

CITY of ALBUQUERQUE

TWENTY THIRD COUNCIL

COUNCIL BILL NO. O-19-73 ENACTMENT NO. _____

SPONSORED BY: Patrick Davis, by request

1 ORDINANCE

2 RELATING TO THE REDEVELOPMENT, LEASING AND SALE OF A
3 METROPOLITAN REDEVELOPMENT PROJECT AND THE ISSUANCE OF
4 METROPOLITAN REDEVELOPMENT REVENUE BONDS PAYABLE FROM RENTAL
5 PAYMENTS THEREFOR; APPROVING THE METROPOLITAN REDEVELOPMENT
6 APPLICATION ENTITLED "BROADSTONE NOB HILL METROPOLITAN
7 REDEVELOPMENT BOND APPLICATION"; AUTHORIZING THE ACQUISITION OF
8 LAND AND EXISTING IMPROVEMENTS AND CONSTRUCTION OF A BUILDING
9 WITHIN THE CENTRAL/ HIGHLAND/ UPPER NOB HILL METROPOLITAN
10 REDEVELOPMENT AREA; AUTHORIZING THE DISPOSITION BY LEASE AND
11 SALE OF THE CITY'S INTEREST IN SUCH PROJECT TO BROADSTONE NOB
12 HILL, LLC, ITS SUCCESSORS AND ASSIGNS; AUTHORIZING THE ISSUANCE
13 AND SALE OF THE CITY OF ALBUQUERQUE, NEW MEXICO METROPOLITAN
14 REDEVELOPMENT REVENUE BONDS (BROADSTONE NOB HILL PROJECT)
15 SERIES 2020 IN THE MAXIMUM PRINCIPAL AMOUNT OF \$21,500,000 TO
16 PROVIDE FUNDS TO FINANCE A PORTION OF THE COSTS OF THE
17 CONSTRUCTION OF THE PROJECT; AUTHORIZING THE EXECUTION AND
18 DELIVERY OF AN INDENTURE, LEASE AGREEMENT, BOND PURCHASE
19 AGREEMENT, THE BONDS, AND OTHER DOCUMENTS IN CONNECTION WITH
20 THE ISSUANCE OF THE BONDS AND THE PROJECT; MAKING CERTAIN
21 DETERMINATIONS AND FINDINGS RELATING TO THE BONDS AND THE
22 PROJECT; RATIFYING CERTAIN ACTIONS TAKEN PREVIOUSLY; AND
23 REPEALING ALL ACTIONS INCONSISTENT WITH THIS ORDINANCE.

24 WHEREAS, the City of Albuquerque (the "City") is a legally and regularly
25 created, established, organized and existing municipal corporation of the State of
26 New Mexico (the "State"); and

1 WHEREAS, the City desires to promote redevelopment in areas designated
2 as blighted areas so as to promote neighborhood stabilization by providing
3 affordable housing, convenient services, creating new jobs, upgrading area
4 buildings, infrastructure and housing for such areas and to promote public health
5 welfare, safety convenience and prosperity; and

6 WHEREAS, pursuant to the Metropolitan Redevelopment Code, Sections 3-
7 60A-1 through 3-60A-13 and Sections 3-60A-14 through 3-60A-48, New Mexico
8 Statutes Annotated, 1978 Compilation, as amended (the "Act"), the City is
9 authorized to acquire, whether by construction, purchase, gift or lease, and to
10 finance, sell, lease, or otherwise dispose of, projects as defined in the Act, and to
11 issue revenue bonds for the purpose of financing such projects; and

12 WHEREAS, the City Council (the "Council") has adopted an ordinance
13 establishing the Albuquerque Development Commission (the "Development
14 Commission") to review projects proposed to be financed with metropolitan
15 redevelopment revenue bonds pursuant to City Resolution No. 16-1985, as
16 amended; and

17 WHEREAS, Broadstone Nob Hill, LLC, a Delaware limited liability company
18 (together with its successors and assigns, the "Company") has presented to the
19 Development Commission and the Council a proposed metropolitan
20 redevelopment project application (the "Plan") whereby the City will, pursuant to
21 the Act, acquire from the Company land and existing improvements located
22 within the City and within the Central/ Highland/ Upper Nob Hill Metropolitan
23 Redevelopment Area for redevelopment by the lessee/purchaser thereof for a
24 multi-family project (the "Project"), and pursuant to which the City would issue its
25 metropolitan redevelopment revenue bonds in order to finance construction of
26 the Project; and

27 WHEREAS, under the Company's proposal, the City would enter into an
28 Indenture (the "Indenture") with the Purchaser (defined below) and a bank
29 exercising trust powers, as trust depository (the "Depository"), pursuant to
30 which, together with this ordinance (this "Ordinance"), the City will issue its
31 bonds designated as the City of Albuquerque, New Mexico Metropolitan
32 Redevelopment Revenue Bonds (Broadstone Nob Hill Project), Series 2020 (the
33 "Bonds"); and

1 WHEREAS, under the Company's proposal, the City and the Company will
2 enter into a Lease Agreement (the "Lease"), pursuant to which the Company will
3 lease and agree to purchase the land and improvements comprising the Project
4 from the City, and the Company shall make payments to the purchaser of the
5 Bonds (the "Purchaser") sufficient to pay the principal of, redemption premium, if
6 any, and interest on the Bonds and to pay all other obligations incurred pursuant
7 to the provisions of the Lease and this Ordinance; and

8 WHEREAS, the Bonds, in an aggregate principal amount not to exceed
9 \$21,500,000, will be issued, sold and delivered by the City pursuant to a bond
10 purchase agreement (the "Bond Purchase Agreement") among the City, the
11 Purchaser and the Company; and

12 WHEREAS, the proceeds of the Bonds shall be applied to pay a portion of
13 the costs of the Project and to pay certain costs associated with the issuance of
14 the Bonds; and

15 WHEREAS, the Albuquerque Development Commission has reviewed the
16 Plan, has held a public hearing on the Plan and the Bonds, has determined that
17 the Company has complied with Resolution No. 16-1985, as amended, and has
18 recommended approval of the Plan and the Bonds by the Council; and

19 WHEREAS, the Council has adopted Resolution No. R-19-133, Enactment
20 No. R-2019-026, indicating its intent to take all necessary and advisable steps to
21 effect the issuance of the Bonds subject to full review of the documents to which
22 the City is a party and authorization by the Council of the issuance of the Bonds;
23 and

24 WHEREAS, the Council has held a public hearing on the Plan and the
25 Bonds, after proper notice; and

26 WHEREAS, the Plan meets the objectives of the Act and will benefit the
27 City's efforts to revitalize the Central/ Highland/ Upper Nob Hill Metropolitan
28 Redevelopment Area of the City; and

29 WHEREAS, the Plan has been filed with the City Clerk and presented to the
30 Council; and

31 WHEREAS, there have been filed with the City Clerk and presented to the
32 Council the forms of the following documents:

- 33 1. Lease Agreement

1 **2. Indenture**

2 **3. Bond Purchase Agreement**

3 **The Lease, Indenture, and Bond Purchase Agreement are collectively referred to**
4 **in the Ordinance as the "Bond Documents"; and**

5 **WHEREAS, the Council has determined that it is in the best interest of the**
6 **City: (i) to issue the Bonds; and (ii) to execute and deliver the Bond Documents,**
7 **and other documents related thereto; and**

8 **WHEREAS, the City is authorized to issue the Bonds under the Act and this**
9 **Ordinance, and has concluded that it is desirable at this time to authorize the**
10 **issuance of the Bonds to finance the Project and that the City's issuance of the**
11 **Bonds will constitute and be a valid public purpose; and**

12 **WHEREAS, there has been published in The Albuquerque Journal, a**
13 **newspaper of general circulation in the City, public notice of the Council's**
14 **intention to adopt this Ordinance, which notice contained certain information**
15 **concerning the Plan and the ownership, purpose, location and size of the Project**
16 **and the maximum amount of the Bonds to be issued to finance the Project, which**
17 **notice was published at least fourteen days prior to final action upon this**
18 **Ordinance.**

19 **BE IT ORDAINED BY THE COUNCIL, THE GOVERNING BODY OF THE CITY OF**
20 **ALBUQUERQUE:**

21 **Section 1. RATIFICATION. All actions not inconsistent with the**
22 **provisions of this Ordinance previously taken by the Council and the officials of**
23 **the City directed toward approval of the Plan and the issuance and sale of the**
24 **Bonds should be approved and the same hereby are ratified, approved and**
25 **confirmed.**

26 **Section 2. FINDINGS. The Council, after a public hearing held upon proper**
27 **notice, hereby declares that it has considered all relevant information presented**
28 **to it relating to the Plan and the Bonds and hereby finds and determines that**
29 **approval of the Plan and the issuance of the Bonds pursuant to this Ordinance to**
30 **provide funds for the Project are necessary and advisable and in the interest of**
31 **and will promote the public health, safety, morals, convenience, education,**
32 **economy and welfare of the City and the residents of the City. The Council finds**
33 **that:**

- 1 (1) The Plan and the proposed activities under the Plan aid
2 in the elimination or prevention of slum or blight; and
- 3 (2) The Plan conforms to the general plan for the City as a
4 whole;
- 5 (3) The Plan affords maximum opportunity consistent with
6 the needs of the community for the rehabilitation or redevelopment of the area by
7 private enterprise or persons, and the objectives of the Plan justify the proposed
8 activities as public purposes and needs;
- 9 (4) The Bonds will be issued for the purpose of financing
10 the Project;
- 11 (5) The aggregate face amount of obligations to be issued
12 with respect to financing the Project is not to exceed \$21,500,000;
- 13 (6) The developer of the Project property is the Company;
14 and
- 15 (7) The Project property comprises of 4101 Central Ave. NE
16 Albuquerque, NM 87108, all within the Central/ Highland/ Upper Nob Hill
17 Metropolitan Redevelopment Area.

18 Section 3. THE PROJECT. The City shall acquire the Project for the
19 purposes hereinabove described, and the Project shall be located at all times
20 within the corporate limits of the City and within the Central/ Highland/ Upper Nob
21 Hill Metropolitan Redevelopment Area.

22 Section 4. THE PLAN-APPROVAL. The Plan in the form on deposit in the
23 office of the City Clerk is hereby approved in all respects.

24 Section 6. BONDS - APPROVAL, AUTHORIZATION AND DETAIL.

25 A. Approval and Sale. The issuance of the Bonds in an aggregate
26 principal amount not to exceed \$21,500,000 and the use of the proceeds of the
27 Bonds to finance a portion of the costs of the Project, including payment of
28 expenses relating thereto, are hereby approved and confirmed. The Bonds shall
29 be issued no later than December, 2020.

30 B. Form and Terms. Subject to the limitations set forth in this
31 Ordinance, the Bonds shall (i) be in the form and denominations and shall be
32 numbered and dated as set forth in the Indenture; (ii) be payable as to principal

1 and interest as set forth in the Indenture; and (iii) bear interest at the rates and
2 maturing on the date set forth in the Indenture.

3 C. Execution. The Bonds shall be signed by the Mayor or Chief
4 Administrative Officer of the City of Albuquerque, New Mexico.

5 D. The interest rate and net effective interest rate on the Bonds
6 shall not exceed 5% per annum.

7 Section 7. AUTHORIZATION OF OFFICERS; APPROVAL OF DOCUMENTS;
8 ACTIONS TO BE TAKEN.

9 A. The form, terms and provisions of the Bond Documents in the
10 form on deposit in the office of the City Clerk are in all respects approved,
11 authorized and confirmed.

12 B. The Mayor or Chief Administrative Officer of the City is
13 authorized to execute and deliver in the name and on behalf of the City, and the
14 City Clerk or Deputy City Clerk is hereby authorized to attest, as necessary, the
15 Bond Documents and the Bonds with such changes therein as are not
16 inconsistent with this Ordinance.

17 C. The Mayor, Chief Administrative Officer, Treasurer and City
18 Clerk are further authorized to execute, authenticate and deliver such
19 certifications, instruments, documents, letters and other agreements and to do
20 such other acts and things, either prior to or after the date of delivery of the
21 Bonds, as are necessary or appropriate to consummate the transactions
22 contemplated by the Bond Documents and the Plan.

23 D. The officers of the City shall take such action as is necessary
24 to effectuate the provisions of the Indenture and shall take such action as is
25 necessary in conformity with the Act to finance the costs of the Project and for
26 carrying out other transactions as contemplated by this Ordinance, the Indenture,
27 the Lease, and the Bond Purchase Agreement, including, without limitation, the
28 execution and delivery of any closing documents to be delivered in connection
29 with the sale and delivery of the Bonds.

30 Section 8. DELIVERY OF BONDS. Upon the execution of the Bond
31 Documents, the satisfaction of the conditions set forth in the Bond Documents
32 and upon receipt of the purchase price for the Bonds, the Bonds shall be
33 executed, authenticated and delivered to the Purchaser. No Bond shall be valid

1 for any purpose until such Bond has been properly authenticated as set forth in
2 the Indenture.

3 Section 9. FUNDS AND ACCOUNTS. There are established in the Indenture,
4 and on and after the date on which the Bonds are issued there shall be
5 maintained, the funds and accounts as set forth in the Indenture. Other funds and
6 accounts may be established as are necessary under the Indenture.

7 Section 10. LEASE TERM. The Lease term shall not exceed seven years.

8 Section 11. FINDINGS REGARDING PROPERTY TAX ABATEMENT;
9 PAYMENT OF INTEREST AND PRINCIPAL AND OTHER MATTERS. The Council
10 makes the following determinations and findings in accordance with Sections 3-
11 60A-39 and 3-60A-40 of the Act:

12 A. It shall not be necessary to deposit any amount in a debt
13 service reserve fund or a repair and replacement reserve fund for the
14 maintenance of the Project property.

15 B. The Lease requires that the Company maintain the Project
16 property in good repair and condition (excepting reasonable wear and tear) and
17 carry all proper insurance with respect to the Project property.

18 C. The Lease requires the Company to make payments sufficient
19 to pay the principal of, premium, if any, and interest on the Bonds as principal
20 and interest become due and to make all payments of or relating to the Project
21 property as they become due.

22 D. In accordance with Section 7-36-3.1, NMSA 1978, as amended
23 and supplemented, the Project property shall be exempt from property taxation
24 on the improvements financed by the Bonds for the shorter of the period of time
25 the Bonds remain outstanding or December 31 of the year in which the seventh
26 anniversary of the acquisition of the Project property by the City will occur (i.e.,
27 December 31, 2026 if the Bonds are issued in 2019, and December 31, 2027 if the
28 Bonds are issued in 2020).

29 E. The maximum amount necessary in each year to pay the
30 principal of and interest on the Bonds, assuming issuance of the Bonds as of
31 December, 2020, in the maximum principal amount of \$21,500,000 and bearing
32 interest at a maximum rate of 5%, is as follows:

33 Combined Total

<u>Year Ending</u>	<u>Principal and Interest Payment</u>
December 31, 2021	\$ 1,075,000.00
December 31, 2022	\$ 1,075,000.00
December 31, 2023	\$ 1,075,000.00
December 31, 2024	\$ 1,075,000.00
December 31, 2025	\$ 1,075,000.00
December 31, 2026	\$ 1,075,000.00
December 31, 2027	\$ 22,575,000.00

Section 12. LIMITED OBLIGATIONS. The Bonds shall be special limited obligations of the City, payable solely from the revenues derived from the Lease and payable by the Company as described in the Indenture and any other property or interest of the City specifically pledged under the Indenture, and shall never constitute a debt or indebtedness of the City or the State or any political subdivision thereof within the meaning of any provision or limitation of the State Constitution, statutes or home-rule charter of the City, and shall not constitute or give rise to a pecuniary liability of the City or a charge against its general credit or taxing power. Nothing contained in the Ordinance or in the Bond Documents or any other instrument shall be construed as obligating the City (except with respect to the Project property and the application of the revenues therefrom and the proceeds of the Bonds, all as provided in the Bond Documents), nor as incurring a pecuniary liability or a charge upon the general credit of the City or against its taxing power, nor shall the breach of any agreement contained in the Ordinance, the Bond Documents, the Bonds or any other instrument be construed as obligating the City (except with respect to the Project property and the application of the revenues therefrom and the proceeds of the Bonds, all as provided in the Bond Documents), nor as incurring a pecuniary liability or a charge upon the general credit of the City or against its taxing power, the City having no power to pay out of its general funds, or otherwise contribute any part of the costs of constructing or furnishing the Project property.

Section 13. APPROVAL OF INDEMNIFICATION. The Council specifically approves the provisions of the Lease relating to indemnification which provide

1 that the Company shall indemnify and hold harmless the City and its City
2 Councilors, officials, members, officers, employees and agents against liability to
3 the Company, or to any third parties that may be asserted against the City or its
4 City Councilors, officials, members, officers, employees or agents with respect to
5 the City's ownership of the Project property or the issuance of the Bonds and
6 arising from the condition of the Project property or the acquisition, construction
7 and operation of the Project property by the Company, except to the extent
8 Section 56-7-1, New Mexico Statutes Annotated, 1978 Compilation, applies, and
9 except claims for any loss or damage arising out of or resulting from the gross
10 negligence or willful misconduct of the City or any member, officer, employee or
11 agent of the City.

12 Section 14. **ORDINANCE IRREPEALABLE.** After any of the Bonds are
13 issued, this Ordinance shall be and remain irrepealable until the Bonds, including
14 interest, are fully paid, canceled and discharged.

15 Section 15. **REPEALER.** All bylaws, orders, resolutions and ordinances, or
16 parts thereof, inconsistent with this Ordinance are repealed by this Ordinance but
17 only to the extent of that inconsistency. This repealer shall not be construed to
18 revive any bylaw, order, resolution or ordinance, or part thereof, previously
19 repealed.

20 Section 16. **SEVERABILITY.** If any section, paragraph, clause or provision
21 of this Ordinance shall for any reason be held to be invalid or unenforceable, the
22 invalidity or unenforceability of that section, paragraph, clause or provision shall
23 not affect any of the remaining provisions of this Ordinance.

24 Section 17. **RECORDING; AUTHENTICATION; PUBLICATION; EFFECTIVE**
25 **DATE.** This Ordinance, immediately upon its final passage and approval, shall be
26 recorded in the Ordinance book of the City, kept for that purpose, and shall be
27 there authenticated by the signature of the Mayor and the presiding officer of the
28 Council, and by the signature of the City Clerk or any Deputy City Clerk, and
29 notice of adoption thereof shall be published once in a newspaper which
30 maintains an office in, and is of general circulation in, the City, and shall be in full
31 force and effect five days following such publication.



Mayor Timothy M. Keller


City of Albuquerque

Albuquerque, New Mexico

Office of the Mayor

INTER-OFFICE MEMORANDUM

To: Klarissa J. Peña, President, City Council

From: Timothy M. Keller, Mayor 

Subject: Request for the issuance of metropolitan redevelopment bonds to Broadstone Nob Hill, LLC.

The City's Metropolitan Redevelopment Agency received an application from Broadstone Nob Hill, LLC ("Applicant") for the issuance of up to \$21.5 million in metropolitan redevelopment bonds ("MRB") for a private redevelopment project located in Central-Highland-Upper Nob Hill Metropolitan Redevelopment Area. The project site currently has addresses of 4101 and 4119 Central Avenue, NE Albuquerque, NM 87108. The project site is specifically located on 2.2 acres on the north side of Central Avenue NE between Montclair St. NE and Sierra St. NE, south of Copper Avenue NE.


The project will consist of the development of a 102-unit multi-family community with amenities. The Applicant is requesting the issuance of the bonds for the sole purpose of the 7 year tax abatement mechanism that the bonds provide to the property owner. With the approval and issuance of the MRB, the estimated annual amount of property taxes abated on the project would be \$404,082.00 for a term of 7 years. The 7 year cumulative value of the abated taxes is estimated to be \$2,828,574.00. Following the 7 year abatement period, the estimated annual amount of property taxes that will be due from the project is \$413,687.00. There is no financial obligation on the part of the City in regard to the bonds, and they have no impact on the City's credit/bond ratings. The Applicant is responsible for all payments and liabilities associated with the bond debt.

On December 20, 2018 the Albuquerque Development Commission ("ADC") reviewed the application. The ADC recommended to the City Council APPROVAL of the issuance of \$21.5 million in metropolitan redevelopment bonds to the applicant. On April 15, 2019 the City Council approved resolution R-19-133.

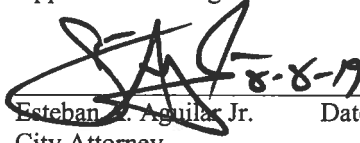
This application is forwarded to City Council for approval.

TITLE/SUBJECT OF LEGISLATION: RELATING TO THE REDEVELOPMENT, LEASING AND SALE OF A METROPOLITAN REDEVELOPMENT PROJECT AND THE ISSUANCE OF METROPOLITAN REDEVELOPMENT REVENUE BONDS PAYABLE FROM RENTAL PAYMENTS THEREFOR; APPROVING THE METROPOLITAN REDEVELOPMENT APPLICATION ENTITLED "BROADSTONE NOB HILL METROPOLITAN REDEVELOPMENT BOND APPLICATION"


Approved:


8/21/19
Sarita Nair Date
Chief Administrative Officer

Approval as to Legal Form:


8-8-19
Esteban A. Aguilar Jr. Date
City Attorney

Recommended:


26-JUL-2019
Brennon Williams Date
Interim Planning Department Director


7/26/19
Karen Iverson Date
Metropolitan Redevelopment Manager

Cover Analysis
MRB 18-5

1. What is it?

This is an ordinance authorizing the issuance and sale for metropolitan redevelopment bonds in an amount not to exceed \$21,500,000.00 for the Broadstone Nob Hill that is being completed by Broadstone Nob Hill, LLC.

2. What will this piece of legislation do?

Broadstone Nob Hill, LLC is requesting the issuance of metropolitan redevelopment bonds to aid in the development of a project located in the Central-Highland –Upper Nob Hill Metropolitan Redevelopment Area. The Project site currently has addresses of 4101 and 4119 Central Avenue NE Albuquerque, NM 87108. The application is requesting the issuance of the bonds for the sole purpose of the 7 year tax abatement mechanism that the bonds provide to the property taxes abated on the project would be \$404,082.00 for a term of 7 years. The 7 year cumulative value of the abated taxes is estimated to be \$2,828,574.00. Following the 7 year abatement period, the estimated annual amount of property taxes that will be due from the project is \$413,687.00. The Albuquerque Development Commission reviewed the project and recommended approval at their meeting on December 20, 2018.

3. Why is this project needed?

The project, once completed, will convert a 2.2 acre site into a residential living community containing 102 apartment units and community amenities.

This project will convert a vacant, underutilized and blighted property into a positive and contributing site, bringing residents and economic activity to the area. The project will help to catalyze redevelopment activities in the area and encourage future investments.

According to the City's evaluation criteria, metropolitan redevelopment projects must show a substantial contribution to the area revitalization and redevelopment. The Project will contribute to the goals of the Central-Highland-Upper Nob Hill Metropolitan Redevelopment Plan by making a private sector investment of approximately \$21.5 million in the area that will bring housing and economic activity.

4. How much will this cost and what is the funding source?

The bonds will be financed by Broadstone Nob Hill, LLC through a related affiliate in a “self-funded” transaction. There is no financial obligation on the part of the City in regard to the bonds, and they have no impact on the City’s credit/bond ratings. The applicant is responsible for all payment and liabilities associate with the bond debt.

5. Is there a revenue source associated with this project? If so, what level of income is projected?

While there is no revenue source associated specifically with the Ordinance, future revenues may accrue to the City in the form of Payment in Lieu of Taxes (PILOT), for a portion of the taxes not abated through the metropolitan redevelopment bonds. Following the 7-year tax abatement period the project will be subject to a significant property tax increase from the currently existing annual baseline amount of \$9, 604.00 Following the abatement period, the annual property tax amount generated by the site is estimated to be \$413,687.00.

FISCAL IMPACT ANALYSIS

TITLE: Relating to the redevelopment, leasing and sale of a Metropolitan Redevelopment project and the issuance of Metropolitan Redevelopment revenue bonds payable from rental payments therefor, approving the Metropolitan Redevelopment application entitled

R: O:
FUND: 275

Broadstone Nob Hill Metro Redevelopment Bond Application.

DEPT: Metro Redev

- ☒ No measurable fiscal impact is anticipated, i.e., no impact on fund balance over and above existing appropriations.
- ☐ (If Applicable) The estimated fiscal impact (defined as impact over and above existing appropriations) of this legislation is as follows:

	2020	Fiscal Years 2021	2022	Total
Base Salary/Wages				-
Fringe Benefits at	-	-	-	-
Subtotal Personnel	-	-	-	-
Operating Expenses				-
Property			-	-
Indirect Costs	-			-
Total Expenses	\$ -	\$ -	\$ -	\$ -
<hr/>				
<input checked="" type="checkbox"/> Estimated revenues not affected				
<input type="checkbox"/> Estimated revenue impact				
Amount of Grant	-			-
City Cash Match	-	-	-	-
City Inkind Match		-	-	-
City IDOH	-			-
Total Revenue	\$ -	\$ -	\$ -	\$ -

These estimates do not include any adjustment for inflation.

* Range if not easily quantifiable.

Number of Positions created 0

COMMENTS ON NON-MONETARY IMPACTS TO COMMUNITY/CITY GOVERNMENT:

Legislative approval will not require any funding sources and will have a neutral impact on City funding and/or expenses.

PREPARED BY:

APPROVED:

Debbi Dombrowski 7/26/19
FISCAL MANAGER (date)

Bill Kamin 26 JUL 2019
DIRECTOR (date)

REVIEWED BY:

Andi Carter Padilla 8/1/19 *Cavaliere* *Christine E. Doe*
EXECUTIVE BUDGET ANALYST (date) BUDGET OFFICER (date) CITY ECONOMIST (date)
8/5/19

METROPOLITAN REDEVELOPMENT AGENCY

600 2ND Street NW, 3rd Floor, 87102

P.O. Box 1293, Albuquerque, NM 87103

Office (505) 924-3852 Fax (505) 924-3339

NOTIFICATION OF DECISION

December 28, 2018

Broadstone Nob Hill, LLC
C/o Josh Rogers, Titan Development
6300 Riverside Plaza
Albuquerque, NM 87120

Metropolitan Redevelopment Bond
MRB 18-5

PROJECT NAME: Broadstone Nob Hill

LEGAL DESCRIPTION:

PARCEL I:

Lots numbered One (1), Two (2), Three (3), Ten (10), Eleven (11), Twelve (12), Thirteen (13), Fourteen (14), Fifteen (15), Sixteen (16), Seventeen (17), Eighteen (18) and Nineteen (19), all in Block numbered Two (2) of the MESA GRANDE ADDITION to the City of Albuquerque, N.M., as the same are shown and designated on the Plat thereof, filed in the office of the County Clerk of Bernalillo County, New Mexico on July 18, 1931 in Volume C2, folio 27, TOGETHER WITH the Northerly One-half (Nly 1/2) of the vacated alley adjacent and abutting Lots Three (3) and Sixteen (16) and the Southerly One-Half (Sly 1/2) of the vacated alley adjacent and abutting Lots Ten (10) to Fifteen (15), inclusive, in said Block Two (2) of the MESA GRANDE ADDITION to the City of Albuquerque, N.M., said alley was vacated by the City of Albuquerque, New Mexico by Ordinance No. 120-1969 recorded September 26, 1969 in Book Misc. 151, Page 400 as Document No. 51194, records of Bernalillo County, New Mexico.

PARCEL II:

Lots numbered Four (4), Five (5), Six (6), Seven (7), Eight (8) and Nine (9), in Block numbered Two (2) of the MESA GRANDE ADDITION to the City of Albuquerque, N.M., as the same are shown and designated on the Plat thereof, filed in the office of the County Clerk of Bernalillo County, New Mexico on July 18, 1931 in Volume C2, folio 27.

PARCEL III:

The Southerly One-Half (Sly 1/2) of the vacated alley adjacent and abutting Lots Four (4) to Nine (9), inclusive, in said Block Two (2) of the MESA GRANDE ADDITION to the City of Albuquerque, N.M., said alley was vacated by the City of Albuquerque, New Mexico by Ordinance No. 120-1969 recorded September 26, 1969 in Book Misc. 151, Page 400 as Document No. 51194, records of Bernalillo County, New Mexico.

On December 20, 2018, the Albuquerque Development Commission voted to recommend **APPROVAL** of the application from Broadstone Nob Hill, LLC, for the request of the issuance of metropolitan redevelopment bonds in an amount not to exceed \$21,500,000.

The Albuquerque Development Commission ("ADC"), after its consideration of the presentation and the materials and documentation before it, recommends **APPROVAL** of the metropolitan redevelopment bond application and forwards the request to City Council for review and final approval based on the following:

1. Pursuant to the Central-Highland-Upper Nob Hill Metropolitan Redevelopment Plan ("Plan"), there is a need to address issues of slum and blight in the area and combat problems of disinvestment.
2. As provided in the New Mexico Metropolitan Redevelopment Code and the Metropolitan Redevelopment Agency Ordinance for the City of Albuquerque, the City has the authority to issue redevelopment bonds.
3. Pursuant to Section 14-8-6-2 of the Albuquerque City Ordinances, the ADC is the advisory Board of Commissioners for the City Council.
4. The Broadstone Nob Hill project furthers the goals of the MR Area by:
 - a. Eliminating blighted conditions;
 - b. Increasing residential density along Central Ave; and
 - c. Catalyzing future development in the area.
5. The ADC recommended **APPROVAL** based on the following findings:
 - 1) MRB 18-5 will make a positive impact to the Central-Highland-Upper Nob Hill Metropolitan Redevelopment Area by making a private sector investment of approximately \$21.5 million into the community. The project will bring new development activity and housing options to the Area.
 - 2) MRB 18-5 furthers the following strategies outlined in the MR Plan:
 - Improve the aesthetics, vitality and public image of the plan area
 - Encourage the development of a fine-grained mix of pedestrian-oriented land uses, including both residential and commercial.
 - Attract public and private investment to stimulate commercial revitalization.
 - Redevelop or find adaptive re-uses for vacant underutilized properties.
 - 3) MRB 18-5 furthers the strategy outlined in the MR Plan of increasing the residential density along Central Avenue in the commercial corridor in order to promote Central Avenue business revitalization and the pedestrian character of the area.

- 4) MRB 18-4 will help to remove the conditions of slum and blight that exist in the Central-Highland-Upper Nob Hill Metropolitan Area by converting a blighted property into new multi-family housing.

APPEAL: The recommendation from the ADC to City Council is not appealable. § 14-8-4-8 governs appeals related to the MRA. § 14-8-4-8 (A)(1) makes it clear that appeals are limited to “decisions of the Metropolitan Redevelopment Agency as to acceptance of a proposal for sale and/or redevelopment of land”. A recommendation to issue MR Bonds is not a sale, purchase or redevelopment of land.

Sincerely,



Karen Iverson

Manager, Metropolitan Redevelopment Agency

Cc via email: David Campbell, Planning Director
Alan Varela, Assistant City Attorney
Isaac Padilla, Director of Government Affairs
Camilla Gurule, Titan Development
Chris Pacheco, Titan Development
Josh Rogers, Titan Development
Chris Muirhead, Modrall Sperling

ALBUQUERQUE DEVELOPMENT COMMISSION

December 20, 2018

MRB-18-5 Broadstone Nob Hill

REQUEST: Approval of the issuance and sale of metropolitan redevelopment bonds in an amount not to exceed \$21,500,000 is requested for the Broadstone Nob Hill Project.

METROPOLITAN REDEVELOPMENT BOND PROJECT CRITERIA

The overriding criterion for all metropolitan redevelopment bond projects is the benefit to the metropolitan redevelopment area in which the project is located. The benefits should help to further the goals outlined in the metropolitan redevelopment plan for the area.

PROJECT SUMMARY:

Broadstone Nob Hill, LLC (“Applicant”) is requesting the issuance of metropolitan redevelopment bonds (“MRB” or “MRB’s”) to aid in the development of a new multi-family apartment project (“Project” or “Broadstone Nob Hill”). The Project is located within the boundary of the Central-Highland-Upper Nob Hill Metropolitan Redevelopment Area (“MR Area” or “Area”), making it eligible for the issuance of MRB’s. A map of the MR Area and the specific Project location can be seen in the application package, attached as Exhibit A.

The Applicant is a partnership between Titan Development and Alliance Residential Company.

Broadstone Nob Hill will be a transit oriented redevelopment project located on Central Avenue. The Project will convert a blighted and underutilized property into a new 102-unit multi-family community, and will continue the investment and revitalization activity that has recently occurred in the immediate area, from both public and private entities.

The existing site is approximately 2.2 acres in size and was the former home to two blighted and deteriorating hotel properties, the Royal Hotel and the Town Lodge.

It is estimated that 200 direct and indirect jobs will be created for the construction of the Project. Following construction, it is estimated that 7 full-time equivalent jobs will be created for the operation and management of the Project.

The existing annual property tax amount due, identified as the baseline tax amount, is \$9,604.00. The Applicant will continue to pay the baseline amount throughout the 7 year abatement period.

Following completion of the Project, the increased property tax amount is estimated to be \$413,687.00. With the approval and issuance of the MRB, the estimated annual amount of the property tax abated on the project would be \$404,082.00 for a term of 7 years. The 7 year cumulative value of the total abated taxes is estimated to be \$2,828,574.00. Following the 7 year abatement period, the estimated annual amount of property taxes that will be due from the Project is \$413,687.00. A full property tax analysis of the project, performed by the University of New Mexico's Bureau of Business & Economic Research, is attached to this report.

In addition to the anticipated funds from the issuance of the MRB and the associated tax abatement savings, the Project is being funded with private equity and commercial financing. The proposed Project does not require any capital investment by the City and is not asking for municipal financing. The sole purpose of the requested MRB is to provide limited tax abatement for a period of not more than seven years.

The full project plan and application are attached to this report.

METROPOLITAN REDEVELOPMENT BONDS

There is no financial obligation on the part of the City resulting from the issuance of the bonds. The Applicant is responsible for all payments and liabilities associated with the bond debt. There is no indebtedness on the part of the City.

Metropolitan Redevelopment Bonds carry maximum property tax abatement of seven years, and only on the net improvements to the property. The existing valuation of the property would remain on the tax rolls during and after the seven-year period.

There have been a number of projects in Metropolitan Redevelopment Areas that have received a variety of incentives, including on occasion direct capital investment by the City, with the goal of encouraging the development of projects in those areas. The designation of Metropolitan Redevelopment Areas and the use of such incentives in those areas are designed to encourage growth and investment in areas where existing market forces inhibit revitalization efforts. It is the intent of these efforts to not only benefit the immediate area, but the larger community as a whole from the increased activity and catalytic potential of such initiatives.

CENTRAL-HIGHLAND-UPPER NOB HILL METROPOLITAN REDEVELOPMENT AREA

The Central-Highland-Upper Nob Hill Metropolitan Redevelopment Area ("MR Area") was created to address issues of slum and blight that exist in the one of the city's oldest and most centrally located communities. The MR Plan for the Area seeks *"to create a place that is both*

identifiable for its unique Route 66 character and is a livable, walkable, mixed-use and vibrant economic and residential part of Albuquerque.”

The MR Area was designated in 2002 to combat problems of disinvestment in the area. The Area has long been plagued by a lack of economic activity and aging motel properties that have served as a location for criminal activity. The redevelopment of problematic motel properties into uses that improve the appearance, density and vitality of the area is encouraged throughout the Plan.

The MR Plan identifies 9 strategies to improve the economic and social conditions that exist in the Area. The 9 strategies are:

1. Improve the aesthetics, vitality and public image of the plan area.
2. Encourage the development of a fine –grained mix of pedestrian-oriented land-uses, including both residential and commercial.
3. Attract public and private investment to stimulate commercial revitalization.
4. Attract businesses that compliment and expand the range of existing goods and services.
5. Redevelop or find adaptive re-uses for vacant underutilized properties.
6. Provide a wide range for viable transportation choices, including high-quality public transit, walking, bicycling, and vehicular systems.
7. Provide a safe and secure environment for residents, businesses and visitors.
8. Identify and preserve the existing desirable characteristics of adjacent residential areas.
9. Recognize and preserve buildings and areas of architectural and environmental significance.

MRB PROJECT CRITERIA

I. LAND USE, PLANNING AND DESIGN ELEMENTS

1. PLAN AND ZONING

Is the present zoning appropriate, or would a change be needed to fit the City’s zoning policies? Does the project meet the policies outlined in any existing Area, Metropolitan Redevelopment, and/or Comprehensive Plans? Projects must conform with all adopted City plans and policies.

The Project is located in the Central-Highland-Upper Nob Hill Metropolitan Redevelopment Area and has addresses of: 4101 and 4119 Central Ave. NE Albuquerque, NM 87108. The Project site is specifically located on approximately 2.2 acres on the north side Central Avenue between Montclair St. NE and Sierra St. NE.

The Project has received approval through the City's Development Review Board. The existing zoning on the site is MX-M (Mixed-use, Moderate intensity). Per the City's Integrated Development Ordinance, MX-M zoning has the following purpose: *The purpose of the MX-M zone district is to provide for a wide array of moderate-intensity retail, commercial, institutional and moderate-density residential uses, with taller, multi-story buildings encouraged in Centers and Corridors.*

2. LAND USE

Will the proposed use make a positive contribution to the Albuquerque economy and the immediate neighborhood? Will it generate high levels of air, noise, or waste pollution, or traffic congestion? Projects must improve the economy without disrupting local areas or creating unacceptable conditions.

Once completed, the Project will bring a new multi-family housing community to one of the City's oldest neighborhoods and along a major transit corridor. Located near multiple employment and activity centers and within walking distance to major transit lines, including the Albuquerque Rapid Transit bus line, the Project will increase the housing options in one of the most centrally located parts of the city. The Project will help to continue the revitalization efforts that are currently underway in the area and transform an underutilized property into a contributing and active community amenity. The Project is not anticipated to create excessive levels of air, noise or waste pollution.

3. INFILL

Does the project location allow use of existing infrastructure, or will project demand substantial infrastructure extension or replacement? Projects should not require substantial City costs for infrastructure unless applicants and the City can agree on cost sharing.

The Project is located in an established part of the city on a major roadway that serves as the transit spine for the city. The Project's proximity to the Central Ave. transit corridor, allow it to provide easy access to public transit, major employment centers and entertainment locations. Because the location of the Project is an infill site, it will be able to access and use existing infrastructure and services and not create the additional environmental impact of constructing new utility service to a previously undeveloped area. The infill location of the Project will increase the density of the area and encourage walkability and alternative transit

options, for residents and visitors alike, reducing vehicle miles traveled and the overall carbon footprint of the Project.

4. DESIGN AND CONSERVATION

Are the scale and general design of the project appropriate to the area? Will the project renovate or expand existing facilities? If in a historic building, will the project follow preservation guidelines? Project design should be appropriate to the area. Project must conform to adopted City plans.

The Project is located in an established part of the city and as such will take advantage of and help upgrade many existing utility and infrastructure services. Given the infill location of the Project, the environmental impact of the development will be much less than that of a similar project constructed outside of the developed portion of the city. Residents and guests of Broadstone Nob Hill will be able to access alternative modes of transportation and public transit, given its central location, thus reducing traffic in the area the environmental impact of added vehicles.

The Project will benefit from low-impact development strategies that will be implemented to manage rainwater runoff and a landscape design will include only native and adapted drought-tolerant plants, as well as a highly efficient irrigation system. Potable water within the buildings will be reduced by the use of low-flow plumbing fixtures. The buildings have been designed with energy-efficient strategies in mind, including: a well-insulated building envelope, windows specified to minimize solar heat gain, high albedo roofing, high efficient water heaters and mechanical units, LED lighting throughout and energy management systems in the residences.

5. DEMOLITION

Does the project involve demolition of viable buildings? Does it involve the demolition of identified historic properties? Demolition of viable buildings should be avoided; demolition of historic properties must not occur unless the project can show no alternatives and exceptional long-range benefits to the community.

Much of the site is currently vacant. The structure that formerly operated as the Town Lodge, on the southwest corner of the site, has been approved by the city's Landmarks Commission for demolition. The structure is not historically significant and currently not viable for reuse. Once demolished, the fully vacant site will be prepared for development.

6. RELOCATION

Does the project require the relocation of individuals or businesses? Relocation should be avoided. If relocation is necessary, the applicant should assist in finding new housing or business locations.

No relocation of any homes or other businesses will be involved in the project.

No individuals, families or business will be displaced by the development of the Project. The structures that will be demolished have been vacated and were locations that were frequently plagued by criminal activity.

II. REMOVAL OF BLIGHTED CONDITIONS

Will the project help to address the slumlike or blighted conditions of the Metropolitan Redevelopment Area? How will the project improve the area and what positive benefits to the area can be expected once the project is completed? The goal of MR projects is to improve the overall conditions of the area.

1. REDEVELOPMENT

According to the City's evaluation criteria, Metropolitan Redevelopment Projects must show a substantial contribution to area revitalization and redevelopment.

The MR Area has a need for new activity and investment as a means of addressing the slum and blighted conditions that exist. The Project location is on Central Avenue and will redevelop an entire city block into new and desirable housing options for residents looking to inhabit the area. As discussed in the MR Plan, the area of Central Avenue east of Carlisle has not seen the same level residential and commercial activity as the portion of Central Avenue west of Carlisle, which is populated with new housing, restaurant and business activity. The development of this Project and the reactivation of the property will help to show an increased level of interest and marketplace viability that will encourage future investment and growth.

The addition of new residents to the area will help to increase the potential customer base of the area, ultimately encouraging the addition of commercial businesses, jobs and increased activity in and around the area.

The location of the Project on Central Avenue, with immediate access to multiple transit lines, including the Albuquerque Rapid Transit line, provides residents and visitors with alternative transit options when planning trips both to and from the area, ultimately reducing vehicular traffic and emissions in the area.

2. CONTRIBUTION TO THE GOALS OF THE MR PLAN

The plan for the Project does contribute to many of the goals of the MR Plan and will aid in the revitalization of the MR Area. The Project will bring new housing choices and added density to the Area and the Central Avenue corridor, both items identified as needed in the MR Plan.

The Plan identifies aging motel properties as a negative issue facing the area, specifically saying: *“Criminal activities at specific motel locations as well as the age of motels contribute to the dampened economic conditions in the area.”* A portion of the Project site was once the location of the Royal Inn. The MR Plan identifies the Royal Motor Inn Block as a site for a future redevelopment project to occur. The Broadstone Nob Hill project will help to further the plan goals of converting blighted and problematic aging motel properties into new and positively contributing developments, as well as targeting new construction activities for properties that are vacant, underutilized and do not have structures with historic character.

The MR Plan encourages an increase in the residential density along Central Avenue in order to promote business revitalization and the pedestrian character of the area.

The Project will further these plan items by bringing 102 residential apartments to the Central Avenue corridor, increasing the density and activity in the area.

III. ECONOMIC BENEFITS

1. JOBS

During the construction phase of the Project, it is anticipated that the number of construction related jobs that will be created will be 200 for both trade and management roles.

Following the construction, it is anticipated that 7 full-time jobs will be created for the management and operation of the Project.

2. PRIVATE SECTOR INVESTMENT

The Broadstone Nob Hill project will be a private sector investment of \$21.5 million dollars into the local community.

IV. PROJECT FEASIBILITY

1. FINANCING AND FEASIBILITY

Has the applicant presented convincing evidence that the project will generate sufficient cash flow to pay debt service? Alternatively, does the applicant have a firm financing

commitment? Projects must show the ability to retire bonds, or evidence that financing has been obtained.

The Project will be funded privately with conventional financing tools and private equity. The property tax abatement obtained through the issuance of the metropolitan redevelopment bond will be reinvested in the Project's total anticipated cost.

The baseline property tax amount for the Project (prior to any construction activity) is \$9,604.00. The baseline amount will continue to be paid through the duration of the 7-year abatement period. The estimated incremental property tax increase, following construction, will be \$404,082.00. With the approval and issuance of the MRB, the \$404,082.00 represents the annual amount of property taxes that will be abated for a total of 7 years. The cumulative value of the total abated taxes is estimated to be \$2,828,574.00. Following the 7 year abatement period, the property tax amount due is estimated to be \$413,687.00 per year.

2. COST

Does the bond amount requested reasonably represent the money required to complete the project? Bond amounts should be no more than that required to complete the project. The project will not be induced for an authorized maximum bond amount larger than the expected bond issue. Be sure to describe the sources of capital that will be used to finance the project.

Based on staff's review of the project, we find that the bond amount is no more than that required to complete the project. The bond amount, \$21.5 million, is equivalent to the projected increase in assessed value and is no greater than the authorized bond amount.

The total estimated cost of the Project is approximately \$21,500,000

The estimated appraised value of the Project after completion is \$24,200,000

3. APPLICANT'S RECORD

Does the applicant have a good record of completing projects of this or similar type? If an industry company is the applicant, does the company have strong financial backing and experience relevant to this project? The applicant should have a good record with projects of this type, or present convincing evidence that the project will be completed. Substantiation of the applicant's background from financial institutions and local firms is especially useful in establishing the record.

The development team has a strong track record of developing and managing real estate development projects in the Albuquerque area. Titan has previously completed a variety of development projects across various market segments in New Mexico and other states. The principals of Titan have been involved in over 10 million square feet of real estate development and have developed over \$2.1 billion of real estate, inclusive of their work at

Titan. Alliance Residential manages a portfolio of over 374 properties and is a leader in the management of multi-family properties in the U.S.

EQUITY

Will the applicants make an equity investment in the project? An equity investment is generally desirable; the Development Commission recognizes that a loan commitment for 100% bond financing may be made based on an applicant's total holdings. In such cases, the Commission will accept a letter of commitment to finance the total project.

The Project is currently pursuing construction financing and has numerous interested lenders. The equity for the project has been fully allocated.

4. MANAGEMENT

Do the applicants commit to manage, as well as build, the project? Long-range commitment to a project is desirable.

The Project is a partnership between Titan Development and Alliance Residential. The design and construction phases of the Project are being managed by Titan. Once completed, the Project operations will be managed by Alliance.

FINDINGS

1. MRB 18-5 will make a positive impact to the Central-Highland-Upper Nob Hill Metropolitan Redevelopment Area by making a private sector investment of approximately \$21.5 million into the community. The project will bring new development activity and housing options to the Area.
2. MRB 18-5 furthers the following strategies outlined in the MR Plan:
 - Improve the aesthetics, vitality and public image of the plan area
 - Encourage the development of a fine-grained mix of pedestrian-oriented land uses, including both residential and commercial.
 - Attract public and private investment to stimulate commercial revitalization.
 - Redevelop or find adaptive re-uses for vacant underutilized properties.
3. MRB 18-5 furthers the strategy outlined in the MR Plan of increasing the residential density along Central Avenue in the commercial corridor in order to promote Central Avenue business revitalization and the pedestrian character of the area.

4. MRB 18-4 will help to remove the conditions of slum and blight that exist in the Central-Highland-Upper Nob Hill Metropolitan Area by converting a blighted property into new multi-family housing.

STAFF RECOMMENDATIONS

Based on the application package provided by the Applicant and the above findings, staff recommends approval of MRB 18-5 as proposed.

Prepared by: Matthew Butkus
Metropolitan Redevelopment Agency

Broadstone Nob Hill

Metropolitan Redevelopment Bond Application



Submitted by:
Broadstone Nob Hill, LLC

I. General Description

Give a brief overview of the project, including general location, proposed development, use, and total bond amount requested. Provide a description as to how the proposed project will further the goals of the Metropolitan Redevelopment Plan for the area in which it is located. Include a statement of the benefit to be gained by the Albuquerque community as a whole from this development. The General Description should explain what will be done with the MRB if approved.

Broadstone Nob Hill, LLC (the “Applicant”) is submitting **Broadstone Nob Hill** (the “Project”) for an allocation of Metropolitan Redevelopment Bonds (“MR Bonds”). Broadstone Nob Hill is a 102-unit multi-family community on approximately 2.2 acres. The Project will provide better access to housing while revitalizing a previously vacant and underutilized site in the heart of Albuquerque’s urban core. Of chief importance to this transformation is the conversion of currently blighted land into a high-quality multi-family development that will drive residents and visitors to the area.

The Site is located in Albuquerque, New Mexico on the north side of Central Avenue NE (“Central Ave.”), between Montclair St. NE and Sierra St. NE, south of Copper Avenue NE (see “Exhibit A” and “Exhibit B”). This is part of the area known as “East Nob Hill” (on Central Ave, between Carlisle Blvd. and Washington St.). For the full legal description see “Section II – Part A: Legal Description.” This area is also located in the Central/ Highland/ Upper Nob Hill Metropolitan Redevelopment Area (the “MR Area”) governed by the Central/ Highland/ Upper Nob Hill Metropolitan Redevelopment Plan (the “MR Plan”). The MR Area covers an area from Carlisle Blvd. to San Mateo Blvd. and from Copper Ave. to Zuni Rd (for MR Area map see “Exhibit C”).¹ The Project has been designed to fully comply with the MR Plan.

Colonel DKB Sellers platted the Nob Hill addition in 1916. As the area grew in popularity “Mesa Grande” (the location of the Site) was platted in 1931. The area thrived during the heyday of Route-66, but declined after the creation of Interstate-40 (“I-40”) as the major east-west thoroughfare. The previously popular motels and motor lodges along Central Ave. fell into disrepair and became a haunt for nefarious and promiscuous activity. Crime escalated throughout the 1990s and by the early 2000s had come to a head. Community groups, business owners, the police department, City staff, and neighbors joined together to create a task force that would present opportunities to clean up and revitalize the area.

In 2002, the boundaries were approved as an MR Area. The City of Albuquerque City Council (the “City Council”) adopted the MR plan in 2003, “To incentivize high-quality mixed-use development in the area, as well as improve upon the physical and social service needs there.” An update to the MR Plan was approved in 2005 to further define the goals of the plan.

The Metropolitan Redevelopment Code (“MR Code”) defines blight as an area where “a significant number of commercial or mercantile businesses have closed or significantly reduced their operations due to the economic losses or loss of profit due to operating in the area.” The goal of the MR Plan is to, “Create a place that is both identifiable for its unique Route-66 character and is a livable, walkable, mixed-use and vibrant economic and residential part of Albuquerque.” Development of the proposed Nob Hill masterplan was guided by a set of New Urbanist design principles that follow the philosophy of, “Restructuring urban places to become more oriented to pedestrians, high-quality public transit, and a diverse mix of living,

¹ “Executive Summary.” *Central/ Highland/ Upper Nob Hill Metropolitan Redevelopment Plan 2005*. Pg. 19.

working, and shopping opportunities.” The masterplan recommends items such as, “Moving mixed-use buildings to the sidewalk, locating parking along the streets and at the rear of lots, and allowing a modest increase in the heights of buildings. A focus in the masterplan was also to improve the aesthetics and pedestrian experience by using items like on-street parking, planting street trees, and creating wider sidewalks.

In creating the MR Plan, community groups, business owners, and neighbors were invited to participate to discuss what they would like to see happen along Central Ave. Sentiments expressed by a majority of the participants included:

- Mixed-Use Development and Design Character
- Pedestrians and Bicycles
- Public Transit
- Parking
- Housing and Residential Impacts

In order to create an impactful project in Nob Hill, these elements were taken in consideration when designing the Project. Broadstone Nob Hill is a 102-unit multi-family community comprised of a central four-story building that includes residential units and ground-level quasi-commercial areas (e.g. leasing center, clubhouse, and fitness center). In addition to on-site parking located behind the building, new parking spaces were created surrounding the property. (see “Exhibit B” and “Exhibit D”).

When it comes to public transportation, it was important to the development team that the Project was located adjacent to the new ART bus rapid transit lane (the “ART”). The ART is a \$120 million bus rapid transit system with dedicated bus lanes along Central Ave., the historic Route-66 corridor. With this relationship, Broadstone Nob Hill is positioned to redefine walkable urban redevelopment in Albuquerque.

Broadstone Nob Hill further emphasizes the pedestrian experience with wide sidewalks, street furniture, art, and a beautiful streetscape (see “Exhibit B” and “Exhibit D”). The Project will be a high-quality addition to Albuquerque, a proponent for continued growth in the area, and a tremendous benefit to the community. Careful consideration was given to the public space of the Project on the streets bounding the Project. The sidewalks, landscaping, and parking areas were designed with the public, pedestrian, and the neighborhoods in mind. Great effort and design went into the area dedicated to the public realm. Through focusing on the connections between the Project, surrounding neighborhoods and Central Ave., the Project is designed to promote walkability, enhance safety, and greatly improve the experience along Central Ave. The pool and outdoor amenity area are bounded by two walk-up carriage units that are located above garages. Additionally, the Applicant is utilizing pedestrian-scale lighting, to create a safe and secure environment. The most exciting component is the design for a four-story high, thirty-foot wide mural planned for the east façade of the main building. The mural will be iconic and create an incredible pedestrian experience along Central Ave. The Applicant will be hiring a renowned muralist to design and paint the artwork. The Applicant has also met with the local non-profit group Working Classroom to potentially have them contribute on the mural. Playing off the artistic roots of Nob Hill, this will be an iconic addition both to the area as well as the city.

The Project will encourage other adjacent, high-quality development that strengthens the city's urban core along the Central Ave. corridor. Ideally, this reinvestment will encourage future development, spur vitality, improve safety, and have a positive impact on crime levels and aesthetics throughout the area. By adding in medium-density housing to the area, more residents will bring "new eyes on the street" and help improve security and safety in the area. Through this investment, both the MR Plan and the City's vision to create dynamic, high-quality, mixed-use development along the Central Ave. corridor will be accomplished. This will help spur revitalization in Albuquerque's urban core.

The total bond amount being requested for the Project is \$21,500,000. As part of these incentives, the Applicant is requesting MR Bonds in order to obtain the property tax abatement available under the Metropolitan Redevelopment Code ("MR Code").

II. Site and Existing Conditions

A. Legal Description

Give both the precise and complete legal description and address or identification of location.

The Site is currently made up of three parcels and a vacated alley. The Site is being re-platted in November 2018. The addresses of the Site consist of: 4101 and 4119 Central Ave NE Albuquerque, NM 87108, more particularly described as:

PARCEL I:

Lots numbered One (1), Two (2), Three (3), Ten (10), Eleven (11), Twelve (12), Thirteen (13), Fourteen (14), Fifteen (15), Sixteen (16), Seventeen (17), Eighteen (18) and Nineteen (19), all in Block numbered Two (2) of the MESA GRANDE ADDITION to the City of Albuquerque, N.M., as the same are shown and designated on the Plat thereof, filed in the office of the County Clerk of Bernalillo County, New Mexico on July 18, 1931 in Volume C2, folio 27,

TOGETHER WITH the Northerly One-half (Nly 1/2) of the vacated alley adjacent and abutting Lots Three (3) and Sixteen (16) and the Southerly One-Half (Sly 1/2) of the vacated alley adjacent and abutting Lots Ten (10) to Fifteen (15), inclusive, in said Block Two (2) of the MESA GRANDE ADDITION to the City of Albuquerque, N.M., said alley was vacated by the City of Albuquerque, New Mexico by Ordinance No. 120-1969 recorded September 26, 1969 in Book Misc. 151, Page 400 as Document No. 51194, records of Bernalillo County, New Mexico.

PARCEL II:

Lots numbered Four (4), Five (5), Six (6), Seven (7), Eight (8) and Nine (9), in Block numbered Two (2) of the MESA GRANDE ADDITION to the City of Albuquerque, N.M., as the same are shown and designated on the Plat thereof, filed in the office of the County Clerk of Bernalillo County, New Mexico on July 18, 1931 in Volume C2, folio 27.

PARCEL III:

The Southerly One-Half (Sly 1/2) of the vacated alley adjacent and abutting Lots Four (4) to Nine (9), inclusive, in said Block Two (2) of the MESA GRANDE ADDITION to the City of Albuquerque, N.M., said alley was vacated by the City of Albuquerque, New Mexico by Ordinance No. 120-1969

recorded September 26, 1969 in Book Misc. 151, Page 400 as Document No. 51194, records of Bernalillo County, New Mexico.

B. Prevailing Site Conditions

Describe the present use and development of the site, including any improvements, vacant land, etc.

The MR Plan paints a contrast between the popular West Nob Hill and the downtrodden East Nob Hill. It reads that, "The Nob Hill community west of this area has had considerable success in creating and maintaining a pedestrian-oriented shopping destination of boutiques, bakery/ cafes, restaurants, and entertainment venues that are active into the evening."² However, the area east on Central Ave. is, "Characterized by auto-oriented and pedestrian-unfriendly uses. Constraints to development for the commercial corridor include public perception problems, a relatively high rate of adult businesses in the area, and competition from neighboring big box retailers."³ This stark difference between the two areas led to the creation of the MR Area to foster development in East Nob Hill.

The MR Area was created, because the area was determined to be blighted. As defined in the Metropolitan Redevelopment Code (3-60-8), an area is considered blighted when it contains, "The presence of a substantial number of deteriorated or deteriorating structures, predominance of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility or usefulness, unsanitary conditions, deterioration of the site or improvements, and diversity of ownership."⁴ This definition is suiting of East Nob Hill and much of the area along Central Ave. Also highlighted in the definition of blight is an area where, "A significant number of commercial or mercantile businesses have closed or significantly reduced their operations due to the economic losses or loss of profit due to operating in the area, low levels of commercial or industrial activity or redevelopment."⁵ Since the peak of Route-66, Central Ave., particularly East Nob Hill has continued to deteriorate year after year. Less people came to the area and the remaining businesses began to shut down. Because of these poor conditions, the MR Area was created in 2002 to generate activities to eliminate slums and blighted areas through rehabilitation.

The MR Plan proposes to, "Eliminate problems created by blight and indicates activities recommended for the area including items such as land acquisition, demolition, and creation of housing." The MR Area exhibits a combination of factors that contribute to a blighted condition. These factors include:

Low Levels of Commercial - Upper Nob Hill and Highland central business districts, located along Central Ave. between Carlisle and San Mateo, share many similar characteristics with aging main streets across the country. A result of the Route-66 migration, the area flourished as it responded to the demands of passing motorists. However, as development trends shifted, many of the small local businesses in the area began to have difficulty competing with larger and newer national businesses. As a result, many have

² "Executive Summary." *Central/ Highland/ Upper Nob Hill Metropolitan Redevelopment Plan 2005*. Pg. 4.

³ "Executive Summary." *Central/ Highland/ Upper Nob Hill Metropolitan Redevelopment Plan 2005*. Pg. 4.

⁴ "Introduction." *Central/ Highland/ Upper Nob Hill Metropolitan Redevelopment Plan 2005*. Pg. 5.

⁵ "Introduction." *Central/ Highland/ Upper Nob Hill Metropolitan Redevelopment Plan 2005*. Pg. 5.

closed their doors and the area has experienced high commercial vacancy due to a lack of shoppers and live/ work/ play environment.⁶

Aging Motel as a Blighting Factor in the Area - The prevalence of motels along Central Ave. is an issue the entire city is facing. Most motels along Central Ave. were built in response to a demand for rest stops for weary motor travelers along the historic Route-66. The motels are a remnant and celebration of the American love affair with the automobile. Many are typical highway tourist cabins and motor courts of the 1930s and 1940s.⁷

However, when interstate highways replaced smaller roads as the primary means for traversing the country, Route-66 became more of a nostalgic icon than a highly traveled byway. As a result, the motels became underutilized and neglected structures. Neglected Route-66 motels have at times become the base of operations for prostitution and drug trafficking, causing the Albuquerque City Council in 1997 to expand its definition of properties contributing to "nuisance" activities. Criminal activities at specific motel locations as well as the age of the motels contribute to the dampened economic conditions in the area.

The crime frequenting the motels on Central Ave. has continued for years. In the 2004 article "Not Just a Maintenance Issue" from the *Alibi*, Aja Oishi writes about the Royal Hotel in particular.⁸ The Royal Hotel, which used to occupy a portion of the Broadstone Nob Hill site, was demolished in 2004 over continued nuisance issues. The Town Lodge, which is located on the southwest corner of the Broadstone Nob Hill site, was closed for business in November 2018. It will also be demolished to make way for the new multi-family project.

Oishi also comments on the high level of crime along Central Ave., specifically East Nob Hill. She reports that, "According to Deputy City Attorney Pete Dinelli, between July 1, 2001, and October 1, 2002, the police were called to the Royal Hotel alone no fewer than 319 times. The subject of the complaints ranged from drug trafficking to prostitution to domestic violence and violent crimes of all sorts." Dinelli further comments that the Royal Hotel was, "Becoming a magnet for criminal activity." City Councilor Martin Heinrich echoed these statements when he said that he, "Wouldn't wish it on anyone to have to stay there... There was garbage everywhere [and] a foul odor from many areas of the hotel and rodent and cockroach infestations." Heinrich closed his experience by saying that, "The Royal [Hotel] had become one of the businesses along Central [Ave.] that cannot really be said to be a hotel in the traditional sense, but that instead serves as an apartment complex for the destitute." This led, in part, to the closing of the hotel.

Currently the site is two-thirds vacant land and occupied by the Town Lodge motel. The motel has been functioning as an extended-stay motel and has been a nuisance property for many years. Between March and August of 2018, there were 13 criminal incidents at the property. The Town Lodge is slated for demolition in November to make way for the Broadstone Nob Hill project. The demolition costs include asbestos abatement of the Town Lodge, demolition of the Town Lodge, and relocation of overhead utility

⁶ "The Need for Revitalization." *Central/ Highland/ Upper Nob Hill Metropolitan Redevelopment Plan 2005*. Pg. 8.

⁷ "The Need for Revitalization." *Central/ Highland/ Upper Nob Hill Metropolitan Redevelopment Plan 2005*. Pg. 8.

⁸ Oishi, Aja. "Not Just a Maintenance Issue." *Alibi*. October 7 – 13, 2004.

lines. This work was done at the cost of approximately \$200,000. For more information on the redevelopment work see “Section III – Parts F, G, and L: Description of Proposed Development.”

The area of East Nob Hill is located in the heart of Albuquerque. Through programs like the MR Area, the area is primed for future growth. With the improvements to the streetscape from the introduction of the ART bus rapid transit system, the area is becoming more pedestrian and mass-transit friendly. The Broadstone Nob Hill project will improve the pedestrian realm even further through wider sidewalks, interesting architecture, and the iconic mural to be painted on the eastern façade. The design codes and ideas from the MR Plan help to create projects that engage the street front, creating a more welcoming customer and resident experience. The combination of mass-transit, improvements to the public realm, and high-quality housing and retail developments will transform this area of Nob Hill and reinvigorate it as a destination in Albuquerque.

C. Present Assessed Value

Give the present assessed value according to the Bernalillo County Assessor’s office. You may also list a current appraised value if you feel it will make the post-development value clearer.

According to the Bernalillo County Assessor, the 2018 present assessed value of the Site is \$530,500 (see “Exhibit H”).

D. Present and Proposed Zoning

Give the current zoning of the property. If any change in zoning is required for the proposed use, give the proposed new zone. We recommend that zoning changes required be requested before the project plan reaches the Development Commission.

A zoning change is not required. Per the Integrated Development Ordinance (“IDO”) zoning, the Site is zoned Mixed-Use Moderate Intensity (“MX-M”) (see “Exhibit F”). The Project is anticipated to receive approval through the Development Review Board (“DRB”) on November 14, 2018.

E. Renewable Energy

Indicate in detail if and how the Project will create, produce or use renewable energy and renewable energy technology.

Broadstone Nob Hill will have a positive impact on the environment. The Project, located within a blighted area, will help revitalize Nob Hill by providing much needed housing, creating jobs and making a positive community impact. Additionally, the Site is located in the urban core of Albuquerque and will provide substantial economic impact as an infill project.

Being located in proximity to the ART line, the Project has the opportunity to reduce traffic. Many of the residents are anticipated to use the ART to access jobs, food, and entertainment along Central Ave. They will likely use the ART for any trips between Downtown and Nob Hill further reducing their carbon footprint. Additionally, the second phase of the ART will take passengers from the airport north to Menaul to directly intersect with the Central Ave. ART line. This future connection will allow residents to take mass transit from the airport directly to their home in two convenient stops.

As an infill project, this Project will reduce its environmental impact simply by utilizing existing infrastructure within the city’s urban core. Developments that are located within the urban core have

exponential benefit to the city at large. According to Joe Minicozzi of Urban3, a company that analyzes the relationship between building design and tax production across the United States, the denser, urban infill projects generate a much higher taxable value per acre, therefore helping the city at large.⁹ This Project will greatly increase the tax base in the area and drive new revenues to the city.

While the Project will not pursue LEED certification, the Project includes many energy-saving products. The environmental impact of the Site will benefit from low-impact development strategies implemented to manage rainwater runoff and from a landscape design which will include only native and adapted drought-tolerant vegetation and a highly efficient irrigation system.

Inside the building, potable water will be further reduced by the specification of low-flow plumbing fixtures at all restrooms. Low-flow showerheads and low-flow faucet aerators will also reduce the Project's environmental impact by minimizing the energy consumed for heating water as the Project's total volume of consumed water is substantially reduced. Additional energy-efficient design strategies will include a well-insulated building envelope, windows specified to minimize direct solar heat gain, high-albedo roofing, high-efficiency water heaters and mechanical units, LED lighting throughout the Project, and energy management systems such as the included appliances, and the Nest brand of thermostats that are provided in each unit.

The specification of building materials for the Project will include careful consideration of environmental impact as well as the health of the building occupants – materials will be specified to be durable and easy to maintain, to have a low embodied energy, to be locally sourced when possible, to be low-emitting, and to have a long useful life. In addition to the use of low-emitting materials, further focus on the health and well-being of building occupants will include a mechanical system designed for a high level of indoor air quality and thermal comfort, and a building envelope design which optimizes quality daylight and views. Additionally, the Project will employ modern-day construction techniques designed to minimize waste. Construction of the building will take into account the effect that using recycled and low-emitting materials has on the internal and external environment.

III. Project Plan

A. **Information Concerning Applicant**

Describe the development entity – corporation, syndicate, individual, etc., and give information about the experience of the company or of significant individuals involved in the type of development proposed. Include as an attachment resumes of main principals or other information which will bear on the experience and credibility of the development entity.

Broadstone Nob Hill, LLC is a partnership between Albuquerque-based **Titan Development** ("Titan") and Phoenix-based **Alliance Residential Company** ("Alliance"). The joint vision for Broadstone Nob Hill is one of complete transformation around the area in East Nob Hill. The top priority of this transformation is the conversion of currently blighted and underutilized land into a thriving multi-family development that will give way to future dining, retail, and entertainment options in Nob Hill. Together, Titan and Alliance are

⁹ "Mapping the Dollars and Cents of Albuquerque's Revitalization." City of Albuquerque GovTV. <https://www.youtube.com/watch?v=fnCwMjhqRxY>

one of the largest developers of multi-family housing in New Mexico. To-date, Titan and Alliance have combined to complete four multi-family projects, in New Mexico, for a total of 980 units. Two of the multi-family projects located in Albuquerque, Broadstone Santa Monica and Broadstone Promenade, were key components of the redevelopment of the Del Rey Metropolitan Redevelopment Area in the Northeast Heights of the city (“Del Rey MR Area”). Additionally, the 226-unit multi-family project Broadstone Northpoint finished construction in October 2018. This project is located in the Coronado Metropolitan Redevelopment Area (“Coronado MR Area”) also in north Albuquerque. In addition to the 102 units at Broadstone Nob Hill, the partnership is also in design and construction on four more projects in Albuquerque and Santa Fe for a total of 508 additional units (see “Exhibit G”).

Titan Development:

Titan Development was founded in 1999 in Albuquerque, New Mexico by **Kevin Reid**, Chairman, and **Ben Spencer**, CEO, in an effort to provide a full range of real estate services to meet clients’ needs. After realizing success in New Mexico, Titan replicated its effective development model and expanded into other strategic and high growth markets including Texas, Arizona, Florida, and South Carolina.

Over the past 18 years, Titan Development has established a proven track record across a diversified class of real estate developments including: multi-family, senior housing, office, industrial, retail, self-storage, and single-family lots. The principals of Titan have been involved in over 10 million square feet of real estate development and have developed over \$2.1 billion of real estate, inclusive of their work at Titan. Titan is a vertically-integrated, full-service development company, providing all necessary services to transform raw land into income producing real estate assets.

Kevin Reid, Chairman of the Board – Titan Development

Kevin L. Reid is a founding member of Titan Development and serves as Chairman of the Board. Raised in Austin, Texas, he graduated from The University of Texas with a professional degree in Architecture with an emphasis on structural engineering. After graduation he worked as an architect in Dallas and Austin, Texas. In 1999, he founded and still owns Reid and Associates Design Build Construction which is Titan’s strategic partner for design and construction. His development and construction experience over the last 30 years includes high-rise, retail, industrial, multi-family, office, clean room and senior living. As Chairman, his primary roles include deal structures, investor relations, equity raise and strategic planning

Ben Spencer, Chief Executive Officer – Titan Development

Ben F. Spencer is a third generation New Mexican. Ben founded Argus Development Company in 1990 which specializes in residential and retail development. Since 1990, Argus has constructed and sold over 3,000 residential lots, primarily in the Albuquerque metropolitan area, and has developed numerous retail projects including La Cueva Town Center (150,000 SF), Riverside Plaza - a mixed use office/retail development (180,000 SF), as well as numerous build-to-suit developments for Starbucks Coffee. For more than ten years, Mr. Spencer was the President of Spencer Investment Company, owners of skilled nursing facilities and specialty hospitals in the state of New Mexico. In 2010, Mr. Spencer sold his company to Fundamental Healthcare.

Drew Dolan, President – Titan Development

Drew Dolan is President of Titan Development, an institutional-grade development firm headquartered in Albuquerque, New Mexico. Drew's role includes investment structuring, investor relations and debt and equity procurement. With Drew's oversight, Titan's development deals have returned an average IRR of 19% to investors. Drew's passion for delivering stronger returns to Titan's investors recently led to the development and launch of the Titan Development Real Estate Fund I, a mixed asset class portfolio of multi-family, industrial, senior living, self-storage and opportunistic projects. Drew also led the creation of a multi-family development partnership in New Mexico between Titan Development and Alliance Residential Company, which has resulted in 19% Investor Rate of Return (IRR.) Drew also plans to continue his work in the senior living segment and is dedicated to building another 1,000 units for our community.

Kurt Browning, Chief Development Officer – Titan Development

Kurt Browning is Chief Development Officer and Partner with Titan Development and has twenty years of real estate development experience including raw/developed land, acquisitions, dispositions, design-build lease-backs, and redevelopments. He manages all development processes, entitlements, budgeting, design-construction management, as well as joint venture structure and opportunistic acquisitions focusing on all land uses. Kurt contributes with financing, equity and debt structuring throughout the development process. A graduate of Texas Tech University, Kurt has overseen over \$750M in total development. His familiarity and relationships with all municipal, state and government officials, in multiple jurisdictions are unparalleled creating a strong development platform for Titan.

Alliance Residential

Headquartered in Phoenix, Arizona, Alliance Residential is one of the largest private U.S. multi-family companies with 34 offices throughout the country. They have invested in more than \$10 billion of real estate and manage a \$15 billion portfolio (91,589 units in 374 properties) with a focus toward superior local leadership and a comprehensive national support infrastructure. The Southwest Region (Nevada, Arizona, and New Mexico) encompasses 60 properties and 16,662 units. Titan's extensive local experience makes them Alliance's preferred partner in New Mexico.

B. Tax Issues

Please provide a statement declaring that the applicant has no outstanding substantive federal, state or local tax issues. If, however, there are pending issues, thoroughly describe all issues and their status.

The Applicant has no outstanding substantive federal, state, or local tax obligations, or irregularities as stated in the signed statement from the Applicant.

C. Information Concerning Products and Process

Identify the products and/or processes involved with this project. Specifically address the question of whether the proposed development will generate air, noise, or waste pollution or traffic congestion. Include any plans for the reduction and disposal of waste and/or project emissions.

The development team has met multiple times with the Nob Hill Neighborhood Association (the “NA”) and understand their concerns about future development and construction. The NA has actively worked with the development team to create a high-quality development that is sensitive to the existing context while growing and improving the area. When it comes to the construction period, the Site will be self-contained, secured, and fenced. The development team will minimize construction vehicle traffic around residential neighborhoods and keep the roads clean by removing dirt from all vehicles before exiting the Site. Through soil dampening procedures, the development team will also limit the amount of dust and dirt released into the air from earth moving and construction activities. Noise will be kept to a minimum and only occur during City standard ordinance construction hours.

D. Effect on Existing Industry and Commerce during and after Construction

Describe the predicted effects of the project including construction jobs generated, increased employment, increased sales, new industrial base, possible spin-off business, etc.

The Nob Hill construction schedule is estimated to last 16 months. There will be an estimated 200 full-time equivalent (“FTE”) jobs created during that 16-month construction period. The contractor will focus on hiring local subcontractors. It is estimated that 90% of the subcontractors will be local. Upon completion of the Project, there will be 7 full-time jobs generated directly on-site. Many ancillary jobs will also be created to support the Project. The net-annual payroll is estimated to be \$300,000 total for the 7 full-time jobs. The Project will catalyze and impact future development in the area.

In addition to the job creation, the Project will become home to over 150 residents, filling an unmet housing need in the urban core of Albuquerque. These residents and their families will be looking for areas to work, shop, dine, and entertain themselves. Following the MR Area’s vision, this will spur continued mixed-use development in the MR Area for business, retail, and entertainment opportunities.

E. Land Acquisition

Indicate if MRB proceeds will be used to acquire land, and whether land is presently owned by the applicant, or is under option.

The Applicant is the current owner of the land required for the Project and is not requesting proceeds from MR Bonds to acquire more land. As previously stated, the Applicant is submitting this application as part of the MR Area incentive to obtain the property tax abatement available under the MR Code.

F. Description of Proposed Development

Describe the construction to be undertaken in the project, including square footage, construction type, and location of construction on the project site. Indicate whether existing buildings on the site will be rehabilitated or incorporated in the construction. Detail any demolition which will be required by the project and indicate whether demolition involves any identified historic properties. If possible, attach a conceptual site plan and elevation (alternately, these may be presented at the Development Commission hearing).

The Project includes the development of a 102-unit Class-A multi-family community. The units are in the main four-story building and two surrounding carriage units (see “Exhibit B” and “Exhibit D”). The majority of the Site is currently vacant land. The Town Lodge exists on the southwest corner of the Site. The Town

Lodge was approved for demolition by the City's Landmarks Commission in September 2018 and scheduled for demolition in November 2018. The Site was plagued by squatters that fostered crime and drug-use in the area. In addition to the demolition, the cluttered and aging overhead utility lines in the alley on the Site will be converted to underground lines located in a utility trench that runs through the Site. The utility relocation work is anticipated to be completed in January 2019.

The location grants unparalleled access to the City and surrounding areas. The proximity to I-25 and Central Ave. allows residents convenient access throughout the City. With the completion of the ART bus rapid transit line, residents are a five-minute commute to Downtown, five minutes to UNM, and ten minutes to the Airport. The Project furthers both the MR Area and the City's goals to provide mixed-use projects along the Central Ave. corridor and encourage investment in Albuquerque's urban core. The Project will also be filling a housing need in this area of Albuquerque.

Due to the Project's location and its included amenities, all residents will be offered comparable services without any discrimination as to income of the resident. Additionally, the Project will not adversely affect existing multi-family housing in the area of the Project.

G. Infrastructure

Indicate if Project will require any extension or relocation of utility or road systems. If additional infrastructure is required, what cost sharing agreements have been reached between the applicant and the city?

As described in detail in "Section III – Part L", the Project included the construction of public infrastructure, street, curb, and sidewalk improvements, overhead utility line relocation, and asbestos abatement and demolition of existing vacant buildings. The City will not share in any of these costs.

H. Relocation of Individuals or Businesses

No individuals, families or businesses should be displaced by the activities outlined in this plan. If any relocation is required, detail the assistance the applicant will give in relocation.

No individuals, families, or businesses will be displaced by the activities outlined in this plan. The Town Lodge was functioning as a low-budget motel with stays up to thirty days. The business was a nuisance which attracted numerous criminal activities to the area. The business closed on October 31, 2018.

I. Number and Types of Jobs Created

Estimated percentage of jobs filled by persons who are residents of the city.

The Project will create 200 direct and indirect construction jobs, as well as 7 full-time jobs in ongoing operations of the apartment community. The construction jobs are estimated to be fulfilled by 90% of residents of the City of Albuquerque and surrounding areas. The full-time direct jobs are expected to be 100% filled by residents of Albuquerque and/or the surrounding areas.

J. Positive Contributions

List all positive contributions that the project will make to the neighborhood and how the project design and placement will enhance the area.

Two important components from the MR Plan are issues relating to land development and housing. Land Development seeks to, “Target new construction for properties that are vacant, underutilized, or do not have structures with historic character.”¹⁰ Housing is significant, because by increasing residential density along Central Ave, in the commercial corridor and transition areas, the residents will, “Promote Central Ave. business revitalization and the pedestrian character of the area.”¹¹ Broadstone Nob Hill accomplishes both of these tasks. By demolishing a deteriorating motel, with no historic value, the Applicant was able to utilize the property in addition to the partially vacant lot to create 102 multi-family units. Based on standard occupancy ratios, this equates to over 150 new residents to the East Nob Hill neighborhood. These residents will patronize the existing restaurant and retail spaces and improve the commercial viability in the area leading to new commercial opportunities.

As previously described, the West Nob Hill area, “Has capitalized on aspects that make small, locally owned retail shops more attractive to consumers than big box retail. Through revitalization, facade improvements, and retailers who serve a unique and specialized market niche, [West] Nob Hill has boomed with successful retail, restaurants and services.”¹² A similar opportunity could be present for the MR Area. The addition of the ART demonstrates the City’s dedication to improving Central Ave. and making it a pedestrian-friendly location in Albuquerque. The MR Plan states that, “This type of transit system has spurred revitalization and boosted property values in many cities and could act as a catalyst for redevelopment in the MR [Area].”¹³ New development is already being seen along Central Ave., particularly in both East and West Nob Hill.

With the addition of a medium-density multi-family project, such as Broadstone Nob Hill, even more people will be able to experience the area. A higher population density has two positive benefits. One, these residents will be looking for places to dine, shop, and entertain themselves. This not only improves the conditions of current retail tenants, but also generates the potential for new retail opportunities. Two, it creates a safer environment, because there are more “eyes on the street”. More people residing in the community and walking along Central Ave. prevents more crime from occurring.

By utilizing the zoning and building design standard recommendations from the MR Plan, Broadstone Nob Hill will create an engaging street front. The MR Plan makes the suggestions to, “Modify allowable setbacks so that new buildings create a street wall... Building entrances should face the primary street and be pedestrian accessible... [and] Parking should be in the rear.”¹⁴ Design standards should include items such as canopies and overhangs. Through the use of an undulating and dynamic architectural façade as well as including on-site parking behind the building, the Project successfully employs all of these recommendations. Also following the design standard recommendations, the Project will incorporate a neon blade sign on the building to pay homage to historic Route-66.

¹⁰ “Metropolitan Redevelopment Tools for Implementation.” *Central/ Highland/ Upper Nob Hill Metropolitan Redevelopment Plan 2005. Pg. 13.*

¹¹ “Metropolitan Redevelopment Tools for Implementation.” *Central/ Highland/ Upper Nob Hill Metropolitan Redevelopment Plan 2005. Pg. 14.*

¹² “Constraints and Opportunities.” *Central/ Highland/ Upper Nob Hill Metropolitan Redevelopment Plan 2005. Pg. 10.*

¹³ “Constraints and Opportunities.” *Central/ Highland/ Upper Nob Hill Metropolitan Redevelopment Plan 2005. Pg. 10.*

¹⁴ “The Plan.” *Central/ Highland/ Upper Nob Hill Metropolitan Redevelopment Plan 2005. Pg. 3.*

In addition to the building design, the Project focuses on the MR Plan recommendation to, “Make the street more pedestrian-friendly by bringing back on-street parking, widening sidewalks, adding street furniture, and installing landscaping and pedestrian-scale lighting.”¹⁵ In order to create a high-quality environment that encourages pedestrian activity, the Project design incorporates on-street parking with bulb outs to slow traffic, new wider sidewalks, planting street trees and shrubs, and installing lighting elements including more of the ART-standard streetlights along this portion of Central Ave. These elements create a place where residents and visitors feel safe walking both day and night.

This is further described in “Section III – Part L”.

K. Management

Who will manage the project? If the project will be managed by someone other than the applicant, does the applicant have any long-range involvement?

As described in “Section III – Part A” of the Project Plan, Broadstone Nob Hill, LLC is a partnership between Titan Development and Alliance Residential. The design and construction of the Project is being managed by Titan. After completion, the Project operations will be managed by Alliance for the entity.

L. Metropolitan Redevelopment Area Goals

Describe how the proposed project furthers the goals and objectives of the Metropolitan Redevelopment Plan for the area.

In addition to iconic projects such as the De Anza Motor Lodge and the Hiland Theater, the Royal Motor Inn Block is listed in the MR Plan as a redevelopment opportunity. The Royal Hotel was demolished in 2004 and the site has remained vacant for the almost fifteen years since that time. The Town Lodge occupies the southwest corner of the Site. It continues to deteriorate and provides no economic benefit to the area. The Town Lodge, and buildings like it, are actually inhibitors to future high-quality development in the area.

As mentioned throughout this application, The MR Plan for the Central-Highland-Upper Nob Hill Area, “Seeks to create a place that is both identifiable for its unique Route-66 character and is a livable, walkable, mixed-use and vibrant economic and residential part of Albuquerque.” Strategies to incorporate this plan include:

- Improving the aesthetics, vitality, and public image of the MR Plan area.
- Encouraging the development of a mix of pedestrian-oriented land uses, including both residential and commercial.
- Attracting public and private investment to stimulate commercial revitalization.
- Redeveloping or finding adaptive re-uses for vacant and underutilized properties.
- Providing a wide range of viable transportation choices, including: high-quality public transit, walking, bicycling, and vehicular systems.
- Providing a safe and secure environment for residents, businesses, and visitors.

By incorporating these items into the design of Broadstone Nob Hill, the Project sets the bar for high-quality development in the area. It will become a place that residents are proud to live at and become a

¹⁵ “Metropolitan Redevelopment Tools for Implementation.” *Central/ Highland/ Upper Nob Hill Metropolitan Redevelopment Plan 2005*. Pg. 12.

catalyst for future development to occur. When combined with the ART mass-transit and improvements to the public realm, these projects will change the public perception of East Nob Hill and create a new walkable, urban district in Albuquerque.

Overall, the Project will further all redevelopment policies, by promoting the health, safety, security, and welfare of the citizens of Albuquerque and the MR Area. The proposed Project falls in line with both the MR Plan and the City's long-term development plans.

IV. Project Financing

A. Cost of Improvements, Bond Amount and Private Financing

Provide the total cost of the improvements to be constructed and the amount of bonds requested. The amount requested should be no more than that needed to complete the project in addition to equity or conventional financing. Also provide the amount of private financing (equity or conventional financing) involved in this project; this may include the value of land and existing facilities, if relevant.

The total anticipated cost of the Project is \$21,500,000. Titan Nob Hill, LLC and Broadstone Nob Hill Alliance, LLC, an Alliance Residential entity, have formed a joint venture to fund the Project. Throughout the entire development process, the budget was maintained to include an allocation of MR Bonds as waived impact fees and property tax abatement. This not only allowed for the design of the multi-family project, but also enabled the substantial public improvements to be designed, site demolition and public infrastructure improvements to occur. The abatement and demolition work is underway, with the remaining utility relocation work anticipated to be completed in early 2019. Construction of the Project is anticipated to begin in February 2019 and is expected to be complete in August 2020.

B. Estimated Value after Completion

Indicate the estimated appraised value of the project after completion.

The estimated appraisal value of the Project after completion is \$24,200,000.

C. Feasibility

Present information to show that the project can reasonably be expected to generate sufficient revenue to liquidate the debt. This information may be an attached pro forma, and should be sufficiently detailed to show the assumptions on which the projections are based. However, a firm commitment to provide financing for the project will be considered sufficient evidence of feasibility, and no pro forma will be needed in such cases.

The Project is pursuing construction financing at this time and has many interested lenders. The construction loan will be in place by groundbreaking. The equity has been fully allocated to the project.

D. Construction Schedule

Give the date of anticipated beginning and completion of construction.

Construction of the Project is anticipated to begin in February 2019 and is expected to be complete in August 2020.

E. Issuance of Bonds

Provide the anticipated date of bond issuance.

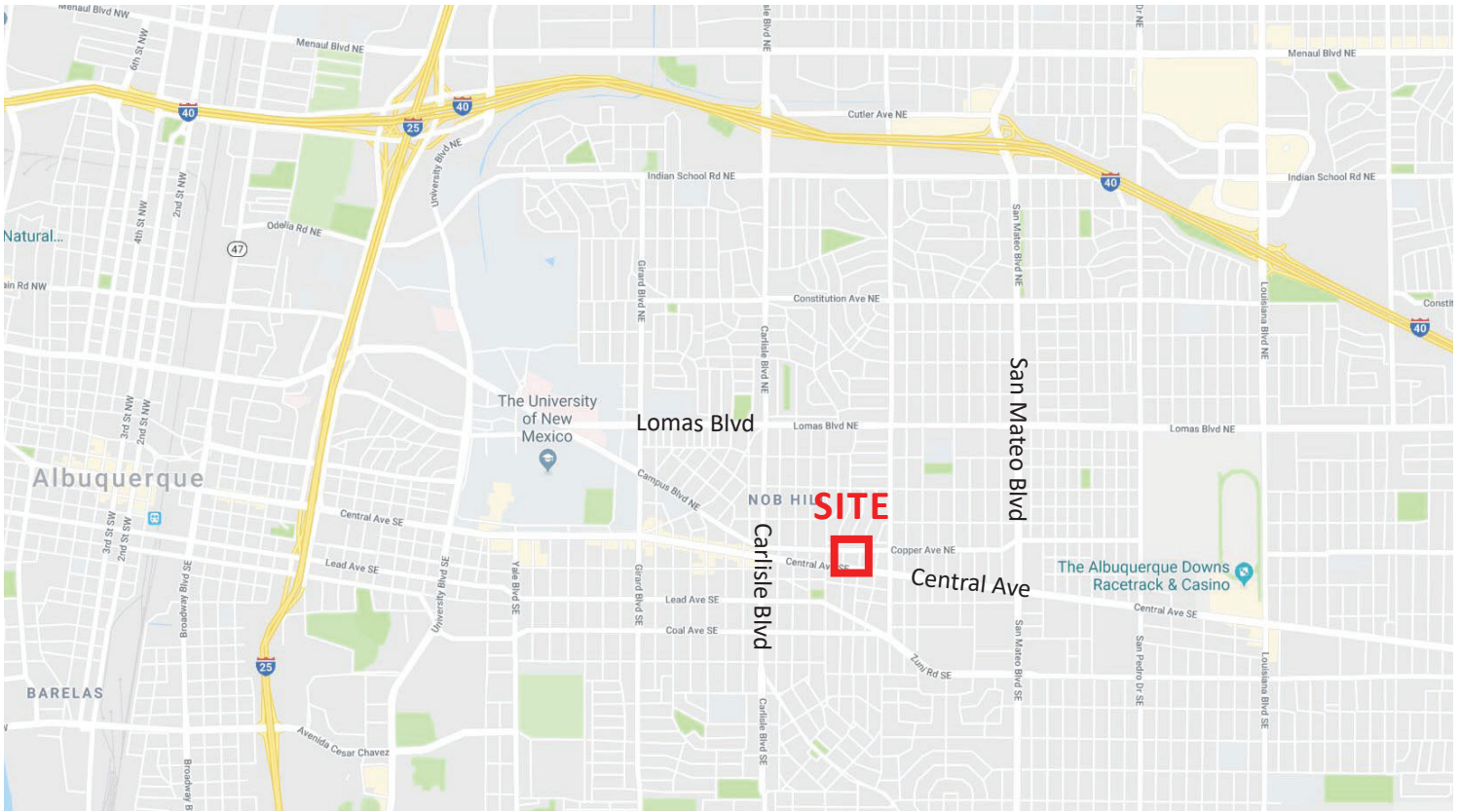
The anticipated date of bond issuance is August 1, 2020.

Attachments

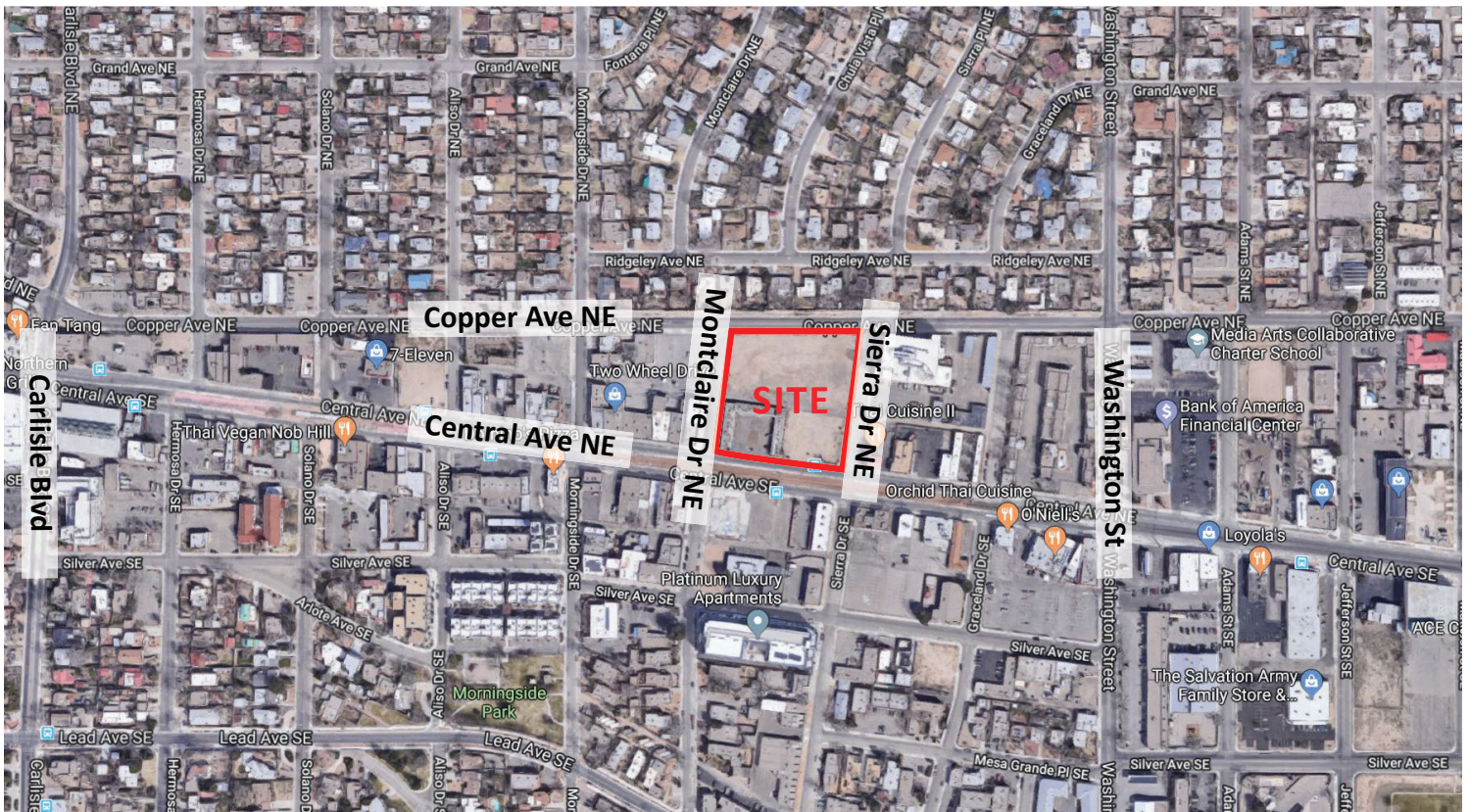
- See document “MRB Exhibits” for all attachments.

BROADSTONE NOB HILL – MR BONDS APPLICATION EXHIBITS 11/8/18

EXHIBIT A – Context of Project Site in Albuquerque, NM



Context map of the site within Albuquerque, NM

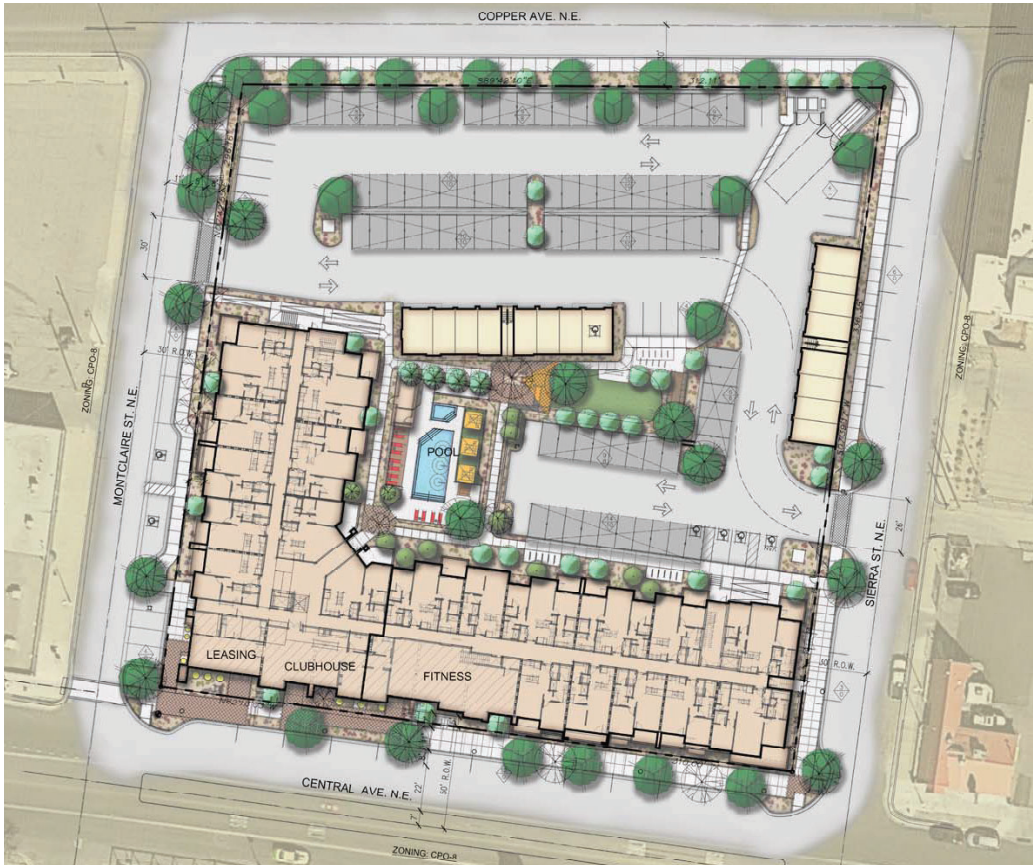


Map showing the Broadstone Nob Hill site. The site is located between Central Ave NE and Copper Ave NE (south and north), and Montclair Dr NE and Sierra Dr NE (west and east).

EXHIBIT B – Project Site and Site Plan

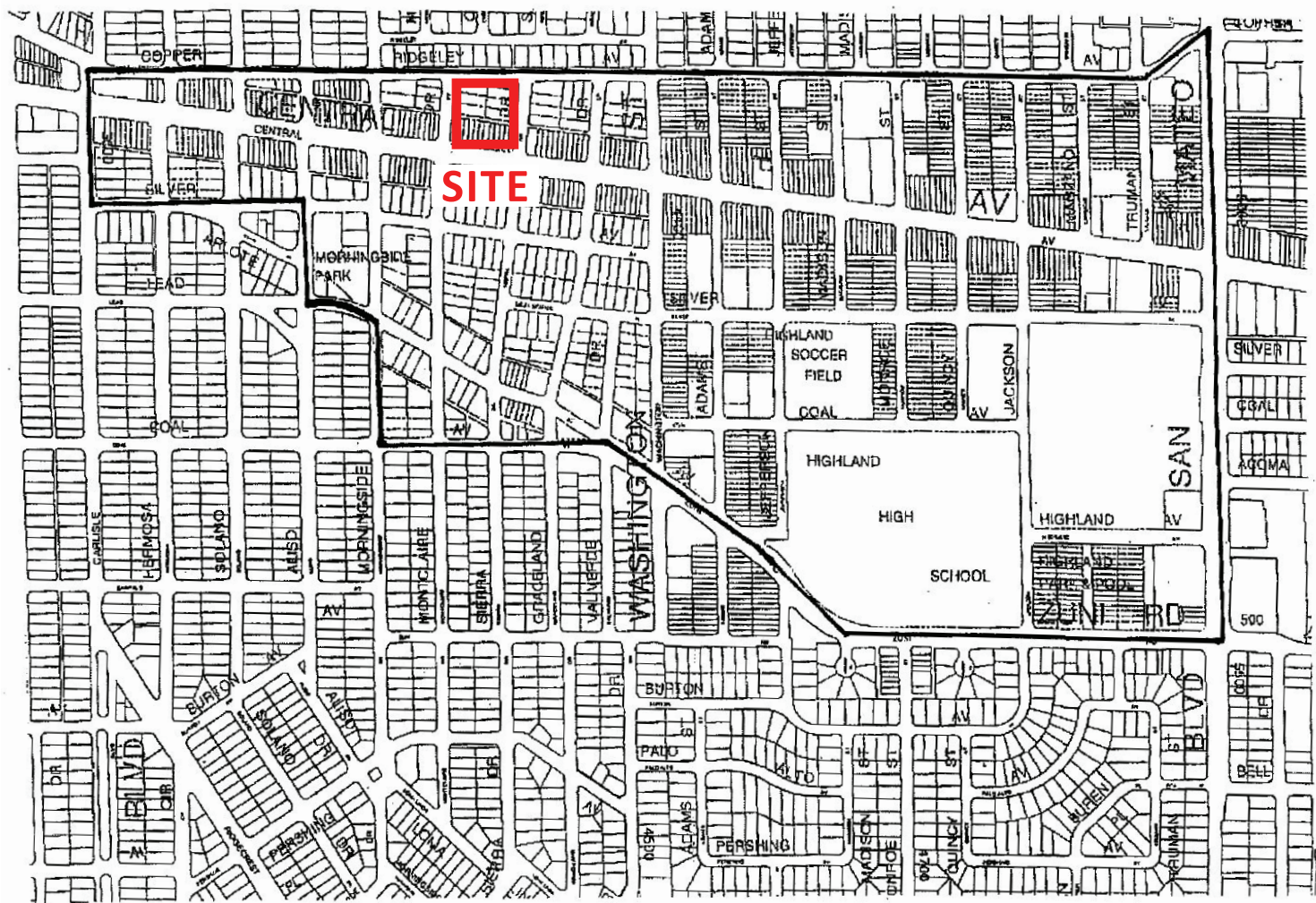


Map showing the Broadstone Nob Hill site.



Rendering site plan for Broadstone Nob Hill. The site plan will include improvements to the streetscape, such as street trees, lighting, and wider sidewalks to enhance the pedestrian experience. New on-street parking with bulb outs will also be created.

EXHIBIT C – MR Area Map



Map showing the Central/ Highland/ Upper Nob Hill Metropolitan Redevelopment Area.

EXHIBIT D – Project Drawings (1 of 3)



South Elevation



North Elevation



East Elevation. A large mural is planned for the the east facade (design is conceptual).

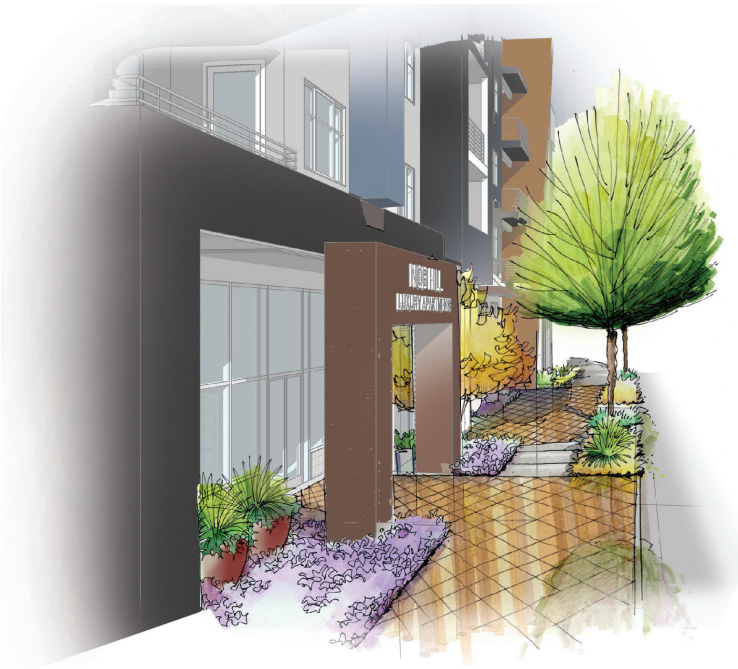


West Elevation

EXHIBIT D – Project Drawings (2 of 3)

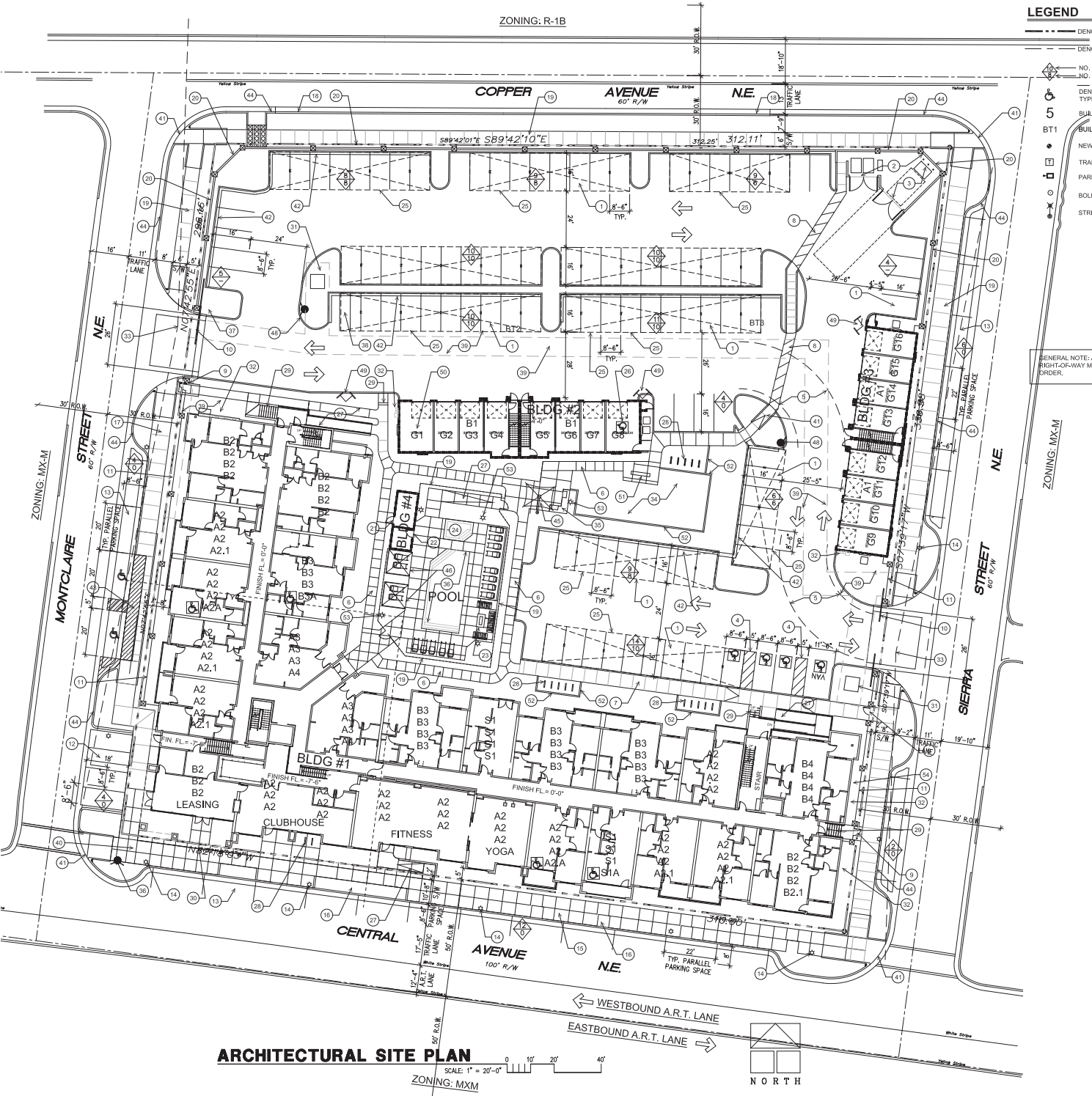


Conceptual rendering of the southwest corner of the building, looking at the leasing office. There will also be a lighted sign to pay homage to historic Route-66 (design is conceptual).



Conceptual rendering of the southwest corner of the building, looking at the main entrance. Improvements to the streetscape will be made along Central Ave., such as street trees and wider sidewalks, to enhance the pedestrian experience.

EXHIBIT D – Project Drawings (3 of 3)



Site Plan

EXHIBIT E – The Town Lodge Existing Conditions (1 of 3)



The Town Lodge. (Left) Facing northeast. (Right) Facing northwest



The Town Lodge. (Left) Facing south. (Right) Deteriorating building conditions



The Town Lodge. (Left) Window conditions. (Right) Deteriorating building conditions

EXHIBIT E – The Town Lodge Existing Conditions (2 of 3)



Signs on the property. Both the Town Lodge sign and the black sign will be saved, with potential use on this property or another along Central Ave. The Royal Hotel sign will be demolished.



The Town Lodge facing North. There are a total of three curb cuts along Central Ave. (two shown here and one in the image below). The MR Plan recommends eliminating curb cuts to create a safer pedestrian experience. The sidewalks will also be widened with the Project.



The Town Lodge and adjacent vacant property facing northwest. This shows the third curb cut along Central Ave.

EXHIBIT E – The Town Lodge Existing Conditions (3 of 3)

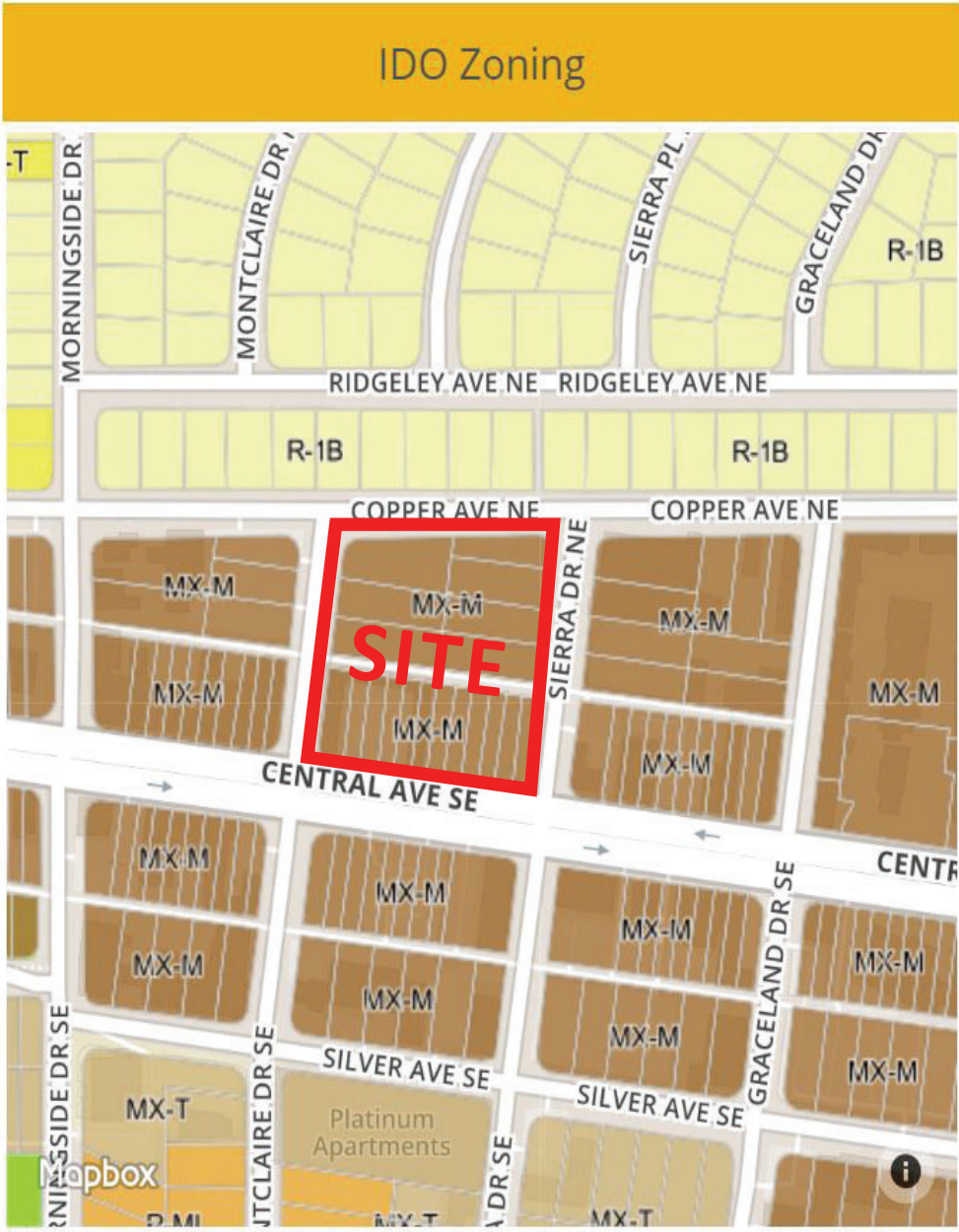


The existing overhead utility lines will be relocated underground through the property in a PUE. This enhances the aesthetics of the area. (View facing west)



Another view of the existing overhead utility lines that will be relocated underground through the property in a PUE. (View facing east)

EXHIBIT F – Zoning Map



IDO Zoning Districts

<div></div> MX-FB-UD, -FX, -ID MIXED USE - FORM BASED DOWNTOWN DISTRICTS	<div></div> NR-GM NON-RESIDENTIAL - GENERAL MANUFACTURING	<div></div> PD PLANNED DEVELOPMENT	<div></div> PC PLANNED COMMUNITY
<div></div> MX-H MIXED USE - HIGH INTENSITY	<div></div> NR-LM NON-RESIDENTIAL - LIGHT MANUFACTURING	<div></div> R-1A, R-1B, R-1C, R-1D RESIDENTIAL SINGLE-FAMILY DETACHED	
<div></div> MX-L MIXED USE - LOW INTENSITY	<div></div> NR-PO-A CITY-OWNED OR MANAGED PUBLIC PARKS	<div></div> R-A RURAL AND AGRICULTURAL	
<div></div> MX-M MIXED USE - MODERATE INTENSITY	<div></div> NR-PO-B MAJOR PUBLIC OPEN SPACE	<div></div> R-MH RESIDENTIAL MULTIFAMILY - HIGH DENSITY	
<div></div> MX-T MIXED USE - TRANSITION	<div></div> NR-PO-C NON-CITY PARKS OR OPEN SPACE	<div></div> R-ML RESIDENTIAL MULTIFAMILY - LOW DENSITY	
<div></div> NR-BP NON-RESIDENTIAL - BUSINESS PARK	<div></div> NR-PO-D CITY BIOPARK	<div></div> R-MC MANUFACTURED HOME COMMUNITY	
<div></div> NR-C NON-RESIDENTIAL - COMMERCIAL	<div></div> NR-SU SENSITIVE USE	<div></div> R-T RESIDENTIAL TOWNHOUSE	<div></div> UNCL NOT CLASSIFIED

A zoning change is not required. The site is zoned MX-M which allows for multi-family.

EXHIBIT G – Titan and Alliance Multi-family Projects

Project	Year Complete	Location	Units
Broadstone Santa Monica	2013	Albuquerque, NM	280
Broadstone Cottonwood	2015	Albuquerque, NM	240
Broadstone Promenade	2016	Albuquerque, NM	180
Zocalo Village 7	2016	Santa Fe, NM	54
Broadstone Northpoint	2018	Albuquerque, NM	226
		SUBTOTAL COMPLETE	980
Broadstone Nob Hill*	2019	Albuquerque, NM	102
Broadstone Rodeo*	2020	Santa Fe, NM	188
Highlands North**	2019	Albuquerque, NM	92
Highlands East**	2021	Albuquerque, NM	228
		SUBTOTAL PIPELINE	508
		TOTAL UNITS	1,590

* Construction

** Proposed/ Design

JURISDICT: 02 PARCEL ID: 1 017 057 179 337 34701		TAX YEAR: 2018
ROLLTYPE: RP PROTEST DEADLINE: 30-APR-18		
TAX DISTRICT A1 MRG: AFC: A CLASS: NR		
OWNER 1: TITAN NOB HILL LLC		FULL LAND VALUE: 106,600
ADDRESS: 6300 RIVERSIDE PLAZA LN NO SUITE 200 ALBUQUERQUE NM 87120-2617		AGRIC. LAND: 0
LOCATION: 4101 CENTRAL AV NE		FULL IMPV. VALUE: 200,400
DOCUMENT #: 2017108557 092217 SW - ENTRY BY LR 120617 CODED BY LV 111417 (RE-REC REF)		TOTAL FULL VALUE: 307,000
		TAXABLE (1/3 FULL): 102,323
		EXEMPTIONS
		HEAD OF FAMILY: 0
		VETERAN: 0
		OTHER (I): 0
		NET TAXABLE VALUE: 102,323
PROPERTY DESCRIPTION LEGAL		
• LOTS 4 THRU 9 BLK 2 MESA GRANDE ADD & POR OF VAC ALLEY		
COMMENTS		

Three parcels make up the Site. This is the 2018 Tax Bill for 4101 Central Ave NE.

JURISDICT: 02 PARCEL ID: 1 017 057 189 252 34704		TAX YEAR: 2018
ROLLTYPE: RP PROTEST DEADLINE: 30-APR-18		
TAX DISTRICT A1 MRG: AFC: A CLASS: NR		
OWNER 1: TITAN NOB HILL LLC		FULL LAND VALUE: 138,200
ADDRESS: 6300 RIVERSIDE PLAZA LN NW SUITE 200 ALBUQUERQUE NM 87120-2617		AGRIC. LAND: 0
LOCATION: 4119 CENTRAL AV NE		FULL IMPV. VALUE: 0
DOCUMENT #: 2017108557 092217 SW - ENTRY BY LR 120617 CODED BY LV 111417 (RE-REC REF)		TOTAL FULL VALUE: 138,200
		TAXABLE (1/3 FULL): 46,062
		EXEMPTIONS
		HEAD OF FAMILY: 0
		VETERAN: 0
		OTHER (): 0
		NET TAXABLE VALUE: 46,062
PROPERTY DESCRIPTION LEGAL		
<ul style="list-style-type: none">• LOTS 1 THRU 3 & 16 THRU 19 BLK 2 MESA GRANDE ADD & POR OF VA• C ALLEY		
COMMENTS		

Three parcels make up the Site. This is the 2018 Tax Bill for 4119 Central Ave NE (1 of 2).

JURISDICT: 02 PARCEL ID: 1 017 057 195 234 34702		TAX YEAR: 2018
ROLLTYPE: RP PROTEST DEADLINE: 30-APR-18		
TAX DISTRICT A1 MRG: AFC: A CLASS: NR		
OWNER 1: TITAN NOB HILL LLC		FULL LAND VALUE: 85,300
ADDRESS: 6300 RIVERSIDE PLAZA LN NW SUITE 200 ALBUQUERQUE NM 87120-2617		AGRIC. LAND: 0
LOCATION: 4119 CENTRAL NE		FULL IMPV. VALUE: 0
DOCUMENT #: 2017108557 092217 SW - ENTRY BY LR 112717 CODED BY LV 111417		TOTAL FULL VALUE: 85,300
		TAXABLE (1/3 FULL): 28,430
		EXEMPTIONS
		HEAD OF FAMILY: 0
		VETERAN: 0
		OTHER (): 0
		NET TAXABLE VALUE: 28,430
PROPERTY DESCRIPTION LEGAL		
• LOTS 10 THRU 15 BLK 2 MESA GRANDE ADD & POR OF VAC ALLEY		
COMMENTS		

Three parcels make up the Site. This is the 2018 Tax Bill for 4119 Central Ave NE (2 of 2).

EXHIBIT I – Statement of No Tax Issues

Titan Nob Hill, LLC
6300 Riverside Plaza Lane NW, Suite 200
Albuquerque, NM 87120

November 8, 2018

City of Albuquerque
600 2nd Street NW
Albuquerque, NM 87106

Re: Tax Statement

To whom it may concern:

Titan Nob Hill, LLC has no outstanding substantive federal, state, or local tax issues.

Sincerely,

Titan Nob Hill, LLC

By:



Andrew Dolan, Manager
of Titan Nob Hill, LLC

APPLICATION
For
METROPOLITAN REDEVELOPMENT BOND
Project Approval

Name of Project:	Broadstone Nob Hill
Location of Project:	Central Avenue NE between Montclair St. NE and Sierra St. NE
Company Name:	Broadstone Nob Hill, LLC
Company Website:	Titan-Development.com
Contact Person:	Josh Rogers
Address:	6300 Riverside Plaza Lane NW, Suite 200 Albuquerque, NM 87120
Telephone:	505-998-0163
Email:	jrogers@titan-development.com
Bond Counsel:	Christopher Pacheco
Address:	6300 Riverside Plaza Lane NW, Suite 200 Albuquerque, NM 87120
Telephone:	505-998-0163
Bond Amount Requested:	\$21,500,000.00
Fee Submitted:	

FOR STAFF USE

Staff Assigned:	
Case Number:	
Fee Received:	\$
ADC Hearing Date:	
Council Dates (Tentative): Introduction Committee	
	Council Hearing

CITY of ALBUQUERQUE
TWENTY-THIRD COUNCIL

COUNCIL BILL NO. _____ ENACTMENT NO. _____

SPONSORED BY: _____, by request

RESOLUTION

DECLARING THE INTENT OF THE CITY OF ALBUQUERQUE, NEW MEXICO, SUBJECT TO THE SATISFACTION OF CERTAIN CONDITIONS, TO ISSUE METROPOLITAN REDEVELOPMENT BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$21,500,000.00 IN CONNECTION WITH THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE BROADSTONE NOB HILL PROJECT FOR THE PURPOSE OF INDUCING BROADSTONE NOB HILL, LLC OR ITS SUCCESSORS AND ASSIGNS, TO LOCATE THE PROJECT IN THE CITY AND TO DEVELOP THE PROJECT IN THE CITY AS DESCRIBED IN THE PROJECT PLAN.

WHEREAS, the City of Albuquerque (the “City”), State of New Mexico (the “State”), is a legally and regularly created, established, organized and existing municipal corporation of the State; and

WHEREAS, pursuant to the Metropolitan Redevelopment Code, Chapter 3, Article 60A, New Mexico Statutes Annotated, 1978 Compilation, as amended (the “Code”), the City Council (the “Council”) of the City is authorized to acquire metropolitan redevelopment projects to be located within metropolitan redevelopment areas; and

WHEREAS, the City desires to encourage redevelopment, so as to promote industry and develop trade or other economic activity by inducing profit or non profit corporations and commercial or business enterprises, among others, to locate, expand or remain in metropolitan redevelopment areas, to reduce unemployment and to secure and maintain a balanced and stable economy in such areas and to promote public health, welfare, safety, convenience and prosperity; and

1 **WHEREAS, the City has previously designated the area within which the Project**
2 **Site (as defined below) and the Project (as defined below) are located within the Central/**
3 **Highland/ Upper Nob Hill Metropolitan Redevelopment Area; and**

4 **WHEREAS, Broadstone Nob Hill, LLC, a Delaware limited liability company**
5 **(together with its successors and assigns, the “Company”) has presented to the City a**
6 **proposal (the “Project Plan”) whereby, in accordance with the Code, the City will acquire**
7 **certain land comprised of the north side of Central Avenue NE between Montclair St.**
8 **NE and Sierra St. NE, all within the City (the “Project Site”), upon which renovation,**
9 **construction and equipping of the Project Site for the purpose of providing a multifamily**
10 **residential project and related amenities will occur (the “Project”) in accordance with**
11 **the Code; and**

12 **WHEREAS, The Project Plan proposes the issuance by the City of its**
13 **Metropolitan Redevelopment Bonds (Broadstone Nob Hill Project) Series 2019 (the**
14 **“Bonds”) under the Code in an aggregate principal amount not to exceed \$21,500,000.00**
15 **to finance all or part of the costs of construction and equipping of the Project and certain**
16 **costs in connection with the authorization, issuance and sale of the Bonds; and**

17 **WHEREAS, the issuance of the Bonds by the City to finance all or a part of the**
18 **Project will constitute one of the inducements relied upon by the Company to construct**
19 **and equip the Project in the City and**

20 **WHEREAS, the City desires to indicate its intent, subject to the conditions**
21 **provided in Section 6 below, to proceed with the issuance of the Bonds for the financing**
22 **of the Project pursuant to the terms of an ordinance (the “Bond Ordinance”) to be**
23 **subsequently considered for approval by the Council; and**

24 **WHEREAS, the Albuquerque Development Commission, which acts as the**
25 **Metropolitan Development Commission under the provisions of City Ordinance 12-1985**
26 **(the “Commission”) held a public hearing on December 21, 2018 on the Project and the**
27 **issuance of the Bonds, at which hearing comments from the public were gathered and**
28 **considered by the Commission; and**

29 **WHEREAS, at the conclusion of the public hearing, the Commission voted to**
30 **recommend approval of the Project and the issuance of the Bonds to the Council and**
31 **approved the Project Plan; and**

1 **WHEREAS, the City and the Company understand that the adoption of this**
2 **resolution shall not obligate the City to issue the Bonds except in full compliance with**
3 **the terms of the Bond Ordinance to be adopted by the Council prior to the issuance of**
4 **the Bonds and of related bond documents in form satisfactory to the City to be approved**
5 **by the Council prior to the issuance of the Bonds.**

6 **BE IT RESOLVED BY THE COUNCIL, THE GOVERNING BODY OF THE CITY OF**
7 **ALBUQUERQUE:**

8 **Section 1. Ratification. All actions (not inconsistent with the provisions hereof)**
9 **heretofore taken by the Council, the Commission and the officers and officials of the**
10 **City and the Commission, related to the purposes of this Resolution, are ratified,**
11 **approved and confirmed.**

12 **Section 2. Project. The Council has been informed that:**

13 a. **The location of the Project is the north side of Central Avenue NE**
14 **between Montclair St. NE and Sierra St. NE located within the Central/**
15 **Highland/ Upper Nob Hill Metropolitan Redevelopment Area.**

16 b. **The Project consists of up to approximately 2.2 acres of land together**
17 **with apartment buildings totaling approximately 125,772 square feet, and**
18 **related improvements for the purpose of providing residential space and**
19 **associated amenities.**

20 c. **The maximum aggregate face amount of the obligations to be issued**
21 **with respect to the Project is \$21,500,000.00.**

22 d. **The Project conforms to the requirements of the Central/ Highland/**
23 **Upper Nob Hill Metropolitan Redevelopment Plan and the Code. The Project will**
24 **remediate blighted conditions and infrastructure, improving the health, safety**
25 **and welfare of the public and will encourage economic and commercial growth**
26 **within the area.**

27 **Section 3. Interest on the Bonds not Federally Tax-exempt. The City**
28 **understands that the Company does not intend that the Bonds be “qualified private**
29 **activity bonds” as that term is defined in the Internal Revenue Code of 1986, as**
30 **amended.**

31 **Section 4. Intent to Issue Bonds. In order to promote the local health and**

1 general welfare, safety, convenience and prosperity of the inhabitants of the City, it is
2 the Council's intent to take all necessary and advisable steps to effect the issuance of
3 the Bonds, in a principal amount not to exceed \$21,500,000.00 in order to defray part or
4 all of the costs of the construction and equipping of the Project, provided that this
5 expression of intent is conditioned upon the issuance of the Bonds on or before one
6 year from the date of the adoption of this Resolution, and further provided that issuance
7 of the Bonds is subject to the conditions described in Section 6 hereof.

8 **Section 5. No Pecuniary Liability of the City.** The Bonds shall be payable solely
9 from the revenues of the Project, by the Company, from proceeds of the Bonds and from
10 investment earning of Bond proceeds, if any. The Bonds shall not constitute a debt or
11 indebtedness of the City within the meaning of any provision of limitation of the
12 Constitution or statutes of the State of New Mexico or the Charter of the City. In addition,
13 if the Bonds are issued, the Company shall indemnify and hold the City harmless from
14 and against any liability that may be asserted against the City with respect to the City's
15 ownership of, or leasehold interest in, the Project or the issuance of the Bonds. Nothing
16 in this Resolution or in any other instrument shall be considered as obligating the City
17 to any pecuniary liability or as constituting a charge upon the general credit of the City
18 or against its general revenues or its taxing power, it being understood that no costs
19 are to be borne by the City and that all costs incurred by the City in connection with the
20 issuance and sale of the Bonds will be promptly reimbursed by the Company.

21 **Section 6. Issuance of Bonds Conditioned upon Full Review and Approval.** The
22 issuance of the Bonds and the execution and delivery of any documents to which the
23 City is a party in connection therewith shall be subject to, and specifically conditioned
24 upon, a full review of such documents and the approval and authorization by the Council
25 of the issuance of the Bonds pursuant to the Bond Ordinance following reasonable
26 public notice of the time, date and place of the Council's public hearing relating to
27 adoption of the Bond Ordinance. In connection with this Resolution, the Council has
28 been informed that the Company has expressed its understanding that a failure or
29 refusal of the Council, however arising, to adopt the Bond Ordinance will have the effect
30 of voiding any benefits to the Company under the Code.

31 **Section 7. Authorized Actions.** The Mayor and other appropriate City officials are

1 hereby authorized and empowered to take such steps and to do such things as may be
2 necessary to achieve the purposes of this Resolution.

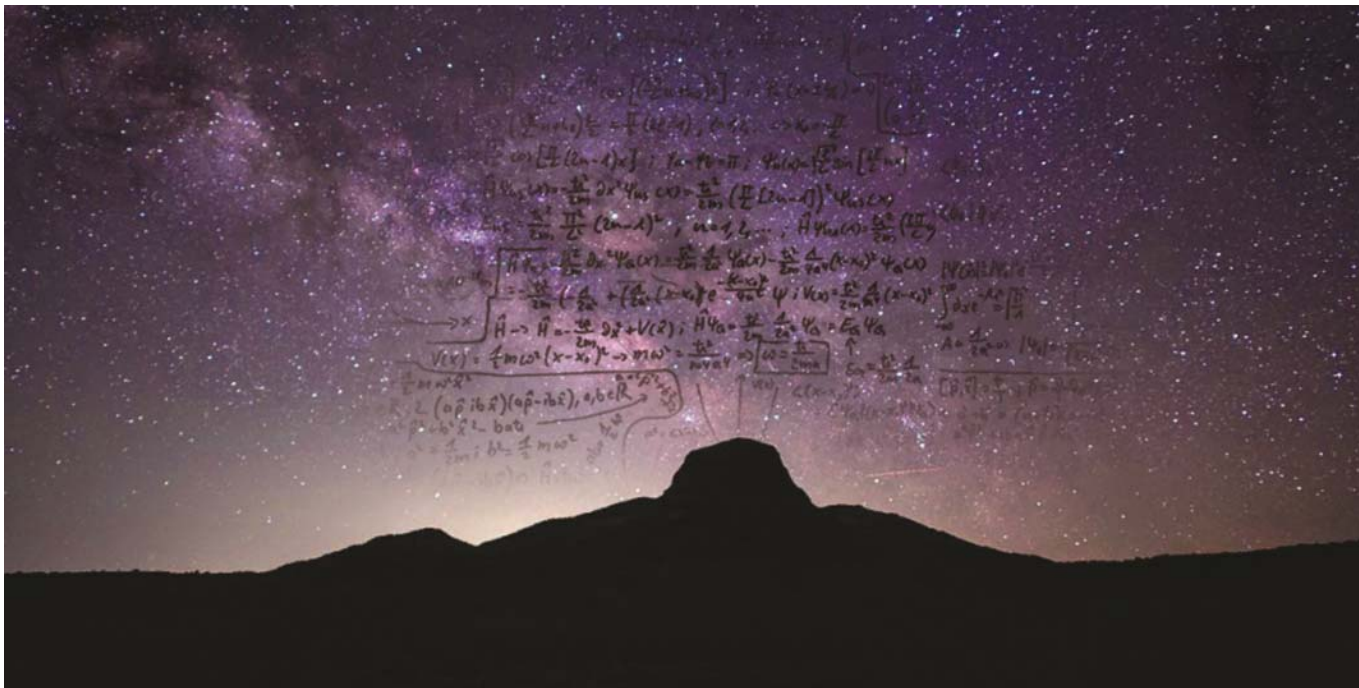
3 **Section 8. Severance Clause.** If any section, paragraph, clause or provision of this
4 resolution shall for any reason be held to be invalid or unenforceable, the invalidity or
5 unenforceability of such section, paragraph, clause or provision shall not affect any of
6 the remaining provisions of this Resolution.

7 **Section 9. Headings.** Titles of the sections in this Resolution are included for
8 convenience only and shall not be construed as modifying the test.

9 **Section 10. Repealer.** All orders and resolutions, or parts thereof, in conflict with
10 this Resolution are hereby repealed; however, this repealer shall not be construed to
11 revive any order, resolution or part thereof, heretofore repealed.

Property Tax Analysis of Proposed Broadstone Nob Hill Project

Prepared for the City of Albuquerque
and Broadstone Nob Hill, LLC
Prepared by Julian Baca, M.A.



BUREAU OF BUSINESS
& ECONOMIC RESEARCH

Property Tax Analysis of Proposed Broadstone Nob Hill Project

This analysis examines whether the incremental property taxes generated by the proposed Broadstone Nob Hill development are sufficient to cover the expected 7-year tax abatement request made by Broadstone Nob Hill, LLC to the City of Albuquerque.¹ This analysis is conducted utilizing a 26-year project period and it is assumed that the current property tax base and tax rate will remain the same during the projection period. The valuation data used in the analysis were provided by Broadstone Nob Hill, LLC. Table 1 provides the assessed land value, improvement value, total taxable value, mill rate, and the estimated tax amount due in 2018. This table provides the basis for the BBER estimation of the baseline property tax rate.

Table 1. Assessed Land Value, Improvement Value, Total Taxable Value, Mill Rate and Tax Amount Due (\$-dollars)*

Property	Assessed Value Land	Taxable Value Land	Assessed Value of Improvements	Taxable Value Improvements	Total Assessed Value	Taxable Valuation	Mill Rate	Amount Due
Lots 4-9	106,600		200,400		307,000	102,323	54.319	5,558
Lots 1-3 & 16-19	138,200		-		138,200	46,062	54.319	2,502
Lots 10-13	85,300		-		85,300	28,430	54.319	1,544
Total	330,100		200,400		530,500	176,815	54.319	9,604

[Source: 2018 Notice of Value record provided by Broadstone Nob Hill, LLC; Bernalillo County Treasurer.](#)

*Estimated tax based on 2018 values and 2018 Mill Rate

According to the Broadstone Nob Hill, LLC application, the cost to complete this project is estimated at \$21,500,000. The project consists of 102-unit Class-A multi-family community. Based on current assessed value of the property and the construction cost, the total assessed market value of the property is expected to be \$24,200,000. Broadstone Nob Hill, LLC declined to provide BBER income-based valuations of the property after construction and since New Mexico is a “non-disclosure” state, BBER and the City cannot compel the property owner to provide these details. As a result, this analysis uses a simple average of the cost-based and the estimated appraised value provided by Broadstone Nob Hill, LLC, which equals \$22,850,000.²

Table 2. Estimated Value of Property Following Project Completion (\$-dollars)*

Cost method:	21,500,000	Estimated Appraisal Value:	24,200,000	Average:	22,850,000
Source: Broadstone Nob Hill, LLC Metropolitan Redevelopment Bond Application					

*As directed by Section 7-36-15 NMSA 1978.

¹ Pursuant to Section 3-60A-13 and Section 3-60A-13.1 NMSA 1978.

² Pursuant to Section 7-36-15 NMSA 1978.

Analysis Results

Table 3 presents an estimated total assessed value and associated taxes with and without the proposed Nob Hill project. Our results show that the yearly property tax will increase to \$413,687 (Column 6, Table 3) with net incremental taxes estimated to be \$404,082 (Column 7, Table 3).³ This tax increment will only materialize after the completion of construction scheduled to occur in August 2020. BBER assumes that the tax abatement will last for seven years starting in tax year 2021 after construction is completed, ending in 2027. The present value of the property tax abatement and net tax increment was estimated using the City's long-term bond rate as the discount rate⁴, which is 2.97%. The cumulative net present value in the last column shows that the net positive gain for the City will begin in the sixteenth year. This means that an additional nine years will be needed to recover the cost of the property tax abatement. Following the seven-year abatement period, the estimated overall tax amount due to the City annually would be \$413,687. This is an increase of \$404,082 annually from the baseline amount of \$9,604 that exists currently and prior to the proposed project being constructed. If the project is not developed, the annual property tax amount received by the City would remain at \$9,604.

This analysis was run for a time-period of only 26 years. The realistic lifecycle of the building would be significantly longer, and we expect that this project would continue to contribute at the increased property tax rate throughout its lifespan.

Assumptions

1. The assessed value of land and improvement and the associated tax rate will remain the same in future.
2. The impact of this construction project on the surrounding properties will be neutral. That means the assessed value of the surrounding properties will not be impacted by this construction.
3. Since the new building will be used for apartments for people already residing in Albuquerque, there will not be an added cost (fire, police, school, etc.) to the city because of this construction project. It will not cause an increase in the population in the city of Albuquerque.
4. Although this project may bring some "out-of-state" dollars to Albuquerque, which may produce a net positive economic impact for the city, BBER assumes that all the sources of funds for this construction will come from local sources.

³ Pursuant to Section 3-60A-13 NMSA 1978. The estimated tax is determined using the full 2017 mill rate of 54.319 for commercial/non-residential real estate in Albuquerque, which includes mill rates levied for the State (1.360), County (12.224), City (11.52), Schools (11.329), CNM (4.000), UNMH (6.400), AMAFCA (1.152), MRGCD (6.334).

⁴ As of September 12, 2018 and assumes no market fluctuations (Source: Albuquerque Treasurer/RBC Capital Markets, LLC)

Table 3. Property Tax With and Without Nob Hill Project, Incremental Tax, Present Value of City Tax Abatement and Net Tax Increment, and Cumulative Net Present Value by Year (\$-dollars)

Year	Property Tax Without Improvement			Property Tax With Improvement			Incremental Tax	Tax Abatement	Net Tax Increment	Present Value of Tax Abatement	Present Value of Net Tax Increment	Cumulative Net Present Value (47.985 mills)
	Total Assessed Value 1	Total Taxable Value 2	Tax Amount 3	Total Assessed Value ¹ 4	Total Taxable Value 5	Tax Amount 6						
Year 1	530,500	176,815	9,604	22,850,000	7,615,877	413,687	404,082	(404,082)	-	(404,082)	-	(404,082)
Year 2	530,500	176,815	9,604	22,850,000	7,615,877	413,687	404,082	(404,082)	-	(392,427)	-	(796,510)
Year 3	530,500	176,815	9,604	22,850,000	7,615,877	413,687	404,082	(404,082)	-	(381,108)	-	(1,177,618)
Year 4	530,500	176,815	9,604	22,850,000	7,615,877	413,687	404,082	(404,082)	-	(370,116)	-	(1,547,734)
Year 5	530,500	176,815	9,604	22,850,000	7,615,877	413,687	404,082	(404,082)	-	(359,441)	-	(1,907,175)
Year 6	530,500	176,815	9,604	22,850,000	7,615,877	413,687	404,082	(404,082)	-	(349,073)	-	(2,256,248)
Year 7	530,500	176,815	9,604	22,850,000	7,615,877	413,687	404,082	(404,082)	-	(339,005)	-	(2,595,252)
Year 8	530,500	176,815	9,604	22,850,000	7,615,877	413,687	404,082	-	404,082	-	329,227	(2,266,026)
Year 9	530,500	176,815	9,604	22,850,000	7,615,877	413,687	404,082	-	404,082	-	319,731	(1,946,295)
Year 10	530,500	176,815	9,604	22,850,000	7,615,877	413,687	404,082	-	404,082	-	310,509	(1,635,787)
Year 11	530,500	176,815	9,604	22,850,000	7,615,877	413,687	404,082	-	404,082	-	301,552	(1,334,234)
Year 12	530,500	176,815	9,604	22,850,000	7,615,877	413,687	404,082	-	404,082	-	292,855	(1,041,380)
Year 13	530,500	176,815	9,604	22,850,000	7,615,877	413,687	404,082	-	404,082	-	284,408	(756,972)
Year 14	530,500	176,815	9,604	22,850,000	7,615,877	413,687	404,082	-	404,082	-	276,204	(480,767)
Year 15	530,500	176,815	9,604	22,850,000	7,615,877	413,687	404,082	-	404,082	-	268,238	(212,530)
Year 16	530,500	176,815	9,604	22,850,000	7,615,877	413,687	404,082	-	404,082	-	260,501	47,971
Year 17	530,500	176,815	9,604	22,850,000	7,615,877	413,687	404,082	-	404,082	-	252,987	300,959
Year 18	530,500	176,815	9,604	22,850,000	7,615,877	413,687	404,082	-	404,082	-	245,690	546,649
Year 19	530,500	176,815	9,604	22,850,000	7,615,877	413,687	404,082	-	404,082	-	238,604	785,252
Year 20	530,500	176,815	9,604	22,850,000	7,615,877	413,687	404,082	-	404,082	-	231,722	1,016,974
Year 21	530,500	176,815	9,604	22,850,000	7,615,877	413,687	404,082	-	404,082	-	225,038	1,242,012
Year 22	530,500	176,815	9,604	22,850,000	7,615,877	413,687	404,082	-	404,082	-	218,547	1,460,559
Year 23	530,500	176,815	9,604	22,850,000	7,615,877	413,687	404,082	-	404,082	-	212,243	1,672,802
Year 24	530,500	176,815	9,604	22,850,000	7,615,877	413,687	404,082	-	404,082	-	206,122	1,878,924
Year 25	530,500	176,815	9,604	22,850,000	7,615,877	413,687	404,082	-	404,082	-	200,176	2,079,100
Year 26	530,500	176,815	9,604	22,850,000	7,615,877	413,687	404,082	-	404,082	-	194,403	2,273,503

¹Total assessed value is based on simple average of estimated MV and Cost Method of valuation.

Source: BBER estimation based on data provided by Broadstone Nob Hill, LLC