.	Todd Clarke	Highest and best use analysis
5 mins.	Todd Clarke	Area Analysis—focus group reports—problems, positives, solutions and resources
3 mins.	Councilor Yntema	Supporting area needs—Patricia Galindo filled in for the Councilor
3 mins.	Todd Clarke	Conclusion—this will become the Highland areas main cultural anchor—builds on success of antique row and Hiland Theater and stretches Nob Hills successes east-ward
2 mins.	Todd Clarke	Thanks to the volunteers
5 mins.	Kim Calander	Where do we go from here?
2 mins.	Marianne	Volunteers anyone?

MEETING AGENDA

Community Feedback

Nob Hill • HIGHLAND
RENAISSANCE CORPORATION

February 28, 2003

Todd Clarke, CCIM
NM Housing Resources unLtd.
1006 Tijeras NW
Albuquerque, NM 87102

Dear Todd:

We have reviewed your analysis for the City of Albuquerque on "The Historic Significance and Possible Uses for the DeAnza Motor Lodge." The study pulls together a wealth of information about the DeAnza and the many characters who contributed to its history and wonderful architectural details.

We should point out that the DeAnza also served as interim housing for Sandia Lab employees shortly after World War II and was long the favorite lodging and gathering place for many of the state's well-known political figures attending the State Fair--among them Fern Sawyer, Tom Bolack, Joe Skeen and Ed Mecham. There will undoubtedly be more personal stories and intriguing details unearthed as time goes on. We are initiating an oral history project that would document the stories of local residents as well as more "famous" figures.

Although hard figures are difficult to track, there is also much more that can be said about the tourism draw of the Route 66 "mystique." According to Mike Romero Taylor, the National Parks Service's Route 66 Corridor Preservation Program Manager, an estimated 75% of the tourists drawn to Route 66 are foreigners, primarily from Japan and Europe. They usually fly in to Los Angeles or Chicago and rent cars to drive the route from one end to the other, taking in all the sights in between. The DeAnza is a well-known landmark to these travelers, as the current owner can attest.

That significance for heritage tourism is a good reason why this property can bring federal dollars to the site and the district for public improvements. There is already one grant request in for Transportation Enhancements money for improvements related to using part of the site as a DeAnza/Route 66 interpretive center. (See map attached with proposed streetscape improvements for Graceland.) It would also be eligible for Scenic Byways and Route 66 Corridor Preservation funding.

The discussions leading up to this project's realization have been long and widespread, but your study process helped make the discussions focused and even more inclusive of many community interests. We appreciated your willingness to listen to and accommodate the residential, business and cultural communities in this study. While some of the potential of this project may not be completely clear to everyone, the many interests that can be served by this project make it especially worthy of the great support and vision we've seen exhibited.

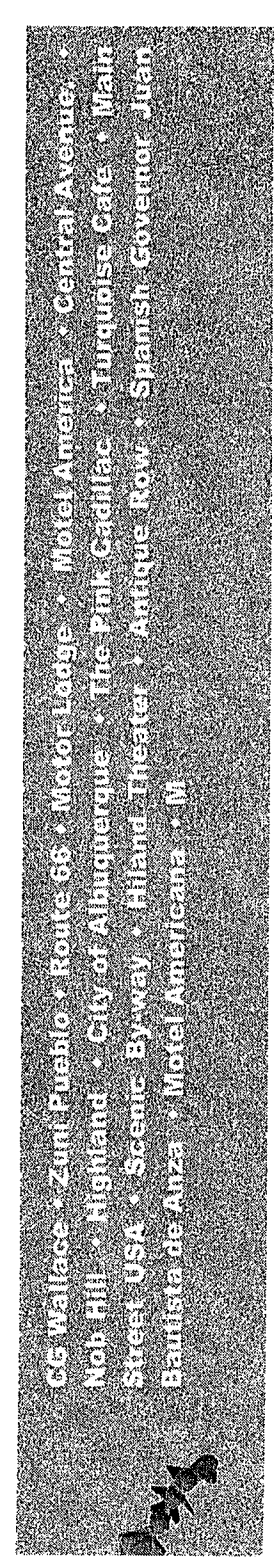
One of those multiple interests we support is the creation of meeting and reception space in the center section, where space could be created for community and private gatherings, something that is in very short supply in this area of town, and for conferences and banquets connected with the heritage motel. A number of groups have already inquired about being able to book rooms and meeting space once redevelopment and rehab is complete.

Finally, on behalf of our Board of Directors I would like to thank all the NHHRC volunteers, neighborhood associations, business owners, cultural and historic preservation professionals, Musical Theater Southwest, Hillside Community Church, City staff and others who put in so much time and effort to bringing this project to this point. We especially appreciate the comprehensiveness of the study you produced, Todd, considering the budget you had and the scope of the work.

Yours sincerely,

Robert Strell
Vice President, NHHRC Board of Directors

HIGHLAND STATION P.O. BOX 8215 • ALBUQUERQUE, NM 87198



NEW MEXICO HERITAGE PRESERVATION ALLIANCE

February 28, 3002

Todd Clark, CCIM
Housing Resources (Ltd.)
1006 Tijerns NW
Albuquerque, NM 87102

Dear Mr. Clark:

The New Mexico Heritage Preservation Alliance (NMHPA) is a statewide, non-profit membership organization whose mission is to preserve and protect the cultural heritage of New Mexico. Our partners in the State are many, including New Mexico MainStreet, the Route 66 Association, and the National Park Service. We have been working since 1995 to educate and offer assistance to communities, organizations and individuals in New Mexico who work to protect cultural sites, buildings, and landscapes.

This letter is offered in support of the study you conducted on the DeAnza Motel in Albuquerque, offering the proposal that the highest and best use is for lodging or dwellings. Based upon the location and history of the Motel, this seems like a good prospect, but we would support other uses of the Motel as well if it would mean the preservation of the structure.

The City of Albuquerque has suffered the loss of historically significant buildings over the past 50 years, notably the Alvarado and Franciscan Hotels. Other similar structures have been built to replace demolished buildings in the City but with each removal of a building that by its very existence tells the history of the community, the City loses its uniqueness, its personality of place. The special heritage features of a community such as Albuquerque are what attract tourists. It does not make for exciting travel and interest to point visitors to a site where once the DeAnza Motel stood. Visitors want to see the real thing and learn how it came to be.

We applaud the City of Albuquerque and the Nob Hill-Highlands group in their efforts to retain the DeAnza Motel as an authentic part of the Albuquerque landscape.

Best regards,

Julianne Fletcher

Julianne Fletcher
Executive Director

POST OFFICE BOX 2490 • SANTA FE, NEW MEXICO 87504-2490 • 505-989-7745



DUHIGG, CRONIN, SPRING, BERLIN & BENCOE, P.A.
Attorneys at Law

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DAVID L. DUHIGG
FRANK L. SPRING
DAVID M. BERLIN
LORI McCAMEY BENCOE
NANCY CRONIN WAGNER

JOHN J. DUHIGG, Of Counsel
PAUL S. CRONIN, Of Counsel

Via Facsimile: (800) 791-4047

March 3, 2003

COPY

Mr. Todd Clarke
New Mexico Housing Resources,
Consultant to the City of Albuquerque

RE: DeAnza Motor Court

Dear Mr. Clarke:

This letter is to urge you to save the DeAnza Motor Court as an historical site since the DeAnza Motor Court played such a substantial role in the hospitality industry on New Mexico's Route 66. My parents, Frank A. and Ethel Ruth Spring of Friona, Texas, always stayed at the DeAnza Motor Court when they attended the New Mexico State Fair in the 1940's and 1950's and always had a wonderful time there.

When my wife and I first moved to Albuquerque, we used the DeAnza Motor Court from which to search for a house. This was 1976 and the DeAnza was well-seasoned by that time, but loaded with charm. The aesthetics of the era can best be saved by saving structures like the DeAnza. Our state and city are rich in history and tradition, but these riches can be lost if we do not work to protect them.

I hope you will do everything possible to preserve this wonderful place. It is a spot on Route 66 where lots of folks got their kicks.

Yours very truly,

DUHIGG, CRONIN, SPRING, BERLIN & BENCOE, P.A.

FRANK L. SPRING

FLS*mg

Community Feedback

NOB HILL NEIGHBORHOODS ASSSOCIATION, INC.

Todd Clarke
1006 Tijeras NW
Albuquerque, NM 87102
February 27, 2003

Dear Todd,

The Nob Hill Neighborhood Association has supported the efforts for the MRA designation and has enthusiastically moved forward in the process including the investment in the D'Anza Motel. Your presentation on January 29th of your market analysis of the D'Anza was thorough and comprehensive. You made every effort to include all stakeholders which included three publicized meetings, various private gatherings and close contact via email and telephone calls. We appreciate all of your hard work.

As you know, the neighborhood's primary goal at this point in time is the preservation of the D'Anza. It has a rich history; we have so few properties that are as distinctive as the D'Anza and feel it is truly a treasure worth protecting. We are pleased that you listened to our neighborhood-driven criteria.

With this major parameter in mind, we appreciate your recommendations on the usage of the D'Anza. We accept that the buildings limit the development possibilities (as to retail usage) and the most logical choice is to maintain its current usage as a motel. With improvements, the D'Anza should become a landmark. Nob Hill does not have an upscale motel and we see this as an "anchor" for redevelopment in Upper Nob Hill. Already, just with the rumors of the potential upgrade, we have seen two new businesses move into the area (the No Name Motel at Central and Graceland has been bought, and 2 artists leased a fellow commercial building on Silver). While these are small steps, we visualize the trend continuing. Feedback from residences and businesses has been positive and optimistic.

Additionally, we are very excited with the possibility of gaining a "public space" from the development. Nob Hill has long struggled for a meeting and gathering place for its neighbors and board, often relying on the goodness of the churches in the area to donate space. We have no community center, no library, only one small park, and search constantly to find room to meet. Having a community-gathering place would greatly enhance our identity and reinforce our cohesiveness.

We appreciate all of your effort, Todd. The Nob Hill NA board accepts your recommendations. You went out of your way to include all parties with a stake in this process. It was a pleasure to work with you.

Sincerely,

Barbara Lanier, 265-9127
President, Nob Hill Neighborhood Association

cc: Counselor Hess Yntema
Patricia Galindo

P.O. BOX 4875, ALBUQUERQUE, NM 87196 NOBHILLMEMBERS@AOL.COM

DE ANZA MOTOR LODGE
Cc: Wallace • Zuni Pueblo • Route 66 • Motor Lodge • Motel America • Central Avenue • Nob Hill • Highland • City of Albuquerque • The Pink Cadillac • Turquoise Cafe • Main Street USA • Scenic Byway • Hilton Theatre • Antique Row • Spanish Governor Juan Bautista de Anza • Motel Americana • M

Community Feedback

GWI

February 27, 2003

Todd Clarke, CCIM
Housing Resources
1006 Tijeras NW
Albuquerque NM 87102

Re De Anza Revitalization

Todd:

I just wanted to take a moment and thank you for presenting such a complete analysis of the De Anza property on January 29, 2003 at the Highland Community Center.

Since I am a landowner in the area, I try to stay involved in the community surrounding my property.

The De Anza renovations will lead to many great things in the Nob Hill area. I have personally witnessed the effect on downtown through similar projects, and can't tell you the effect that it has made on our business decisions regarding future investments in the area.

We here at Gulfstream feel that the De Anza has the potential to be the center for all future developments in the Nob Hill area, and that investors will be pouring in as soon as work begins.

I feel that the plan you presented with all of its components was very insightful. I am thrilled that the City of Albuquerque is working with the community to preserve the historical nature of the property.

As I am sure you are aware, Gulfstream also develops land. It is nice to know that so much research has been done prior to the development phase of the project.

Please keep us in mind as you continue development, and if you need anything, just let us know.

Sincerely,

The Gulfstream Group
Keely Whittington-Reyes

CG Wallace • Zuni Pueblo • Route 66 • Motor Lodge • Motel America • Central Avenue • Nob Hill • Highland • City of Albuquerque • The Park Cadillac • Turquoise Cafe • Main Street USA • Scenic Byway • Hiland Theater • Antique Row • Spanish Governor Juan Bautista de Anza • Motel Americana • M

Community Feedback

Highland Business and Neighborhood Association

PO Box 81645 Albuquerque, NM 87198

March 3, 2003

Concerning the De Anza Motel:

The board of the Highland Business and Neighborhood Association believes that the De Anza Motel is of historic and cultural significance, and we are pleased about the City's plan to purchase it. It is our understanding that prospective developers are not necessarily limited to the market analysis recommendation for the most profitable use of this property, a motel or a small studio apartment complex. After much thought and conversation, we feel that more mixed-use would be most desirable. Possible additional uses include a Route 66 Museum, a community center, shops, and art studios.

We wonder whether all of the buildings on the site need to be preserved as "Historical." Would it be preferable to preserve some buildings (especially those that contain historic artifacts) and to remove some of the others? Right now, there is a narrow, rear gate off of Copper. A wider, more attractive entrance off of Copper might be safer than the present, single access on Central. Additional parking, created by removal of some of the northern most buildings, might allow for more flexible use of the site. The City assured us that the State will work with people if a variance to historical status is requested and is reasonable.

We ask the City to consider our recommendations in planning the best use of this site.

Thank you,

Walter Dods
President HBNA

DE ANZA MOTOR LODGE
cc: Wallace • Zuni Pueblo • Route 66 • Motor Lodge • Motel America • Central Avenue • Nob Hill • Highland • City of Albuquerque • The Pink Cadillac • Turquoise Cafe • Main Street USA • Scenic Byway • Hiland Theater • Antique Row • Spanish Governor Juan Bautista de Anza • Motel America • M

Community Feedback

The Nob Hill Business Association
2118 Central Avenue SE PMB 66
Albuquerque, NM 87106

February 27, 2003

Dear Todd,

As president of the Board of the Nob Hill Business Association, I want to express our support for the feasibility study recently completed for the De Anza motel. The Business Association wishes to acknowledge your efforts to gather community input for the disposition of the property; anyone who had concerns, or wished to be heard on the matter, certainly had ample opportunity at the meetings you held.

We believe the resulting document did a good job of balancing industry's developer norms with the expressed wishes of the community. While we understand that this document is a guideline, and that subsequent contractual processes will follow, we strongly support the conclusions and recommendations made, particularly the boutique motel and Route 66 interpretive center. The focus of the businesses within a few blocks of thee De Anza have steadily become antiques and design oriented. We believe the boutique motel scenario would work well with this trend.

It is of great importance that the historic aspects of the property be preserved and protected from destruction in the name of homogenization. The character of the Nob Hill Business District has played a key role in the revitalization process so evident in the western portion of Nob Hill. Both the Nob Hill Neighborhood Association and our Business Association have long worked cooperatively to ensure that the environment we value so highly is preserved.

The Business Association Board appreciates the effort that went into producing this study. We hope that the process will continue smoothly and that we'll soon be able to enjoy the benefits of the "new" De Anza.

Sincerely,

Melinda Kenefic
President of the Board
The Nob Hill Business Association

Community Feedback

Administration
344-6582
344-8571

Fax
345-8078

Police (Non-Emergency)
768-4100

Fire (Non-Emergency)
345-9148

Emergency
911

THE VILLAGE — A FRIENDLY PLACE

Village of Los Ranchos de Albuquerque
6718 Rio Grande Blvd. N. W.
Los Ranchos de Albuquerque, New Mexico 87107

MAYOR
John H. Hooker

TRUSTEES
Penny Rembe
Donald T. Lopez
Pablo R. Rael
David W. Siegel

March 4, 2003

Mr. Todd Clarke
Housing Resources
1006 Tijeras Northwest
Albuquerque, New Mexico 87102

RE: De Anza Metropolitan Redevelopment Area Feasibility Study

Dear Mr. Clarke :

I'm writing in support of the plans for redevelopment of the De Anza Motor Hotel as a functional 'boutique' motel, café, Zuni art and crafts retail store, an ADA accessible visitor center and a Historic Route 66 interpretive center. There is also the opportunity to locate a small conference center on the site for commercial and neighborhood use. And, it is also possible to provide office space for the Nob Hill Highland Renaissance Corp. and the New Mexico Route 66 Association – two not-for-profit corporations devoted to historic preservation and economic revitalization.

Much of the appeal of Central Avenue and 4th Street in Albuquerque is our heritage as part of Historic US Route 66, the "Mother Road" of the late 20s, 30s and on through WWII. The glory days of the 50s and 60s family road trips and cruising Rt. 66 in a convertible are fond memories of many Americans.

The old motels of the 30s and 40s are hallmarks of that history, superceded by their successors near Interstate exits. Though dated and aged in place, they retain much of the cleverness and enthusiasm of their time, with the success of Neon signs and modern styling. Many served as temporary housing post WW II, as Sandia Labs and new corporations moved into Albuquerque.

They add value to the Nob Hill Highland corridor and the neighborhood by their humane and historic scale and character, values that developers and property owners have not been able to replicate in recent years. By providing an opportunity to engage in heritage tourism through a new use on the commercial strip, they leaven and soften the character of the strip, encouraging neighboring businesses to soften their utilitarian tendencies and commercial appeals.

As a community on the Original Alignment of Historic Route 66 (1926-1937), the Village of Los Ranchos enthusiastically endorses the plans presented for refurbishing and renovating the De Anza Motor Hotel. It is truly a jewel on Central Avenue and deserves historic recognition and to continue operating as built by Mr. Wallace in 1939.

Sincerely,

John H. Hooker
Mayor

Cc: George Kenefic, President, Nob Hill/Highland Renaissance Corp.,
P. O. Box 8215, Highland Station, Abq. 87198

Martin Chavez, Mayor
City of Albuquerque

YOUR SUCCESS W/ THE DE ANZA WILL HELP US WITH OUR EFFORTS TO RESTORE THE 1937 EL CAMINO MOTEL.

Community Feedback

ARLEN P. QUETAWKI, SR.
Governor

CHARLOTTE T. BINDLEY

CRYSTALYN SANCHEZ
Lt. Governor

EDWARD WEMYTEWA

CHARLETON ALBERT, SR.
Head Councilman

DAN SIMPLICIO

ARDEN KUCATE

WILLIAM THEEWA, SR.

PUEBLO OF ZUNI
P.O. Box 339
1203-B State Highway 53
Zuni, New Mexico 87327-0339
505-782-4481

In reply refer to:

January 28, 2003

Attn: Marianne Dikinson
Elizabeth Chestnut
Nob Hill/Highland Renaissance Corporation
Albuquerque, New Mexico

Fax: 505-255-0082

Dear Ms. Dikinson and Ms. Chestnut,

As Tourism Director for the Pueblo of Zuni, I am writing in support of the pending purchase and renovation by the City of Albuquerque and the Nob Hill/Highland Renaissance Corporation of the historic De Anza Motel property. This site has strong connections to Zuni Pueblo as a result of its long association with Mr. C. G. Wallace, a former trader in Zuni. Many Zuni community members hold a wealth of memories about Mr. Wallace and the De Anza Motel. Furthermore, the Motel features a unique mural by noted Zuni artist Anthony Edaakie depicting ceremonial Sha'lak'o figures.

Restoration of the De Anza Motel will prove to be an important asset for the state, city as well as the Pueblo of Zuni. Travelers along Route 66 will discover the connection to Zuni Pueblo. In particular, a restored Motel will provide opportunities to invite visitors to come to Zuni and for the sale of Zuni arts at the proposed store.

I applaud your continued support of this important revitalization initiative.

Sincerely,

Tom R. Kennedy
Tourism Director

Community Feedback

PLOTSKY & DOUGHERTY

a professional corporation

122 GIRARD BOULEVARD SE
ALBUQUERQUE, NEW MEXICO 87106

David L. Plotsky • Attorney & Counselor at Law

(505) 268-0095 PHONE
(505) 266-9585 FAX

March 6, 2003

VIA FACSIMILE ONLY
(800) 791-4047
Mr. Todd Clarke
Director, New Mexico Housing Resources

Re: C.G. Wallace
DeAnza Motel

Dear Mr. Clarke:

Elizabeth Chestnut asked me to jot down a few notes about C.G. Wallace and the De Anza motel.

I first met Mr. Wallace in 1983, when he still owned the De Anza. I continued to know Mr. Wallace, and served as one of his attorneys, up until his death.

Mr. Wallace was a rare piece of living history, and the De Anza reflected his pioneering life. It is irreplaceable as a storehouse of living history and as a building of historical significance.

If I can be of any further assistance, please do not hesitate to contact me.

Sincerely,

David L. Plotsky

DLP:mks
w/encls: as noted

C.G. Wallace • Zuni Pueblo • Route 66 • Motor Lodge • Motel America • Central Avenue • Nob Hill • Highland • City of Albuquerque • The Pink Cadillac • Turquoise Cafe • Main Street USA • Scenic Byway • Inland Theater • Antique Row • Spanish Governor Juan Bautista de Anza • Motel Americana • M

Community Feedback

Pueblo of Zuni Arts & Crafts
PO Box 425
Zuni, NM 87327
Ph: (505) 782-5531
Fax: (505) 782-2136
Email sales@puebloofzuniarts
www.puebloofzuniarts.com

January 29, 2003

Attn: Marianne Dikinson
Elizabeth Chestnut
Nob Hill/Highland Renaissance Corporation
Albuquerque, New Mexico

Fax: 505-255-0082

Dear Ms. Dikinson and Ms. Chestnut,

As General Manager for the Pueblo of Zuni Arts & Crafts, I am writing in support of the pending purchase of the historic De Anza Motel property. The Pueblo of Zuni Arts & Crafts are very interesting in opening an outlet in the restored De Anza Motel. If you have any questions or concerns feel free to contact me at 782-5531.

Sincerely,

Garrett Banteah
General Manager

66 Wallace • Zuni Pueblo • Route 66 • Motor Lodge • Motel America • Central Avenue • Nob Hill • Highland • City of Albuquerque • The Pink Cadillac • Turquoise Cafe • Main Street, USA • Scenic Byway • Hilland Theater • Antique Row • Spanish Governor Juan Bautista de Anza • Motel Americana • 'n

Community Feedback

February 26, 2003

To Whom It May Concern:
It has come to my attention that Mr. Gary Mulryan, of Wave Realty Inc., has written "An Analysis (of) the Proposal for Redevelopment of the DeAnza Motor Lodge, February 13, 2003. In his report his has included several quotations from "Nob Hill/Highland Motels, An Inventory and Strategies for Adaptive Re-Use" in order to strengthen his argument against the City purchasing the DeAnza motel. As the author of this study, I would like to take the time to clarify the quotations and re-emphasize my intention for writing the document and performing the study contained therein.

To begin with, "Nob Hill/Highland Motels, An Inventory and Strategies for Adaptive Re-Use" is an inventory of all of the existing motel buildings in the Nob Hill/Highland area. I would like to emphasize "motel buildings," as several of these structures no longer operate as motels (with nightly guests), and some no longer display any typical motel characteristics. Every motel in the district, whether functioning as a motel or not, including motels which are no longer standing, are part of the inventory which catalogues each motel building's physical characteristics and features. The DeAnza is one of 15 motels in the Nob Hill/Highland area.

In addition to the inventory, the study investigates a process for adaptive re-use, stressing the cultural and historical significance of the motel buildings to the development of the city of Albuquerque. The adaptive re-use strategy examines the motel buildings as structures, and analyzes each one on the bases of size, layout, orientation on site, location within the Nob Hill/Highland area, as well as many other characteristics which may influence its appeal to developers and/or customers from an architectural and planning perspective. The DeAnza is one of the motels chosen to illustrate this process and is outlined in the study.

Mr. Mulryan has quoted page 15 of my study:
"Unable to continue to rely on highway traffic for overnight patronage, Nob Hill /Highland motels have had to adjust to the changing economy and demographics of the area. Many motels, such as the Aztec and the Nob Hill, survive by taking long-term tenants, while those such as the DeAnza are virtual ghost towns. Others have disappeared into the urban fabric as apartments or offices, no longer resembling a motel. Still others have resorted to illicit means in order to survive - offering rooms for prostitution and drug related activities. This reputation has extended to encompass all motels along Central, creating additional difficulties for those motels striving to function in a legitimate fashion."

He states in his analysis that "Consideration of these factors combined with a common sense analysis of the area shows that there is an overabundance of short-term rentals in the area." I wish to clarify the information in my study from which he has chosen to draw this conclusion. First, the two motels he has cited; the Aztec and the Nob Hill, were at the writing of the report, functioning as apartments with tenants remaining for over a year and having no vacancies. Other motels have also become apartments which are consistently occupied, some even serving special needs clients. Several motels are functioning as Single Room Occupancy units - providing places to live on a weekly basis, and a few, like the DeAnza, rely on tourists and out of town guests. Therefore, the motel buildings are currently serving various and very different housing needs which are being over-generalized by Mr. Mulryan as "short-term rentals."

In order to question the idea of the DeAnza as a "Boutique Motel," Mr. Mulryan quotes from the Nob Hill/Highland Motels study again, this time without citation. This reference occurs much later in the study, in a section which inventories each individual motel.
"(The DeAnza's) capacity is difficult to sustain in Albuquerque's current motel market. According to its present owner, who has previously owned four motels in the vicinity, the last three years have brought a continuous decline in tourist traffic."(Page 119)
What Mr. Mulryan fails to include is the information from the next paragraph on page 120, "The De Anza Motor Lodge receives visitors interested in Route 66 lore. The owner states that he has guests who come from as far away from Europe and Japan who are intrigued by the motel's rich history. Many request to see the mural in the basement and the interior of the restaurant."

Community Feedback

In addition, I would like to respond to another aspect pertaining to the "overabundance of short-term rentals in the area." With 15 motels in the Nob Hill/Highland area with capacities ranging from seven to a hundred and twenty rooms and few, as of the 2000 study, having been recently renovated or upgraded, there is an obvious saturation of old, run down motel rooms. However, what is not noted is that there are no recently renovated and upgraded or new motels within miles.

Furthermore, I would like to speak to the questions Mr. Mulryan raises as to the significance of the DeAnza historically. He questions, "The DeAnza is said to be in the Spanish Colonial Revival Style. There are at least five other motels in the Nob Hill/Highland area that are built in the same style. What makes the DeAnza unique in this regard?" To begin with I would like to address the obvious question, the DeAnza is unique, among many other characteristics, due to its murals which are the only known examples outside a pueblo and the turquoise inlayed floors in the restaurant building. I would also like to address a less obvious issue which he has brought up through this question and which is emphasized throughout the my study: all of the motel buildings and signs along Route 66 in some way contribute to the character of the area. By preserving one motel building of each style, one is failing to realize the impact the structures have on the character of the area. Would Old Town have the same character if only the plaza remained? In a city which has already lost many of its cultural and historical built environment, few places remain which offer a unique sense of heritage. The motel buildings, through adaptive re-use present an opportunity to not only maintain the cultural and historical characteristics unique to the Nob Hill/Highland area, but also restore vitality to a building typology which has reach obsolescence.

Finally, I would like to speak to the significance of the DeAnza motel and site to the revitalization of the area. The property is one of the "nicest," to quote Mr. Mulryan, in the area. However, this must be credited to the attention of the owner and not as a factor to be considered in deciding whether or not this property is a suitable selection for assisting in the revitalization of the area. More important to consider is the fact that the DeAnza motel has approximately 80 rooms, a restaurant and a curio shop, and it is the second largest motel (the American Inn is the largest with 120 rooms) in the district. It encompasses an entire city block. As a result, the DeAnza faces a far more difficult future and has greater impact on the area than many of the smaller motels in the vicinity. In a new capacity, the DeAnza has great potential to influence the area due to its scale and capacity. The Zia motel however, which Mr. Mulryan mentions as a better candidate for the City to purchase for revitalizing the area, has only 29 rooms which are already configured for apartment use with kitchens and bedrooms and occupies a small corner portion of an otherwise developed block.

To conclude, I would like to stress that the "Nob Hill/Highland Motels; An Inventory and Strategies for Adaptive Re-Use" focuses on preserving motel buildings which contribute to the cultural and historical character of Albuquerque and Route 66 while providing an alternative avenue for economic viability. The motels and automobile tourists played a key role in the development of Albuquerque and the neighborhoods surrounding what is now Central Avenue. As my interest lies in the preservation of cultural buildings, specifically the motel buildings in the Nob Hill/Highland area, I feel that to pass on an opportunity to both enhance the community and preserve a wonderful structure as a result of a misinterpretation of my document would be foolish. The City should purchase the DeAnza motel in order to assure its place in our cultural heritage.

I appreciate the opportunity to share the research which I have developed on the Nob Hill/Highland motels and am happy to discuss any of the information included in my study.

Sincerely,
Michelle Negrette
Bachelor of Architecture; University of Southern California
Masters of Community and Regional Planning; University of New Mexico
Masters of Landscape Architecture, University of New Mexico
Nob Hill Resident

Community Feedback

STATE OF NEW MEXICO
OFFICE OF CULTURAL AFFAIRS
HISTORIC PRESERVATION DIVISION

228 EAST PALACE AVENUE
SANTA FE, NEW MEXICO 87501
(505) 827-6320

BILL RICHARDSON
Governor

February 28, 2003

Todd Clarke CCIM
New Mexico Apartments Inc.
1006 Tijeras NW
Albuquerque NM 87102

RE: Historical Significance of the De Anza Motor Lodge, Albuquerque, Bernalillo County

Dear Mr. Clarke:

Our office was contacted over the historical significance of the De Anza Motor Lodge. Constructed in 1939, the motel and its additions are one of the best remaining examples of a pre-world War II tourist court along Route 66 in New Mexico. The lodge was financed in part by C.G. Wallace, a prominent trader at Zuni Pueblo. Representing one of several ventures that Wallace undertook along Route 66, the lodge expanded his reputation as an Indian trader by not only offering jewelry and crafts, but also lodging and repair services, key ingredients to a successful business along Route 66.

The collection of buildings making up the current De Anza Motor Lodge reflect Wallace's sense of the changing norms for tourist facilities as additional units were added to respond to the golden era of tourism along Route 66 in the 1950s and 1960s. The motel is equally important for its collection of murals painted in the former banquet room by Zuni artist Anthony Edaakie Sr. The brightly painted polychromatic figures depict the winter *Shalako* ceremonial procession, and are thought to be exemplary of Edaakie's mural works.

For these reasons, both the Historic Preservation Division and the City of Albuquerque's Historic Preservation Planner, Ed Boles, are of the opinion that the De Anza Motor Lodge is eligible to the National Register of Historic Places, the nation's official list of properties worthy of preservation.

Please call me at 505-827-4044 if you have any questions about this letter or the National Register. Thank you for your interest in preserving New Mexico's rich cultural heritage.

Sincerely,

Katherine Slick

Katherine Slick
State Historic Preservation Officer

Cc: Ed Boles

Limiting Conditions

ASSUMPTIONS AND LIMITING CONDITIONS

Purpose and intended users
This study is intended to paint a macro overview of current and possible future demand for various product types and use for the De Anza Motor Lodge. Although property specific information is provided, no attempt is made to provide property specific valuations.

While no study can guarantee success of any individual project, development or community, widely recognized data methodologies and collection techniques have been applied to the data available to arrive at the conclusions in the report.

As part of the De Anza Motor Lodge study the following assumptions were made, and I certify that, to the best of my knowledge and belief:

- Statement of fact contained in this report are true and correct.
- Data collected from third parties is assumed to be accurate and reliable, reasonable effort has been made to very said information however, no responsibility for its accuracy is assumed by the consultant.
- Where applicable, it is assumed owners and investors will hire professional property management.
- Where performed, direct surveys, focus groups, and interviews were recorded into summary notations for inclusion the study.
- My analysis, opinions and conclusions were developed using standardized and recognized real estate techniques from the CCIM Institute education program.
- Demographic information was provided by The Site To Do Business, and its data provider, SRC.
- Demographic information from these vendors is based on the 1990 and 2000 census.
- I have personally inspected the properties and trade area that is the subject of this report
- My engagement in this assignment was not predicated on a predetermined result.
- The payment for this assignment was not predicated on a specific result.
- The consultant will not be required to give testimony or to appear in court to any pretrail conference or appearance required by subpoena, with reference to the study in question, unless timely arrangements have been previously made therefore, at prevailing per diem rates.

Timing
This study is as of the date specified in the report, and no other. It is based on our evaluation of conditions that to the best of our knowledge existed at that time. The writers cannot be responsible for subsequent occurrences or conditions that could affect market valuations, conditions or statistics.

Conditions
Our opinions and forecast of trends in the market, income from all sources, expenses, and net income figures are speculative in nature and cannot be guaranteed. If any errors are found the right to revise our calculations, conclusions, or any information contained in the study is reserved. The forecasts, projections, or operating estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors, and a stable economy. These forecasts are therefore subject to changes in future conditions.

Where values of land or improvements are shown separately, the value of each is segregated only as an aid to better estimate the value of the whole; and the value shown for either may, or may not, be its correct value. In addition, the study must be considered as a whole and considering statements and conclusions out of context could lead to erroneous conclusions by the reader. Therefore, no part of this study is to be used out of context or by itself alone, or as the evidence upon which a final value judgment is based.

Limiting Conditions

This study does not purport to be an all inclusive list of all the considerations undertaken in order to arrive at our opinion of market conditions. The study is a summary of our findings and does not include all of the data considered by the consultant since it would be impractical to present it in its entirety.

In the event that this study is used as a basis for a selling or purchase price, or as security for a loan, or for insurance, taxes, financial statements or any other purpose. The reader is reminded that our conclusions are estimates and speculative in nature and cannot be guaranteed. No responsibility is assumed by the consultant for the sellers or lenders inability to obtain a purchaser, or dispose of the property at the value estimated nor within the time frame estimated herein. Neither are our conclusions meant to be a recommendation to use the subject as collateral for a loan or to buy, sell or lease the subject property at any given price.

Comparables
Information regarding sales and rentals of comparable properties was obtained from title companies and other sources believed to be reliable, and the information is believed by the consultant to be accurate. The reliability of such sources, and the accuracy and completeness of the information cannot, however, be guaranteed. Neither can we guarantee that all pertinent information was revealed to the consultant.

Information Provided
Plats and other drawings were provided to the consultant by others; and while they are believed to be accurate, their correctness cannot be guaranteed. The study is subject to the effects on value caused by matters which a current and correct survey would show. Again, the writers are not engineers and, therefore, a current and complete survey is required in reviewing our conclusions. All plot plans and other illustrative materials are included only to assist the reader in visualizing the property, and should not be used for any other purpose.

Not Engineers
The consultants are not engineers and make no representations as to the structural soundness of the buildings, condition of the heating and air conditioning units or other equipment, or any needed repairs.
The writers assume that there are no unsafe materials in the property, and that no environmental hazards of any kind are present unless specifically referred to. The reader is cautioned that the consultant is not qualified to recognize the existence or extent of use of such unsafe materials including asbestos, radon gas, formaldehyde gas, traces of dumping, lead or lead paint, or any environmental hazards.

Hazardous Materials
The consultant is not qualified to judge the effects or hazards created by any prior occupant of the property who may have been suffering from a communicable disease, and the writers offer no opinions or comments on this subject. It is the responsibility of the reader to ascertain whether or not there was a prior occupant with a communicable disease, or prior use of any kind, that could create a hazard, and the degree of hazard this may present to future occupants.

The consultant is not qualified to make representation as to soil conditions, including but not limited to its ability to support foundations, to drain properly, slippage (soil, rock, etc.) depressions, sinkholes, or for any other defect. Neither are we qualified to detect flood or environmental hazards such as chemical waste, refuse or any other contamination or soil, or building condition that might affect the use or value of the property, nor are we qualified to detect or recognize wetlands, or flood hazards unless specific information regarding such is availed to us. Our study is based upon the assumption that none of these adverse conditions exist, unless it is specifically stated otherwise in the body of the report.

Laws
It is assumed that there is full compliance with all applicable federal, state and local environmental, zoning, safety, and all other applicable

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Limiting Conditions

regulations and laws unless noncompliance is stated, defined, and considered herein.

It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained herein is based.

Information provided
Information concerning taxes and other financial data was supplied by sources believed to be reliable. Reliability of the sources and the accuracy of the information cannot be guaranteed by the consultant.

Reasonable assumptions
Inherent in our approaches to the study is the assumption that the property will enjoy prudent management, and responsible ownership, with appropriate financial strength and professional skills, and that information provided to the consultant by the owners concerning financial statements or projections are accurate. The consultant assumes that existing tax legislation of all kinds will remain the same as it is on the date of the appraisal unless changes are specifically discussed in the body of the report. It is assumed that financing for the subject property is and will be normal and customary, unless otherwise stated in the report.

Data Collection
Every reasonable effort has been made to ensure that the data contained herein reflects accurate information. It is believed to be reliable. The consultants, however, assume no responsibility for inaccuracies in reporting by others or from any other sources. In no event will the consultant be liable for direct, or indirect, special, incidental, or consequential damages arising out of the use of, or inability to use, this report.

Errors/Corrections
If any reader or user of this report is aware of the omission of or an error in any fact or condition that renders any of the preceding assumptions inaccurate, erroneous, or invalid, the report must be immediately returned to the consultant with such fact or condition set forth in writing, so that the study may be corrected accordingly.

Document Use
While this document is the property of the City of Albuquerque, a public entity, this document should only be taken in the context of the De Anza Motor Lodge. Possession of this study or a copy thereof, does not carry with it the right of publication. The consutlant by reason of this study, is not required to give further consultation or testimony or be in attendance in court, with reference to the subject property unless prior arrangements have been made and disclosed.

About Housing Resources/Qualifications

Housing Resources un(Ltd.) is owned by Todd Clarke CCIM. Mr. Clarke is a 4th generation Realtor and New Mexico native.

Mr. Clarke is past founder of the Commercial Association of Realtors in NM, and former CCIM president, Mr. Clarke is currently a real estate instructor for the Certified Commercial Investment Member (CCIM) Institute.

Mr. Clarke is a principal in NM Apartments Inc., a brokerage firm specializing in the sale of apartments.

Mr. Clarke has received numerous industry recognition awards including Realtor of the year.

Recent Assignments

- ☑ Property Tax Protests—8,512 units, $284,133,392 in volume—98% Success rate, 24% avg. savings.
- ☑ Villa De San Felipe—Downtown - 161 apartment units (LIHTC)
- ☑ City of Albuquerque Multifamily Refinance/Bonds
- ☑ AMREP Townhouse study
- ☑ Kelly's Brew Pub / Jones Motor Company Bldg– Nob-Hill area
- ☑ Near Heights Metropolitan Redevelopment Plan
- ☑ Encino Development & Management Elderly Residential Services
- ☑ Historic Albuquerque High School to Lofts
- ☑ City of Albuquerque/Fannie Mae/Downtown Action Team - Downtown Housing 2001/2002
- ☑ City of Albuquerque - Downtown - Zona de Colores—Townhouses
- ☑ City of Albuquerque - Downtown - Royal Fork
- ☑ LIHTC - Louisiana/Continental - Aspen Plaza
- ☑ Infill Projects
- ☑ Commercial Association of Realtors in NM—CDROM/MLS
- ☑ CCIM—Course Material & CD-ROM 102—Market Analysis

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