

EAST GATEWAY

Metropolitan Redevelopment Area Plan



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EAST GATEWAY Metropolitan Redevelopment Area Plan

Introduction and Overview

PURPOSE OF THE METROPOLITAN REDEVELOPMENT PLAN

The purpose of the East Gateway Metropolitan Redevelopment Area Plan (the “East Gateway MR Plan,” “MR Plan” or “Plan”) is to make Central Avenue more welcoming to residents and visitors arriving at the City’s edge by facilitating redevelopment of vacant and underutilized parcels and providing for a greater variety of businesses and services that are much needed in the area. This Plan calls for multiple investments and improvements facilitated by the City’s Metropolitan Redevelopment Agency (“MRA”) and is aimed at stimulating private development and redevelopment in the area.

METROPOLITAN REDEVELOPMENT AREA PLAN BOUNDARY

The East Gateway Metropolitan Redevelopment Area Plan boundary was adopted by the City Council in 2008. It straddles the Central Avenue corridor from Wyoming Boulevard to Tramway Boulevard, and also includes the interchange of Juan Tabo Boulevard with Interstate 40. The MR Plan boundary encompasses approximately 665 total acres, of which 139 acres are streets. Of the remaining 526 acres, 33-acres (about 6% of the area) are vacant. After the City Council approved the East Gateway Metropolitan Redevelopment Area (the “MR Area”), the City of Albuquerque Planning Department’s MRA contracted with consultants to develop this MR Plan to make recommendations about potential new uses for properties and strategies to revitalize the area.

SUMMARY OF RECOMMENDATIONS

To accomplish these goals, this Plan recommends six strategies, which are detailed further in the section titled “Recommendations.” They include:

- Public improvements such as landscaping and sidewalk furniture.
- Public-Private Partnerships (“PPP”) and redevelopment activities to support public transit along the corridor.
- Redevelopment of underutilized and vacant parcels and activity centers.
- Beautification, such as façade improvements and iconic signage.
- Safety improvements to reduce crime, such as cleaning up vacant properties and installing streetlights that also illuminate pedestrian areas.
- Implementation of the Route 66 Action Plan, adopted by the City Council in 2014.



Figure 1 – East Gateway MR Area

CITY OF ALBUQUERQUE MRA'S ROLE

The MRA of the City of Albuquerque's Planning Department is primarily responsible for executing projects and programs that lead to the revitalization of blighted corridors, enhancement of small business developments, creation of jobs and implementation of public realm improvements to support revitalization. The MRA's primary focus is implementation. The Metropolitan Redevelopment ("MR") staff focuses on the creative use of City land and financial resources to trigger private and other public investments. The MRA also cultivates partnerships with community-based and non-profit organizations to develop and implement projects.

The MRA's role in the East Gateway community includes identifying areas in need of revitalization, overseeing the East Gateway MR Plan development and coordinating Plan elements with other City departments. The MRA embarked upon an extensive community involvement process that will culminate in the implementation of projects and programs identified within this Plan.

RELATIONSHIP TO ADOPTED PLANS AND POLICIES

Development in this area is regulated by the adopted East Gateway Sector Development Plan ("EGSDP"), which was adopted in October 2010. Generally, this plan sets out strategies for improvement of the streetscape and built environments of commercial properties along Central Avenue, with a goal of making the street welcoming to pedestrians and cyclists. The East Gateway MR Plan identifies implementation methods for making physical improvements addressing these strategies, as discussed below.

Additionally, the East Gateway MR Area is affected by the Central Avenue Neon Design Overlay Zone ("CANDOZ") and the Route 66 Action Plan, which calls for enhancements along old Route 66 from Tramway Boulevard to 106th Street, west of the river. However, the ideas and concepts in these two plans are optional and not regulatory.

The MR Area is also within the Albuquerque/Bernalillo County Comprehensive Plan's (the "Comprehensive Plan") Established Urban Area. This designation directs development and redevelopment to take on a mixed-use urban character, which is reiterated in the EGSDP.

NEW MEXICO METROPOLITAN REDEVELOPMENT CODE

The New Mexico Metropolitan Redevelopment Code (3-60A-1 to 3-60A-48, NMSA 1978) (the "MR Code") provides New Mexico cities with powers to improve conditions in blighted areas. The MR Code is intended to help municipalities promote economic development, redevelopment and stability where deemed necessary by the community in order to help reverse an area's decline and stagnation. However, the City may only use these powers if the governing body (in Albuquerque's case, the City Council) has designated an MR area and adopted an MR plan for the MR area.

Designation of an MR area is based on findings of "slum or blighted" conditions, as defined in the Metropolitan Redevelopment Code (3-60A-8). The criteria set by the MR Code for a "blighted" area include physical and economic conditions that "substantially" impair or arrest the sound growth and economic health and well-being of a community, slow the provision of housing, are an economic or social burden and/or are a menace to public health, safety, morals or welfare in its present condition and use. Specifically, Section 3-60A-4 of the MR Code states "blight" could include the presence of:

- A substantial number of deteriorating structures;
- Faulty street or lot layout;
- Unsanitary or unsafe conditions;

- Deterioration of site or other improvements;
- Diversity of ownership;
- Tax or special assessment delinquency exceeding the land's fair market value;
- Title problems;
- Improper subdivision or lack of adequate housing facilities in the area;
- Obsolete or impractical planning or platting;
- Significant number of declining or closed commercial or mercantile businesses; or
- Low levels of commercial or industrial activity or redevelopment.

HISTORY OF THE AREA

Albuquerque's East Gateway district is the first glimpse of the City that travelers see as they pass through the Tijeras Canyon. This historic route of passage through the Sandia and Manzano mountains from the plains to the City's east now serves both the 'new' Interstate-40 and NM State Road 333, formerly the famous Route 66.

This area boasts a rich history that began well before the establishment of Albuquerque. The Tijeras Canyon contains archeological evidence of 9,000 years of human presence. Numerous prehistoric sites have been identified east of the Albuquerque City Limits in the canyon. Other area occupants have included Apache Indians in the 17th and 18th centuries, followed by Spanish settlers in land grants designated in 1763 and 1819. Today, the archeological site of the Spanish settlement lies in Singing Arrow Park. Remnants of a Tijeras Arroyo dam and irrigation infrastructure that date back to the early 20th Century are a reminder that this arroyo once provided irrigation to farmlands in the area now occupied by Kirtland Air Force Base ("KAFB"). Early Albuquerque settlers travelled through this gateway to other settlements, pastures, and forests in the Tijeras Pass and the Sandia Mountains.

A paved roadway leading from the eastern plains to Albuquerque through Tijeras Canyon later rose to significance as part of the historic Route 66 Highway that ran from Chicago to Los Angeles. It is this roadway that carried Dust Bowl migrants to California in the 1930s and beckoned to post-war, automobile oriented Americans over the next two decades with promises of opportunity, fun and adventure. Between 1941 and 1945, Route 66 was an important highway for transporting supplies and personnel for World War II efforts. Route 66 was replaced by Interstate 40 in the 1960s and decommissioned in 1985. The "Mother Road" was designated a National Scenic Byway in 2000. The New Mexico portion is also on the National Register of Historic Places and State Register of Cultural Properties, rendering it eligible for specific tax credits and other funding.

By 1958, the Albuquerque City Directory listed a variety of businesses on Central Avenue between Wyoming Boulevard and the Tijeras Pass. Some of the East Gateway area's early businesses were rural in nature and typical of businesses located at the edges of towns. These businesses included a wrecking yard, fruit market, tree nursery and drive-in theater. Other East Gateway area businesses appealed to the region's budding tourist industry and included a trading post, curio shops, motels, gas stations, cafes, restaurants, trailer courts and apartments. Although platting of subdivisions in the community began as early as 1939, little development occurred on the east mesa beyond the State Fairgrounds at Louisiana Boulevard and Central Avenue until after 1945. In the late 1950s, however, development began in earnest. Construction of the Western Skies Motel in 1959 and subsequent development of Four Hills Village established a prestigious entrance to the city near the mouth of the Tijeras Canyon. The Western Skies Motel remained an Albuquerque Landmark until its demolition in 1988. The Four Hills Village Shopping Center now occupies the site.

Area military operations date to the beginning of World War II. Since then, KAFB, Sandia National Laboratories (“SNL”) and, more recently, Sandia Science & Technology Park (“SS&TP”) have emerged as an important employment base at the southern edge of East Gateway of Albuquerque. KAFB employs over 23,000 people, and SNL employs nearly 8,300 people. The National Museum of Nuclear Science is nearby as well.

Another major development feature in the East Gateway area is the Canyon Club, formerly known as the Four Hills Country Club. The Four Hills Country Club and surrounding residential neighborhood encompassed about 900 acres and was Albuquerque’s second golf club. The first home in Four Hills Village was completed in 1957 and the golf course in 1958. Large lots, rolling foothills, spectacular views, proximity to the mountains, and the golf course made Four Hills Village the premier new neighborhood of its era.

Land use controls were implemented along Central Avenue in 1959 when the City established zoning. The zoning pattern at that time anticipated a deep commercial strip along Route 66, with high-density housing close to KAFB and SNL. Postwar suburban subdivisions were platted in the northern part of the community. Neighborhoods adjacent to Central Avenue began developing around 1960, and residential construction has continued as both new subdivisions and Established Area infill along this corridor. In the 1970s, apartment and townhouse development occurred on land zoned for higher-density housing, resulting in the population of this area doubling between 1970 and 1980. However, single-family homes and mobile homes dominated the area’s housing stock until the 1980s. Today, East Gateway area contains a diverse mix of housing types and income levels.

After the emergence of Interstate-40 as the region’s major transportation route, the development of Central Avenue slowed and tourist-oriented businesses began to decline in the East Gateway area. Outdoor lots for the sale of cars, recreational vehicles, boats and mobile homes began to dominate the landscape along Central Avenue while inexpensive, short-stay motels were built at the convergence of Central Avenue, Tramway Boulevard and Interstate-40.

During the 2008-2012 national economic down turn, a number of commercial sales lots were vacated. These businesses had few permanent structures, making land redevelopment an achievable option within East Gateway. Since the 1950s, residential development has been filling in the vacant spaces surrounding Central Avenue and other major East Gateway streets, with the most recent residential development at the southern end of Juan Tabo Boulevard, south of the Tijeras Arroyo. Residential infill development may continue along Central Avenue as it continues to transform into a destination for surrounding neighborhoods.

Today only a small number of historic buildings remain along this segment of Route 66. These include the La Puerta Lodge the Enchanted Mesa Trading Post and the Luna Lodge. The Luna Lodge has been redeveloped into affordable housing units, while the Enchanted Mesa Trading Post has been vacant for a number of years. La Puerta Lodge is still in operation as a motor court.

During recent years, the East Gateway area has become a blighted area in need of reinvestment and redevelopment. Made worse in part by the recession, Central Avenue has been characterized by numerous vacant lots, boarded-up buildings and crumbling facades. The various abandoned and unoccupied properties located throughout the East Gateway area contribute to the area’s stagnant economic condition.

Recommendations

Since the East Gateway MR Plan is meant to complement the EGSDP, the Plan dovetails suggestions for improvements with the zoning and principles set out in that sector development plan. The EGSDP established new mixed-use zoning along Central Avenue between Wyoming and Tramway Boulevards in order to promote increased density and new residential uses in major activity areas along major transportation corridors. Likewise, the designation of the East Gateway Central Avenue Corridor as an MR Area further implements the goals and objectives of the EGSDP to strengthen the identity of the community. The specific actions recommended by this Plan are as follows:

PUBLIC IMPROVEMENTS: Stimulate reinvestment and redevelopment along the Central Avenue Corridor by identifying and constructing public improvements that foster a sense of “place” in this area. These could include:

- Street lighting for vehicles and pedestrians (see Safety Improvements for more information).
- Landscaping buffers between the street and sidewalk along Central Avenue, including shade trees and street furnishings, and/or landscaped medians along Central Avenue.
- Low walls to screen large parking lots and to frame intersections.
- Enhanced facilities, infrastructure and systems to support public transit.
- Pedestrian and bicycle improvements such as wider sidewalks, more visible striping and pedestrian refuges.
- Enhancements and improvements to public parks and facilities, including but not limited to preservation and presentation of area archaeological resources with interpretive exhibits and improved recreation facilities.
- Landscaping around the interchange of Interstate 40 and Juan Tabo Boulevard.

PPP AND REDEVELOPMENT ACTIVITIES TO SUPPORT PUBLIC TRANSIT: Support implementation of PPP and redevelopment activities tied to public transit. Public uses can often help catalyze redevelopment on a site and defray some of the cost.

A Bus Rapid Transit (“BRT”) project under consideration at the time of this Plan’s adoption has the potential to bring new visitors and uses into the East Gateway Area. The Central Avenue Corridor has been identified as a viable candidate for a BRT system based on its high level of ridership – in excess of 40% of total City system usage. BRT systems use dedicated travel lanes, level boarding platforms, traffic signal priority, automated ticket kiosks and other technologies to provide faster, more efficient service than a regular bus line. ABQ Ride has recently documented a surge in transit ridership City-wide with multiple travel destinations along the route. This is coupled with the fact that the road cannot be readily widened for more traffic lanes, which also bolsters the potential for increased public transit along the corridor.

As of August 2015, ABQ Ride has applied to the Federal Transit Administration for \$70 million in Small Starts grants to construct the first phase of the proposed system, to be called “Albuquerque Rapid Transit,” or “ART”. The system is expected to serve Central Avenue from Tramway Boulevard to approximately Unser Boulevard on the west side of the river, though dedicated lanes are planned only between Louisiana Boulevard and the ART’s western terminus. By providing an enhanced, efficient service along this congested corridor, this system has the potential to help support higher-density residential uses, possibly as part of a transit-oriented mixed-use development.

The most feasible public use supporting public transit to be established in the East Gateway MR Area is a

park-and-ride station for the BRT and/or other public transit systems. The following improvements are typically installed at park-and-ride facilities:

- Bus platform
- Shade structure and benches
- Trash cans
- Bike racks/locks
- Restroom for bus drivers
- Information Display Boards
- Lighting
- Landscaping
- Parking lot
- A minimum 25-foot- wide concrete circulation road (with 12-foot-wide bus lanes)

It is recommended that the City construct a park-and-ride facility near the intersection of Central Avenue and Tramway Boulevard at the terminus of the proposed BRT system. Another possible location is near the intersection of Central Avenue and Juan Tabo Boulevard, a key connection point for north-south trips. Such a facility could be on vacant land or in the form of structured parking as part of a redevelopment of a shopping center into a mixed-use project. If developed as a surface parking lot for the park-and-ride, ABQ Ride recommends 3 to 5 acres, or approximately 200 to 300 parking spaces.

A park-and-ride facility combined with a redevelopment project could activate a site and catalyze surrounding development activity. Compatible uses with a park-and-ride facility include employment centers and convenience retail such as a grocery store, coffee shop, cafes, and dry cleaning. Combining a park-and-ride facility with residential uses is desired by advocates for Transit Oriented Development (“TOD”). However, if this coexistence is to be effective, the development must be designed to minimize residents’ exposure to noise caused by the buses.

Siting services such as a child-care facility near park-and-ride facilities may also be a benefit over the long term. Because the transit-oriented lifestyle has not yet taken hold in Albuquerque, this type of co-location is not common, making riding the bus difficult for families with children. However, it is likely that if convenience retail and employment centers were located close to a park-and-ride facility, child-care facilities located near those facilities would make sense and be more likely to occur as the East Gateway area continues to redevelop. This would encourage and assist with more mass transit ridership.



Figure 2 – Park-and-Ride Example at Uptown

REDEVELOPMENT OF UNDERUTILIZED PARCELS AND ACTIVITY CENTERS: Promote and directly facilitate redevelopment or re-use of vacant or underutilized parcels, especially near major street intersections or high-frequency transit stops with the potential to become vibrant centers of activity supporting new and expanded businesses and higher density housing, possibly as part of a TOD. Stimulating private reinvestment can help increase real estate values and spur additional investment nearby. This redevelopment recommendation could be accomplished through direct or indirect financial incentives to encourage property owners to redevelop, including:

- Upgrades or rehabilitation of infrastructure in the areas with potential for desired redevelopment, such as water and sewer lines, electrical capacity and storm drainage;
- Grants and low-interest financing to help enable the procurement of private redevelopment loans to ensure high-quality, catalytic developments;
- Utilizing Metropolitan Redevelopment Bonds or other development structures to reduce property tax burdens;
- Acquisition and assembly of vacant or underutilized parcels by the MRA to offer for sale or lease for catalytic redevelopment activities via a Requests for Proposals (RFP) process and/or PPP;
- Creation of Tax Increment Financing (“TIF”) through the Code for redevelopment projects, where the proceeds can be reinvested in the surrounding area in the future; and
- Streetscape improvements in abutting public right-of-way.

BEAUTIFICATION: Encourage private investment, attract visitors and foster community pride by improving the look and feel of the Central Avenue corridor. Ideally, small reinvestments will encourage neighboring property owners to do the same, bringing vitality back to the surrounding area. These projects could include:

- Rehabilitate existing building facades and signs via façade improvement grants and/or loans.
- Raise awareness of and implement the 2013 CANDOZ, which provides incentives for business owners to erect neon signage along their frontage by allowing fee waivers and larger neon sign areas.
- Install public art to highlight the area’s history and complement existing art installations (e.g. - the Hand of Friendship sculpture at La Luz de Amistad Park).
- Design and construct iconic signs. All designs should draw on the Route 66 theme and entice travelers to explore nearby attractions, such as Rancho de Carnuel, the National Museum of Nuclear Science and the history and architecture related to motor travel. A gateway “welcome” sign at the east edge of the City could signal travelers’ arrival to Albuquerque, and Route 66 way-finding signs at Tramway and other East Gateway freeway exits (e.g. - Juan Tabo, Eubank) could entice them to exit I-40 and explore Route 66.



Figure 3 – Possible Welcome Sign along I-40



Figure 4 – Rendering of conceptual archway over Central Avenue

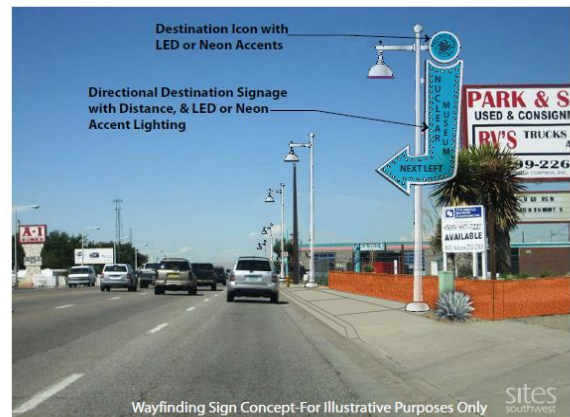


Figure 5 – Rendering of conceptual directional signage along Central Avenue



Figure 6 – Route 66 Themed Sign Designs



SAFETY IMPROVEMENTS: Improve safety along the corridor and diminish property crimes by implementing public improvements related to safety and fostering redevelopment that attracts legitimate business and creates job opportunities for area residents.

Throughout the MRA planning process, East Gateway area business owners and residents have all expressed significant concerns about crime. Although current data show that the East Gateway area is seeing a reduction in crime, there are a number of urban design strategies that can assist in further deterring crime. The MRA should support private redevelopment that helps reduce crime in the area by increasing “eyes on the street,” improving lighting or implementing other principals of Crime Prevention Through Environmental Design (“CPTED”).

The MRA should also support safety-related public improvements, including street lighting that illuminates pedestrian areas. Street lighting can also help to beautify and establish a community identity. Corridor-specific pedestrian/vehicle street lighting has been employed in various parts of the City to reinforce each area’s character (e.g. – Mountain Road, Downtown, the Highland area). This Plan recommends that new lighting along this portion of Central Avenue incorporate the brightly colored neon theme of Route 66, which could be reinforced on West Central as well. Light Emitting Diodes (“LED”) and fiber optics could also be used. Different types of lighting fixtures for different areas of the City would be mounted on a standard pole. Poles could also display wayfinding signs.

Figure 7 - Street and Pedestrian Lighting Examples



Streetlights along Mountain Road



New lighting on Coal Avenue



New lighting in the Highland area for pedestrians and vehicles



New LED streetlights resemble neon

IMPLEMENTATION OF THE ROUTE 66 ACTION PLAN: This Rank II Area/Facility Plan for revitalization of Route 66/Central Avenue intends to catalyze and guide future development along the Route 66/Central Avenue corridor. The Plan provides policies and actions to direct project managers and private developers looking to invest in Route 66. It has five areas that are targeted for revitalization and the East Gateway Area is one of them. The Route 66 Action Plan's overarching goals and strategies address preservation and promotion of the roadway's historic past and legacy, provision and improvement of public spaces along the corridor, and business and economic development.

Metropolitan Redevelopment Agency Funding Criteria

Public and private projects for which Metropolitan Redevelopment Agency funding is proposed must meet certain criteria for consideration. These criteria are described below.

PRIVATE PROJECTS: The MRA can be involved in redevelopment of private properties in an MR area in several ways, ranging from improvement of public infrastructure serving the property to acquisition and redevelopment of sites via PPP as funding allows. To be considered for MRA assistance, a project must implement adopted City policies and goals for an area in question, including those outlined in this Plan, and must meet at least six of the following criteria. Further, requestors must provide analysis of how their proposed project meets these criteria.

1. The proposed redevelopment project improves the appearance of the built environment. Examples could include, but are not limited to, projects that feature:

- New buildings where there had previously been a vacant lot or parking lot
- Architecture that complements and enhances the look and feel of a district
- Site design that enhances the pedestrian realm with amenities, landscaping, etc.
- Site design that is pedestrian-oriented and not focused on moving or parking motor vehicles
- Restoration of existing neon sign or construction of new neon sign that enhances the appearance of Route 66

2. The proposed redevelopment project rehabilitates and puts existing structures back into use, or results in the removal of blighted structures.

3. The proposed redevelopment helps relieve symptoms of blight as described in the Metropolitan Redevelopment Code, and in this plan. Examples could include, but are not limited to, projects which:

- Result in consolidation of single parcels one larger, cohesive development.
- Brings tenants (e.g. retailers, businesses, etc.) back to a commercial center with high vacancy.
- Clears up delinquencies, such as tax liens, that have precluded reuse of a site.

4. The proposed redevelopment project improves the walkability of an area, which could include, but is not limited to:

- Installing sidewalks where they previously did not exist.
- Site design that focuses on pedestrian access, rather than vehicle movement.
- Provides shade structures or other pedestrian amenities.

5. The proposed redevelopment increases the variety of housing opportunities available in East Gateway, including:

- Affordable housing
- Multifamily housing
- Live-work opportunities

6. The proposed redevelopment adds a mix of uses (e.g. commercial and residential) to a premise or node of activity (such as an Activity Center identified in the Albuquerque/Bernalillo County Comprehensive Plan).

7. The proposed redevelopment helps create high wage employment opportunities for residents of the area by paying employees at a rate that is at least 80% of Albuquerque Area Median Household Income per the U.S. Census Bureau.

9. The proposed redevelopment helps reduce crime in the area by increasing “eyes on the street,” improving lighting or implementing other principals of Crime Prevention Through Environmental Design.

9. The proposed redevelopment project will increase values of surrounding properties.

10. The proposed redevelopment project aims to catalyze private sector investment in surrounding properties.

11. The proposed redevelopment project will provide a community-desired land use to the area, as reflected in this plan, which could include, but is not limited to:

- Public services, such as a USPS Post Office.
- Museums
- Full-service restaurants
- Recreation and community facilities

PUBLIC PROJECTS: The MRA can be involved in the improvement of public infrastructure in the MR Area in several ways. To be considered for MRA funding, a public infrastructure or development project must implement adopted City policies and goals for an area in question, and must meet at least four of the following criteria:

1. The project will improve the appearance and safety of the area, including, but not limited to, projects which:

- Increase the visibility and interest in the corridor's Route 66 history.
- Guide visitors to local attractions.
- Rehabilitate existing public or utility facilities in the area.
- Locate employees or visitors where they can serve as "eyes on the street."

2. The redevelopment helps relieve symptoms of blight described in the Metropolitan Redevelopment Code, to include:

- Removal of deteriorated structures.
- Improving faulty or outdated street layout and design.

3. The project will improve and support multi-modal transportation (including walkability, disabled access and transit access) in the area.

4. The project will help meet needs of the East Gateway community by providing recreational, educational or other public services.

5. The project is directly associated with catalyzing private redevelopment of adjacent properties that provide commercial services to the community.

6. The project will increase the value of abutting properties.

7. The proposed project will directly support private redevelopment that helps create high wage employment opportunities for residents of the area by paying employees at a rate that is at least 80% of Albuquerque Area Median Income per the U.S. Census Bureau.

8. The project will improve public infrastructure that benefits the health, safety and general welfare of the community, such as sanitary sewer mains or roadway facilities.

FUNDING

The Planning Department's MRA can offer particular benefits or financial incentives for redevelopment in the East Gateway MR Area. Funding for the proposed projects will be sought over time from various sources. The most immediate sources are: \$100K in Capital Improvement Plan ("CIP") bond money approved by voters in October 2015; \$800K in CIP bond money approved by voters in October 2013; \$1.25 million in CIP bond money that was approved in October 2011; \$1.5 million of CIP bond money that was made available in 2009; and, approximately \$230K of CIP money that was made available in 2007. Funds might also be available in the future from General Obligation Bonds issued by the City, and State Legislature and City Council appropriations.

Other potential sources of funds include Industrial Revenue Bonds, Metropolitan Redevelopment Bonds, and other federal loan and grant programs currently available through the State of New Mexico and other funding agencies. These include federal transportation funding, federal Community Development Block Grant funds and loan guarantees, New Mexico Historic Preservation Revolving Loan Fund, Scenic By-Ways funds, the New Mexico Department of Transportation and various types of tax credits available to finance affordable housing and historic rehabilitation.

The cost of many of the projects described in the “Recommendations” section cannot be quantified at this time. However, the costs that can be quantified are described in Table 1.

Public Improvement Plan and Estimated Costs

Table 1 - Estimated Costs for Some of the Recommended Improvements				
	ESTIMATED QUANTITY	UNITS	ESTIMATED COST	ESTIMATED TOTAL
1. Identity Signage				
"Welcome to Albuquerque" Gateway Feature	1	Each	\$150,000	\$150,000
Public Art Installation (@ Tramway Freeway Exit)	1	Each	\$250,000	\$250,000
Gateway Arch	1	Each	\$350,000	\$350,000
Route 66 Monument Signs (Pair)	3	Each	\$250,000	\$750,000
Destination Signage Anchor Sign (Multiple Destination)	1	Each	\$250,000	\$250,000
Destination Signage Supporting Sign (Single Destination)	3	Each	\$125,000	\$375,000
<i>Subtotal</i>				\$2,125,000

2. Streetscape and Landscaping				
Streetscaping along Central between Wyoming and Eubank ~ 9,300 linear feet of sidewalk. Assuming street trees every 30', each tree planter to contain 6 shrubs & aggregate mulch. 1 bench and 1 trash receptacle per 3,000 linear feet of sidewalk. Landscape enhancement at bus stops and where R.O.W. allows.	9,300	Linear Foot	\$20.00	\$186,000
Lighting along Central between Wyoming and Eubank ~ 9,300 linear feet. Assuming Street lights every 200'.	47	Each	\$2,900	\$136,000
Streetscaping along Central between Eubank and Juan Tabo - ~ 11,300 linear feet of sidewalk. Assuming street trees every 30', each tree planter to contain 6 shrubs & aggregate mulch. 1 bench and 1 trash receptacle per 3,000 linear feet of sidewalk. Landscape enhancement at bus stops and where R.O.W. allows.	11,300	Linear Foot	\$20.00	\$300,000
Lighting along Central between Eubank and Juan Tabo - ~ 11,300 linear feet. Assuming street lights every 200'.	57	Each	\$2,900	\$165,300
Streetscaping along Central between Juan Tabo and 1-40 Exit Underpass - ~ 15,000 Linear Feet of sidewalk. Assuming street trees every 30', each tree planter to contain 6 shrubs & aggregate mulch. 1 bench and 1 trash receptacle per 3,000 linear feet of sidewalk. Landscape enhancement at bus stops and where R.O.W. allows.	15,000	Linear Foot	\$20.00	\$300,000
Lighting along Central between Juan Tabo and 1-40 Exit Underpass - ~ 15,000 Linear Feet. Assuming Streetlights every 200'.	75	Each	\$2,900	\$217,500
Pocket park at the NW Corner of the intersection of Central and Juan Tabo Includes hardscape, planting and site furnishings~ 50'x50'	2,500	Square Foot	\$40.00	\$100,000
Interstate Landscaping - Between Central Ave. Exit offramp and I-40, including area between exit roadway and sound wall to the north. Assume naturalistic, xeric landscape with irrigation and aggregate mulch.	2,500	Square Foot	\$40.00	\$100,000
Interstate Landscaping - encompassing all unlandscaped areas within the R.O.W. at the Intersection of I-40 and Tramway including area east to the Central Avenue Exit Underpass. Assume naturalistic, xeric landscape with irrigation and aggregate mulch.	700,000	Square Foot	\$3.00	\$2,100,000
Interstate Landscaping - encompassing all unlandscaped areas within the R.O.W. at the intersection of I-40 and Juan Tabo. Assume naturalistic, xeric landscape with irrigation and aggregate mulch.	800,000	Square Foot	\$3.00	\$2,400,000
<i>Subtotal</i>				\$7,781,000

3. Screening Walls				
Plan Area	Unknown	Linear Foot	\$70.00	Unknown
4. Façade Improvement Program				
Plan Area	Unknown	Project	\$2,500 - \$7,500	Unknown

Background and Trends

PLANNING PROCESS AND CONTEXT RELATED TO THE MR PLAN

The East Gateway MR Plan began with a community kick-off meeting in May 2009 when the project team explained the scope and intention of the Plan and began obtaining input regarding issues and a vision for the future. Another public meeting, held in August 2009, further identified ideas that could help mobilize further redevelopment of the corridor. The project team also staffed a booth at the International Day celebration at the Talin International Market for the public to obtain information and ask questions.

From April 2010 through July 2010, three more community meetings were held, each focusing on one of three sections of the corridor in an effort to attract people who were most concerned about redeveloping each of those areas. In addition, a special meeting was held with business owners along the corridor to address any special concerns related to commercial properties or development. During the same period of time, MRA project consultants and staff conducted 36 in-person surveys with business owners along the corridor. Altogether more than 40 people, largely business and property owners, attended at least one community meeting. In addition, the project team met several times with staff from the Department of Municipal Development, ABQ Ride, and the public library to coordinate projects and schedules.

Between 2011 and 2013, City Council Services engaged Dallas, TX-based consulting firms Gateway Planning and Catalyst Commercial to interact with property owners at key intersections along the Central Avenue corridor in the East Gateway MR Area to explore possible redevelopment opportunities. This work included a charrette to explore possible land use scenarios for State-owned land near Central Avenue and Eubank Boulevard and workshops with the owners of the Four Hills Shopping Center to explore design options for possibly incorporating transit into a redevelopment of the site. The results of these efforts have been incorporated into the text of this document where appropriate, and documents produced as a result are included as appendices to this Metropolitan Redevelopment Plan.

ISSUES IDENTIFIED AT PUBLIC MEETINGS

Public meeting participants identified many issues as most important along Central Avenue in the East Gateway MR Area.

Businesses and property owners made the followings requests/comments:

- Neon lights and bright signs on Central Avenue to celebrate the history of the area
- More lights to mark gateways and alleviate vandalism
- Clean up of trash and code enforcement, especially around bus stops
- More police presence/bicycle patrol

- Street lighting okay except along Juan Tabo Boulevard
- Demolish or improve derelict buildings
- Decorative medians to slow traffic (some business owners, such as motels, would agree to these if they were short, allowing people to easily turn into their establishments)
- Traffic light at the Dion's Restaurant at Elizabeth Street and Central Avenue
- More liquor licenses
- Increased street surveillance to secure infrastructure
- Interest in creating a business organization
- Issues with Juan Tabo/Buena Ventura Mall; it is cramped, difficult to access, and has a badly maintained guard rail and no lights. C-3 is a problem. Best use: larger industrial parcels.

Residents made the following requests/comments:

- Better lighting on Central Avenue, especially at Louisiana Boulevard and Central Avenue [outside this MR Area] and the area east of the Caravan Tavern (7605 Central Avenue)
- Grocery store (e.g. - Sunflower Market)
- Move City Arroyo/Storm Maintenance facility and redevelop site
- Live-work development as housing for UNM students, temporary workers, or interns at Kirtland Air Force Base or Sandia Base neighborhoods
- Higher end, full-service restaurants
- Clean up junk yard properties
- Spot medians to replace middle "suicide lane" on Central Avenue
- More beautification
- Avoid mimicking Nob Hill; East Gateway should have its own unique identity
- Area contains two essential aspects of Albuquerque - gateway component and industrial component
- Bicycle lanes on Copper
- Lighted walking paths
- A post office in the area
- More museums



Figure 8 – Images from public meetings held at the Manzano Mesa Community Center

BUSINESS SURVEY

A survey was conducted of 36 business owners in the East Gateway MR Area between May and July 2010. The survey process consisted of brief, face-to-face interviews with participants, and a hard copy survey was left for them to complete. The survey questions ranged from identifying problems and issues

for business owners to listing desired public improvements throughout the MR Area. The following is a brief summary of the responses:

- Business owners felt that the presence of crime, vandalism and transients were important issues that were hurting business in the East Gateway MR Area.
- The need for redevelopment of the Franklin Plaza site (a shopping center at Central Avenue and Juan Tabo Boulevard that was once the site of a former Furr's grocery store and is now largely vacant) was noted by a significant number of business owners.
- A number of business owners commented on the need for an organic supermarket in the East Gateway MR Area.
- A majority of business owners said that road improvements such as traffic control devices, lighting, and streetscaping would most benefit the business environment in the East Gateway MR Area, while a significant number also said that improved public safety would help businesses.
- A small number of business owners said that programs that help business owners (such as assistance for façade remodeling/upkeep) would also improve East Gateway businesses.
- Two respondents commented that changing the name of Central Avenue to Route 66 would benefit business in the area.

OTHER PLANS AND STUDIES

East Gateway Sector Development Plan, October 2010

The boundaries of this plan encompass the East Gateway MR Area boundaries. It sets the framework for public redevelopment projects to be proposed and recognizes the area at Tramway Boulevard/Central Avenue as a Community Activity Center (encompassing the Four Hills Shopping Center) and the nearly vacant shopping center at Juan Tabo Boulevard/Central Avenue as well as the Central/Wyoming/Zuni area as Neighborhood Activity Centers. The EGSDP establishes land uses and design regulations for the centers that would result in mixed-use urban development centers that capitalize on transit access. New zones for properties abutting Central Avenue will continue to allow most commercial development in existing C-2 zoning, but will also allow housing, employment and civic uses. The Plan allows neon signs and public art to acknowledge the roadway's Route 66 past. Because the community could not reach consensus about reducing travel lanes to capture right-of-way to use for walking, cycling and transit, the Plan avoids a complete redesign of the Central Avenue right-of-way and limits its recommendations to spot medians and intersection improvements for vehicles and pedestrians. Other recommendations include the development of an additional park adjacent to, or near Central Avenue, and development in "visible and accessible locations" of a full-service library and a park-and-ride lot and Rapid Ride Transfer Center. It also calls for looking at the feasibility of establishing an alternative energy demonstration project for the East Gateway area (wind or solar) to showcase Albuquerque's commitment to green energy. The EGSDP also recommends that the Albuquerque/Bernalillo County Comprehensive Plan be amended to reclassify Central Avenue from Louisiana Boulevard to Tramway Boulevard, from an Enhanced Transit Corridor to a Major Transit Corridor.

Albuquerque/Bernalillo County Comprehensive Plan (amended 2013 R-172)

The Comprehensive Plan is the general land use policy document that sets Albuquerque's course of action for the long-term physical development of the City. Amendments adopted in 2002 established the concept of developing higher density, mixed-use centers, corridors and Activity Centers in Albuquerque as a way to curb sprawl and increase the ridership for transit, relieving traffic along the roadways. The Comprehensive Plan identified the area at Tramway Boulevard and Central Avenue in the East Gateway MR Area as a Community Activity Center. Ideally between 15 and 60 acres, such centers are designed to provide focus, identity, and convenient goods and services as well as some employment for a number of surrounding neighborhoods with a combined population of 30,000 or more. It would

offer commercial, office, entertainment, medium-density residential and institutional uses in buildings scaled to pedestrians, small enough to encourage parking once and walking to more than one destination. By contrast, Neighborhood Activity Centers, usually 10 or fewer acres, would be designed to meet the daily “convenience” goods and service needs of residents in two or three immediately adjacent neighborhoods. They would typically include a mix of small-scale retail/service uses, a neighborhood park, and small institutional uses such as elementary schools. They are typically specified and mapped in sector development plans as well as the Albuquerque Bernalillo County Comprehensive Plan.

Other Plans

Two other plans covering this MR area are the CANDOZ and the Route 66 Action Plan. The CANDOZ encourages the use of neon along the corridor and provides examples and, in some cases, financial recommendations for recreating the “neon era” of the 1950s. The Route 66 Action Plan calls for further enhancements along old Route 66. While the concepts in these two plans would greatly enhance the area, the ideas and suggestions are optional and not regulatory.

UNITED STATES CENSUS BUREAU DATA

2010 Census Tract Data

The following section recaps census tract data for the East Gateway MR Area and compares it to Albuquerque as a whole. The demographic characteristics of the closest adjacent neighborhoods lend support to the East Gateway’s designation as a Metropolitan Redevelopment Area. For the purposes of this assessment, Census Tracts 7.07, 7.08, 7.10, 7.13, 7.14 and 8.01 were used as the basis of the demographic profile. The locations and boundaries of the Census Tracts that compose the East Gateway are detailed below in Figure 9.

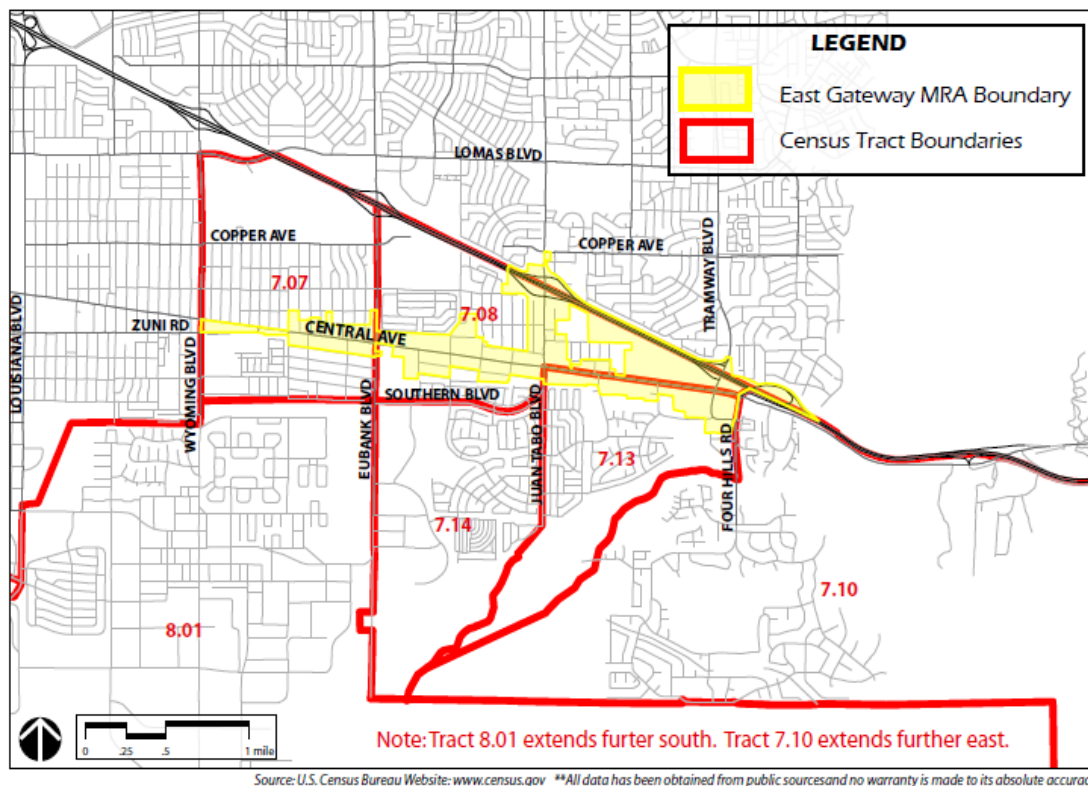


Figure 9 – Map of East Gateway Census Tracts

According to the 2010 Census, there were a total of 32,688 people living in the Census Tracts comprising the East Gateway area. The population by Census Tract is broken down in Table 2. The average household size of the East Gateway area ranged from a low of 2.28 in Census Tract 7.10 to a high of 3.30 in Census Tract 8.01.

Table 2 - 2010 Census Tract Data

Category	Tract 7.07	Tract 7.08	Tract 7.10	Tract 7.13	Tract 7.14	Tract 8.01	Albuquerque
Total Population	5,931	6,422	4,923	6,635	5,079	3,698	545,852
Percent of adults with educational attainment less than high school graduation	36.4%	17.6%	5.7%	13.3%	13.1%	0%	26.4%
Median household income	\$26,378	\$33,474	\$78,601	\$33,160	\$49,482	\$42,408	\$45,478
Per capita income	\$14,311	\$21,628	\$39,039	\$18,213	\$25,549	\$17,702	\$25,542
Average household size	2.51	2.43	2.28	2.52	2.44	3.30	2.40
Unemployment rate	6.8%	7.5%	3.7%	12.9%	5.5%	12.1%	5.8%

Income and Employment

According to the 2006-2010 American Community Survey data, the population living in Census Tract 7.07 had the lowest median household income in the area at \$26,378, compared with \$45,478 for all of Albuquerque (See Table 2 above). Similarly, the per capita income of \$14,311 in Census Tract 7.07 is well below the per capita income of \$25,542 City-wide. The unemployment rate for the civilian labor force throughout the East Gateway area ranges considerably between 3.7% in Census Tract 7.10, where the highest household and per capita incomes are also found, to 12.9% in Census Tract 7.13, which is double the City-wide rate of 5.8% in 2010.

A comparison of median household income and educational attainment yields some correlations, with Census Tract 7.07 having the lowest household income and the highest number of individuals without completion of a high school education. In contrast, Census Tract 7.10, which includes the Four Hills community, has a household income nearly three times that in Census Tract 7.07 and the second lowest number of individuals without a completed high school education.

Although the per capita income in some of the Census Tracts within the East Gateway area is relatively low, the high average incomes of employees of KAFB and SS&TP create opportunities for future retail and services that otherwise would not be considered viable based solely upon the existing Census data for the East Gateway Area. According to the 2010-2015 Comprehensive Economic Development Strategy ("CEDS") prepared by Mid-Region Council of Governments ("MRCOG"), SS&TP employed over 2,000 people in 2010 and had an average salary of \$71,612 for full-time employees. The report also notes that private companies in the park paid an average salary of about \$69,000. The average income for KAFB employees was approximately \$46,000. It is important to note, however, that KAFB's salaries can vary greatly due to company, location, industry, experience and benefits. Nevertheless, both KAFB and SS&TP's average salaries are significantly higher than the East Gateway's Census Tract per capita income, except Census Tract 7.10.

Housing

As seen in Table 3, the median value of owner-occupied homes in East Gateway ranged widely between the census tracts, from \$114,300 in Census Tract 7.07 to \$326,400 in Census Tract 7.10. This disparity correlates closely with the range of household and per capita incomes between Census Tract 7.07 and Census Tract 7.10 as discussed above. The Census data suggests that a significant percentage of homes in the area are owner occupied and are already paid off, particularly in Census Tracts 7.07 and 7.13. These two census tracts also have the lowest household incomes, indicating that while most residents live in homes that they own outright, they do so with limited incomes such as fixed retirement programs. Of those living in their own home with a mortgage, 30% to 51% of those homeowners were paying 30% or more of their monthly incomes for housing costs compared with 34.4% in all of Albuquerque. The percentage of renters in the East Gateway area paying more than 30% of their monthly income in housing costs tended higher, up to 66.7%, than the 49% of renters city-wide paying more than 30% of their monthly income for housing.

Table 3 - 2006-2010 American Community Survey Housing Data

	<i>Census Tracts Including MRA Boundaries</i>						<i>Albuquerque</i>
Category	Tract 7.07	Tract 7.08	Tract 7.10	Tract 7.13	Tract 7.14	Tract 8.01	
Total occupied housing units	2,240	2,771	2,261	2,763	2,186	1,206	222,578
Percent owner-occupied units	66.4%	55.6%	92.6%	46.2%	62.3%	0%	59.7%
Percent renter-occupied units	33.6%	44.4%	7.4%	53.8%	37.7%	100%	40.3%
Median rent percentage of household income	38.0%	34.7%	31.1%	33.8%	24.9%	29.2%	
Renter households that pay 30% or more of their monthly income on rent	66.7%	57.2%	47.5%	54.0%	44.0%	39.5%	49.0%
Median contract rent for renter-occupied housing units	\$538	\$544	\$1,200	\$538	\$747	\$1,128	\$652
Median value of owner-occupied housing units	\$114,300	\$166,000	\$326,400	\$150,500	\$216,300	*	\$178,400
Percent of owner-occupied housing units with mortgage	50.8%	65.1%	62.6%	53.6%	77.0%	*	73.6%
Percent of owner-occupied housing unit households with a mortgage, that pay 30% or more of their monthly income on housing costs	35.9%	51.3%	30.3%	46.1%	31.8%	*	34.4%

Race and Ethnicity

With the exception of the area's Hispanic and White populations, the East Gateway's population in terms of race and ethnicity is relatively similar to race/ethnicity within all of Albuquerque. Compared to the City as a whole, there are larger percentages of Whites, Asians, Native Americans, African Americans and those of "some other race" in the East Gateway area and a smaller percentage of Hispanics. (see Figures 10 and 11 below).

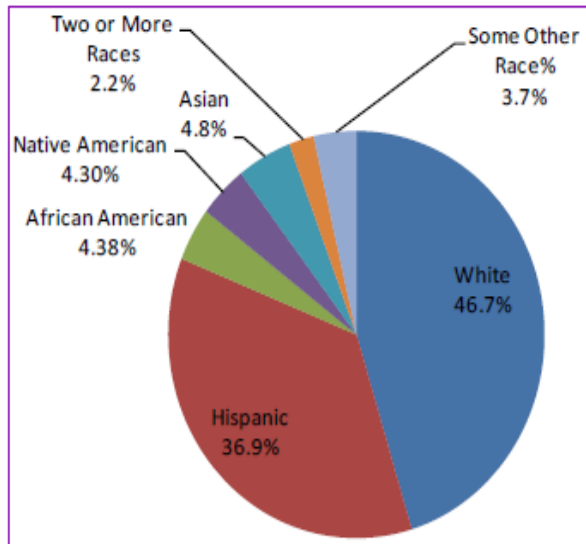


Figure 10 – East Gateway Race and Ethnicity

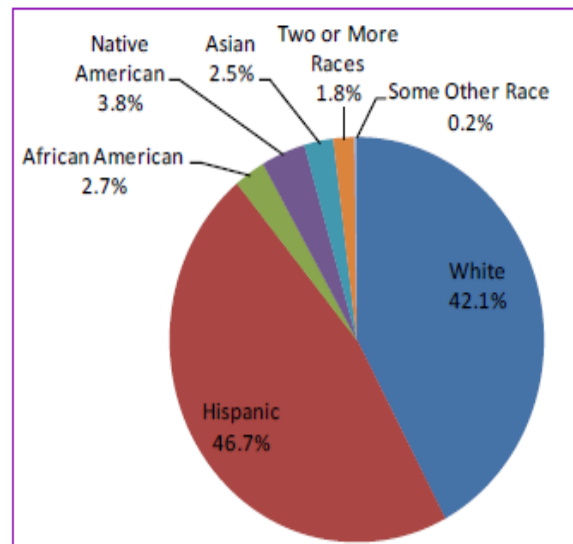


Figure 11 – Albuquerque Race and Ethnicity

EXISTING CONDITIONS

Current Businesses in the MR Area

During the development of this Plan, City of Albuquerque data showed that there were approximately 240 businesses located along the Central Avenue/Route 66 corridor in the East Gateway area in autumn 2009. These consisted primarily of service establishments, retail sales and light manufacturing. Of those:

- 30% were related to automobiles (repair, dealers, car washes, parts, body work, recreational vehicle sales).
- 15% provided services (massage, contractors, beauty, banks, loans, check cash, laundromat).
- 14% were described as retail (merchandise, beer/liquor, pawn, pharmacy, clothing, antiques, value merchandise).
- 12% were restaurants (26 full-service, 2 bars, 1 coffee shop).
- 9% were construction-related (building material, home contractors, roofers, remodelers).
- 7% were involved in manufacturing (jewelry, metal stamping, manufactured homes).
- 5% were related to hospitality (motels/hotels, recreational vehicle park/campground).
- There were 5 self-storage unit businesses, 1 recreational vehicle storage area, 1 mobile home park, 1 recreational vehicle park, and a fire station.
- Of the full-service restaurants, nearly 70% were national chains, while the remainder were locally owned and operated.

Market Study

A market analysis of the area was conducted in September 2013 by Catalyst Commercial and Gateway Planning Group. The two firms reviewed the capacity for retail, office and multi-family uses/needs in

the East Gateway MR Area in order to identify demand for each of these categories. The following is a summary of the report. The full study is included in the Appendices.

There were 371,000 jobs in the metro-area in 2013 according to the Current Employment Statistics (“CES”) survey of employers. The labor market appears to have bottomed out and strong growth is now projected for the next 10 years. Travel related jobs have created the largest increase in jobs in recent years. In 2012, there were 10.8 million visitors to the City. However, the sectors predicted to grow the fastest are professional services, health care and education. The market analysis cites \$195 per week in spending among the workforce on various daily expenditures, which implies there is a potential \$2.5 million market in retail and restaurants within a five minute drive of the study area.

Students are another potential untapped demographic for the study area. In 2012, the average annual discretionary spending per student increased by 37%, from \$4,069 to \$5,559. Approximately 36% of this discretionary spending is spent on groceries, full-service restaurants and fast-food. Based on the distance from campus and the amount of spending on campus, a conservative estimate indicates the potential to bring in \$12.6 million annually in student expenditures in the study area. This area also has potential to capture some of the growing demand for student housing.

Retail development opportunity is strong in this area due to the presence of many commuters and visitors to the district. Sources of retail demand included military bases, universities, airports, tourists and local commuters. There are over 2,200 businesses that employ nearly 13,000 workers within a five minute drive from the study area. The analysis estimates that some quality development with national and regional brands, convenient parking and a wide array of retail and dining options may easily capture 10% of potential retail expenditures from the local workforce, which is over \$8.6 million of the total. Added to that is the potential student discretionary spending, which is \$11 million annually.

Office development opportunities are fairly stagnant in the study area due to contractions in military and government spending. There is some demand for smaller office space, 10,000 to 15,000 square feet, if integrated with mixed-use developments.

The study found that multi-family housing demand is strong in Albuquerque and that there is some capacity for some multi-family product in the study area. The apartment market in Albuquerque has held up fairly well with occupancy rates holding at about 95% in 2011 and monthly rents edging upward, according to a CB Richard Ellis survey (Metcalf 2011). The market analysis estimates that the multi-family development opportunity in the study area could capture 26% of the annual demand for this product, approximately 165 units per year.

Public Transit

Efficient transit service is one of the most critical components of a successful redevelopment strategy in the East Gateway MR Area. ABQ Ride currently serves the East Gateway area with several bus routes, with Central Avenue served by a Rapid Ride route (Green Route 777) and the 66 Route. There are also connecting routes that run along Juan Tabo and Eubank Boulevards that provide service for commuters to KAFB and SNL.

Data from ABQ Ride showed that approximately 1,161,376 passengers rode ABQ Ride during August 2011. That tops the previous monthly high in September 2008 by about 60,000 riders. It also represents a 14% increase over August 2010, when ABQ Ride also topped over a million passengers. Additional data from August show that for the first time in history, ridership on ABQ Ride surpassed 12 million riders within a one-year period. According to ABQ Ride, Central Avenue accounts for 40-45% of system-wide

ridership. Furthermore, a 2010 Metropolitan Transportation Plan by the MRCOG showed that by the year 2035 the total daily traffic volume along Central Avenue will increase by 147% - from 36,812 vehicles in 2008 to 91,074 vehicles in 2035.

Existing Land Uses

The existing land uses in the East Gateway MR Area are highlighted in Figure 12 below.

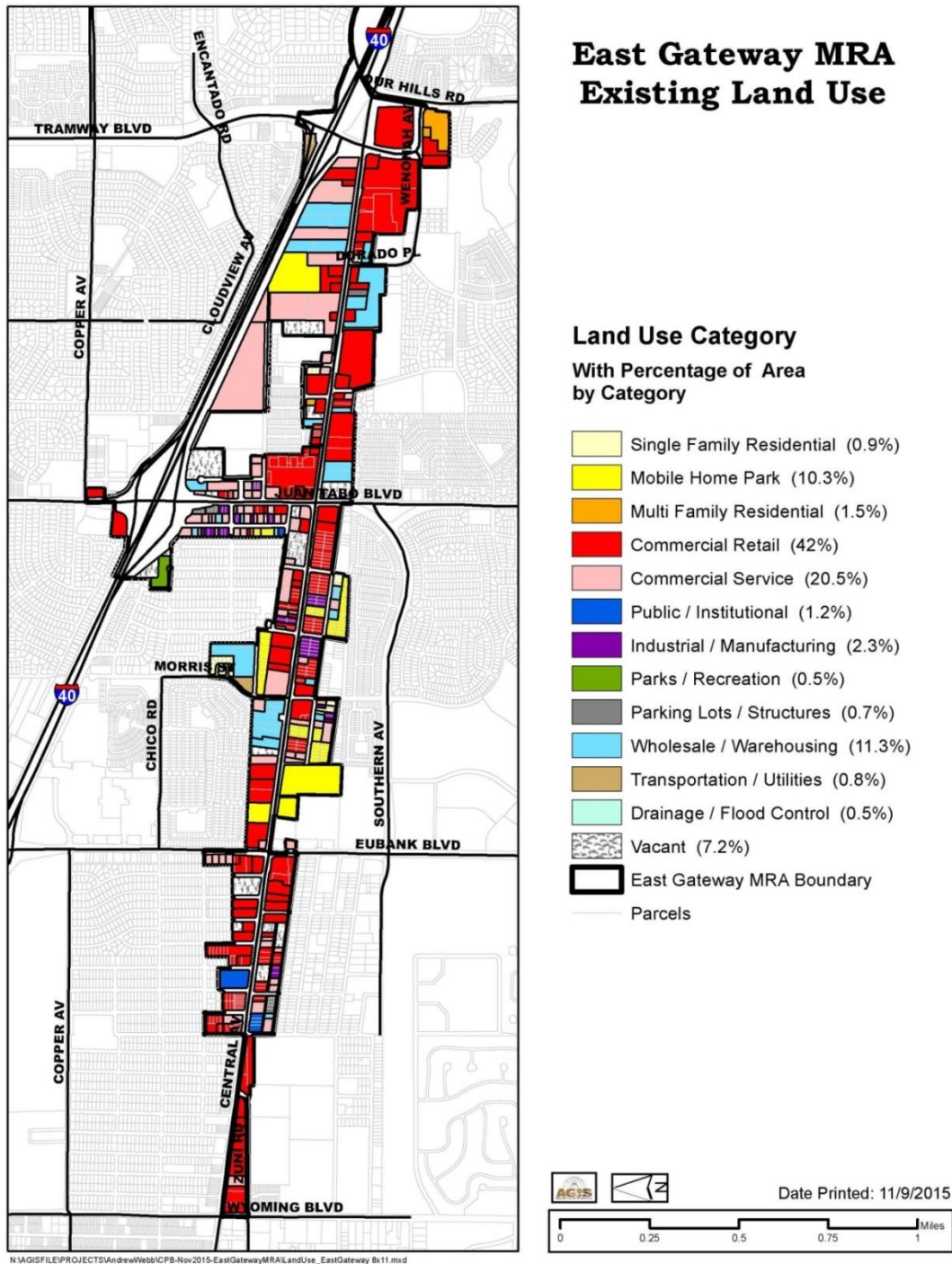


Figure 12 – Existing Land Use

Appendices

Appendix A – Bibliography

Appendix B – City or MRA Funding Sources

Appendix C – Business Owners Survey

Appendix D – Catalyst Commercial and Gateway Planning Group Market Study

APPENDIX A - BIBLIOGRAPHY

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APPENDIX B – CITY OR MRA FUNDING SOURCES

City of Albuquerque Capital Improvement Plan

The purpose of the City of Albuquerque's CIP is to enhance the physical and cultural development of the City by implementing the Albuquerque/Bernalillo County Comprehensive Plan and other adopted plans and policies. Through a multi-year schedule of public physical improvements, CIP administers approved capital expenditures for systematically acquiring, constructing, replacing, upgrading and rehabilitating Albuquerque's built environment. In practice, the CIP develops, and sometimes directly implements, diverse projects and improvements to public safety and rehabilitation of aging infrastructure such as roads, drainage systems and the water and wastewater networks. Funding for these projects comes from long-term bonds approved by the voters and issued by the City.

Tax-Increment Financing through Tax Increment Development Districts

TIF is an economic development tool available to local governments and developers in 49 states and the District of Columbia. TIF was originally created as a way to encourage reinvestment in older, blighted areas that were seen as too risky or costly for private investors to improve. Since then, its use has expanded and there are now thousands of Tax Increment Development Districts ("TIDDs") across the country.

New Mexico has a uniquely generous arrangement allowing for capture of state Gross Receipts Tax ("GRT") revenue in addition to city and county GRT and property tax through TIDDs (this type of TIF is not a part of the Metropolitan Redevelopment Code). First, a TIF district is defined for (re)development. Second, a baseline property and gross receipts tax is established within the district, known as the TIF's base GRT and base property tax. Third, the TIF district negotiates with the taxing agencies (City Council, County Commission, and/or Board of Finance/New Mexico Legislature) to receive up to 75% of the incremental increase in tax revenue resulting from the improvement within the district for up to 25 years. When and if the property in the district increases in value and sales revenues rise, these increases above the base are called the district's GRT increment and property tax increment. This money is used by the TIF district to pay the developer for the costs of infrastructure, land acquisition, demolition, utilities, planning and other improvements within the district. Tax exempt revenue bonds are issued by the TIF district to finance the infrastructure. At the date the TIF is terminated, the incremental taxes revert back to the taxing entities and they receive all the taxes paid from that point forward.

A TIF district can be viewed as a special purpose district that provides a way for the City of Albuquerque to reinvest added tax revenue from new development back into the area where it originated through financing new public improvements. The goal is to stimulate new private investment and thereby increase real estate values. An increase in tax revenues through higher property values is paid into the special TIF fund to finance public improvements to benefit the entire district. Potential investments include wider sidewalks, public area landscaping, street furniture, screening walls and lighting.

Tax Increment Financing can be a particularly useful economic tool for redevelopment. It is based on the assumption that successful redevelopment activities typically result in an increase in property values in an area, leading to an increase in property tax revenues. That incremental tax increase, or 'new' property tax revenues, can then be reinvested back into the designated MRA/TIF district.

Industrial Revenue Bonds

An Industrial Revenue Bond ("IRB") is a loan by a lender/bond purchaser to a company, where the loan proceeds and the loan repayments flow through a government issuer. The tax benefits of IRBs result from the form of the loan and the involvement of a government issuer (e.g., the City of Albuquerque). In its simplest form, an IRB structure involves a company (typically a corporation, a limited partnership or

limited liability company) that wants to purchase and/or construct and/or equip a facility. Instead of purchasing, constructing or equipping directly, the company enters into an agreement (usually a lease) with a government issuer. The agreement provides that the company will lease the facility from the government issuer, construct and equip the facility and, at the end of the lease term, purchase the facility from the issuer at a nominal price. Importantly, the company constructs and equips the facility as the agent of the issuer. In order to obtain the funds to purchase, construct and equip the facility, the issuer issues bonds. The City does not finance bonds; nor does it provide any credit enhancement. The proceeds of the bond sale are used to pay the expenses of the facility. The bonds are paid off solely with the payments made by the company to the issuer under the lease.

Only “projects” can be financed with IRBs. Projects include land, buildings, furniture, fixtures and equipment. Municipal projects (as opposed to county projects) do not include facilities used primarily for the sale of goods or commodities at retail and certain regulated utility projects.

Projects do not need to include land; they can be for equipment only. Also, any land included in a project need not be owned in fee simple. The costs of projects that can be financed are limited to capital costs and transaction costs. Working capital generally cannot be financed with IRBs, nor is there any benefit associated with doing so.

Metropolitan Redevelopment Bonds

Metropolitan Redevelopment Bonds provide a limited property tax abatement on the net improvements to the project site (i.e., current property taxes on the existing value of the property are not exempted). Also, Metropolitan Redevelopment Bonds do not offer gross receipts or compensating tax exemptions on the purchase of equipment for the facility. However, they are a reasonable option for projects that may not generally qualify for Industrial Revenue Bonds.

As with Industrial Revenue Bonds, the City does not provide the financing or credit enhancement for the bonds; the applicant is responsible for finding their own financing, based solely on the rates they can negotiate with the purchasers of the bonds. Financing and legal costs are paid by the applicant.

Metropolitan Redevelopment Bonds, while similar in some respects to Industrial Revenue Bonds, have certain differences. These bonds are restricted to financing projects in designated Metropolitan Redevelopment Areas and are available to a wider variety of projects. The public purpose for these projects is to stimulate redevelopment activities in economically distressed areas.

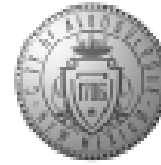
Public/Private Partnerships

Partnerships hold a high potential for redevelopment opportunities to occur in the East Gateway MRA area. The City can provide incentives through public financing or land holdings to serve as incentives/collateral for a variety of private groups.

APPENDIX C - BUSINESS OWNERS SURVEY

January 14, 2010

QUESTIONS FOR EAST GATEWAY BUSINESS OWNERS



The East Gateway Metropolitan Redevelopment Plan seeks to create recommendations for the revitalization of the East Gateway Area. The City is not committed to these recommendations; however, the MR plan recommendations weigh heavily in the City development and capital implementation decision-making processes.

Contact – Gabriel Rivera, Brownfields Metropolitan Redevelopment Planner for the East Gateway MR Area, 924-3479, [jgrivera@cabq.gov](mailto:ggrivera@cabq.gov)

1)	Business Name/Location
2)	Business Owner/Telephone #:
3)	How long has your business been here?
4)	Do you own property or lease?
5)	Why did you open your business here, or locate here?
6)	What are your hours of operation? When do you have the most customers? (Time of day, seasonal?)
7)	What is business like? a. Good b. OK c. Not so good d. Looking to expand e. Might downscale
8)	How many employees do you have at your business approximately? Have you had to lay off anyone or cut hours in the past year?
9)	Where do your customers come from? a. Neighborhood b. All over Albuquerque c. All over the state d. Offices in the neighborhood
10)	What proportion of your customers are a. walk-by _____ b. drive-by? _____
11)	What improvements would most benefit the business climate for your operations? a. More people working in the area b. More people living in the area c. Streetscaping d. Façade Improvement monies e. Road Improvements f. Lighting g. Signage h. Improved safety i. Parks

QUESTIONS FOR EAST GATEWAY BUSINESS OWNERS

12)	What character description/branding of the East Gateway Area do you recommend for marketing purposes? a. Mountain/Recreation b. Gateway to Albuquerque c. Alternative Energy/Technology d. Route 66 e. Other _____
13)	What private investments into the area would best benefit your business? a. Hospitality Industry b. Fun centers c. Entertainment center- movies-theatres d. Outdoor recreation businesses e. Fine dining f. Health facilities g. Manufacturing ports h. Small private entrepreneurial investments i. Local crafts/farmers markets j. Other _____
14)	In your opinion, what might be a successful new use for the large, vacant lots in the East Gateway Area? a. Parks b. Large developments – commercial, office, manufacturing c. Retail developments for the neighborhood d. Housing - to increase the population and customer base in the area e. Other _____
15)	How do local bus ports affect your businesses? (Do you mean bus stops? Or places like Alvarado Station?) a. Bring in customers b. Increase crime/traffic c. No effect d. Other _____
16)	What improvements to the appearance of your business will most benefit you, if any? a. Better parking b. Façade Improvements/beautification c. Streetscapes/artscapes d. Other _____

APPENDIX D – CATALYST COMMERCIAL AND GATEWAY PLANNING GROUP MARKET STUDY

Market Analysis

Juan Tabo &
Central Avenue

Albuquerque
New Mexico

Market Analysis

SEC Juan Tabo Boulevard and Central Avenue

Prepared For:

City of Albuquerque

Prepared By:

Catalyst Commercial, Inc., Dallas, Texas

Gateway Planning Group, (a Vialta Group Partner), Dallas, Texas



New Mexico’s prosperity depends on being able to attract people with the talents and creativity required to remain competitive in the 21st century. Such people are drawn by natural beauty and amenities, making New Mexico’s environmental quality a key asset for continued growth.

Dr. Christopher Erickson /New Mexico State University

1.1 Summary

Background

This Market Assessment for Central Avenue, includes the Juan Tabo and Central Avenue intersection and continues East to include the intersection of Central Avenue and Tramway which includes Four Hills Shopping Center Area (the “East Central Avenue Study Area”). As part of this effort, Catalyst reviewed the capacity for retail, office, and multi-family in the East Central Avenue Study Area. This Market Analysis is an initial assessment of local and regional market trends and projections. The purpose of this analysis is to understand current market conditions and provide a fact based/market based approach for planning efforts. Our process is to identify demand that can support long-term sustainability, and product types that can inform a strategy to enhance the East Central Avenue Study Area.

As part of this process it is important to evaluate the historic, current, and projected demographic and employment conditions in the region, city, and the study area. The composition of the demographic base and employment base will greatly shape the propensity for additional growth in retail, office and residential. Dominant variables include population and household income, age distribution, ethnicity, commuter patterns, migration patterns, workforce population, and visitor generators.

Residential Development Opportunity

Catalyst estimated the projected annual demand for higher density multi-family housing products in the City of Albuquerque. The analysis included a review of the performance and characteristics of existing and planned supply of multi-family developments in order to forecast the market capture, product mix, and recommended price range. Multi-family demand is strong in Alburquerque and occupancy is high in existing new projects. Rent growth is favorable and our findings show capacity for some multi-family product in the East Central Avenue Study Area.

Office Development Opportunities

Catalyst examined the general market outlook and potential for additional office inventory in the study area. Current and projected employment by industry was evaluated to identify the potential growth in office employment by type. The analysis included recent trends in inventory, vacancy, absorption, and pricing. The office market in Albuquerque overall is stagnant, but our findings show that this location could absorb some small office, likely integrated as part of a mixed use scenario.

Retail Development Opportunity

Retail demand is generated from multiple drivers within Albuquerque. A majority of retail demand stems from the local residential population base. An often coined phrase is “retail follows rooftops.” Typically, the residential provides demand for up to 80% of local retail demand. Commuter traffic is also a source of retail demand. This demand is generated by commuters that drive by a location. A certain percentage of these commuters are potential consumers. Area workforce is also a source of retail demand. Recent studies calculated the weekly spending patterns of workforce, specifically convenience items, dining and workforce related purchases. Visitors can also be a strong source of retail demand. This would come from local, or non-local visitors that could provide additional retail demand. Other sources of demand would be from institutional uses, such as military bases, universities, and airports. There is strong potential from each of these demand drivers in the immediate vicinity of the study area. The Study Area has capacity for more retail, however Four Hills Shopping Center has significant vacancy and could absorb most of the local immediate demand.

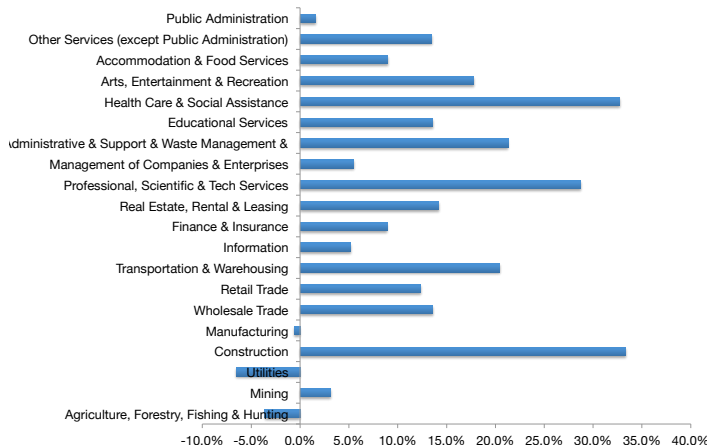
About New Mexico

New Mexico has a diverse and active economy. As of 2010 New Mexico had a population of 2,059,179. New Mexico had a population gain of over 13.2% between 2000 - 2010. This equates to approximately 190,000 people. Of which, just less than half migrated from other states and the remainder are from natural increases. The per capita income of New Mexico is \$33,837 and the median household income is \$45,098. In 2010 the unemployment rate was 8.4%. Since 2010, New Mexico has had strong

job growth and has a current unemployment rate of 6.7%. New Mexico still has a deficit of 750,000 jobs to achieve pre-recession levels¹. New Mexico has had 8,800 job gains since January 2013, of which Albuquerque netted 7,100 of these.

The state of New Mexico's employment consists of almost 23% of public sector jobs versus 16% for the national average. These include teachers, police officers, mental health workers, tour guides, transportation maintenance workers, lawyers, and other public jobs. Public sector employment represented 25% of the total payroll in 2012. The military employs a large percentage of the public sector, which is due to air force bases, Los Alamos and Sandia laboratories.

National Employment Growth By Industry 2012 to 2020

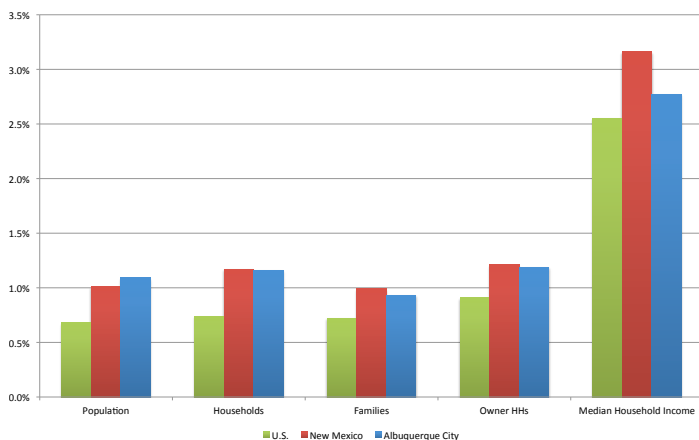


(Source: BLS)

Travel related jobs created the largest increase in jobs. This sector yielded 4,500 jobs since 2012. The educational and health services industry added 3,200 jobs. Financial activities industry added 2,100 jobs. The construction industry increased 1,800 jobs. Professional and business services industry gained 1,500 jobs. The information industry increased 600 jobs. Retail trade reported a 500-job increase since 2012. The mining industry added 300 jobs. Transportation, warehousing, and utilities gained 100 jobs. Manufacturing employment lost 1,000 jobs. Miscellaneous other services lost 600 jobs and small wholesale trade industry lost 500 jobs. The largest loss was in the government sector. The Government employment lost 3,700 jobs. Federal government jobs decreased by 1,500 jobs and local government employment was down by 2,900 jobs. However, public sector for the state of New Mexico employment increased 700 jobs since 2012.

The shift of people and jobs towards the sunbelt will fuel growth throughout the Southwest. Both the population and households in New Mexico is projected to grow over 1% annually, well above that of the nation.

Annual Growth Rate



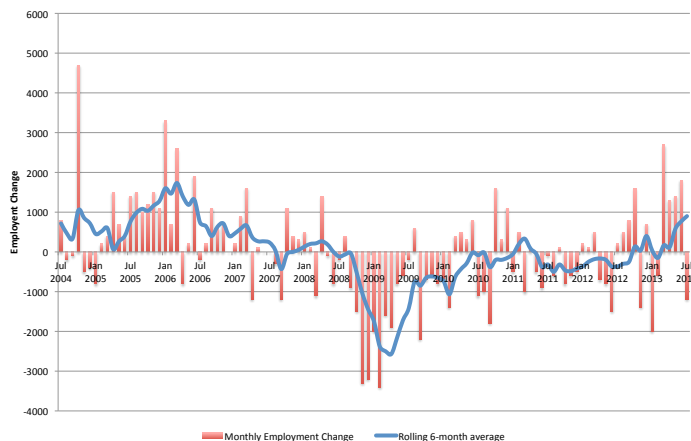
(Source: ESRI)

Household income will grow at nearly 3% annually, which is faster than the national average of 2.5%, annually.

Albuquerque MSA

Unemployment rate for the Albuquerque MSA was 7.0 percent as of July 2013. UnitedHealthcare, Molina Healthcare of New Mexico, Blue Cross

Albuquerque Metropolitan Employment Change

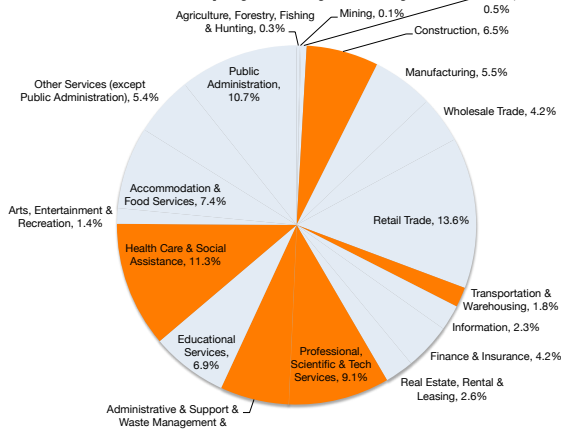


(Source: BLS)

Blue Shield of New Mexico, and Presbyterian Health Plan, have been awarded contracts to service New Mexico's \$4 billion Medicaid program. This has contributed to over 900 new jobs. However, Kirtland Air Force Base (KAFB) commenced furloughs this July, due to federal sequestration. This had impacted over 2,100 civilian employees at KAFB with a 20 percent reduction in overall pay. The total impact is up to \$8 million in payroll.

There were 371,000 jobs in Albuquerque Metro Area in July 2013 according to the Current Employment Statistics (CES) survey of employers. Albuquerque Metro Area has lost 26,000 jobs since 2008. However, the labor market appears to have bottomed out and strong job growth is projected over the upcoming decade. Since February 2013, the Albuquerque MSA has gained 6,000 jobs, according to CES employment figures. According to the Bureau of Labor Statistics, professional services, health care, and education are the broad sectors predicted to grow the fastest through the next decade, which will fuel a rebounding construction industry.

Albuquerque Employment By Industry



(Source: ESRI)

The BLS projects Albuquerque to be one of the top US metro areas for projected job growth based on industry projections. Last decade, after taking industry mix into account, the metro areas that grew the fastest were located in mild/dry climates, had a more educated workforce, and a lower population density. Albuquerque is ranked the #6 fastest growth metro area in the Southwest after accounting for each of these factors.



2.1 Demographics

The City of Albuquerque has a population of 556,000 people and 228,000 households, and is expected to grow to over 668,000 people (20%) and 278,000 households (21%) by 2030. In the city the population is spread out with 26.3% under the age of 20, 7.7% from 18 to 24, 28.0% from 25 to 44, 25.3% from 45 to 64, and 12.1% who are 65 years of age or older. The median age is 35 years. The majority of the population growth over the next five years will occur among those aged 25 and older. The largest segment of the population will continue to be concentrated between the ages of 25 and 54 years of age. The population growth will occur among the top half of income earners.

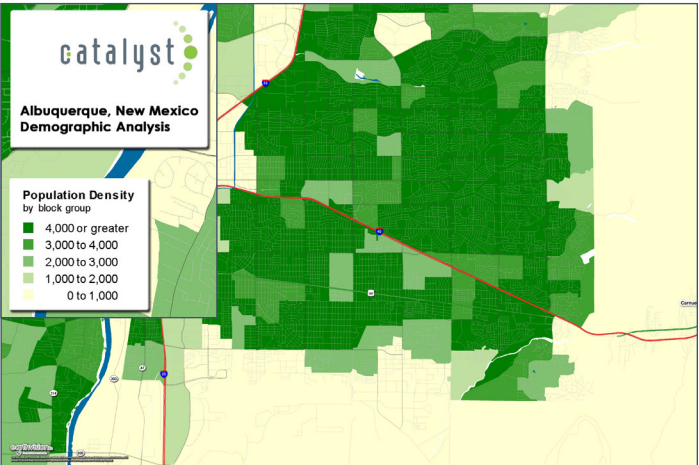
Currently, 46% of households earn over \$50,000 annually, and that is expected to increase to 54% of households over the next 5 years. The median household income in the city is nearly \$46,000 annually and is projected to increase to \$52,000 by 2017. The per capita income is \$25,500 and is projected to increase to \$28,000 by 2017.

The racial composition is 69% white, 3% black, and 3% Asian/Pacific Islander, and 25% identifies as American Indian, two or more races, or other. Of these racial categories, 47% of the population is Hispanic. Over 65% (33,500 units) of the existing housing inventory is owner-occupied, and 7% (3,700 units) of the inventory is currently vacant.

The City of Albuquerque has an average household disposable income greater than \$53,000 in over 224,300 households. Therefore, the total disposable income for the City of Albuquerque is nearly \$12B. Over 40% of the households have a disposable income greater than \$50,000, over 21% have a disposable income greater than \$75,000, and over 11% have a disposable income greater than \$100,000. Assuming 30% of disposable income is spent on retail and restaurants, Albuquerque residents spend nearly \$3.6B on retail goods and services annually.

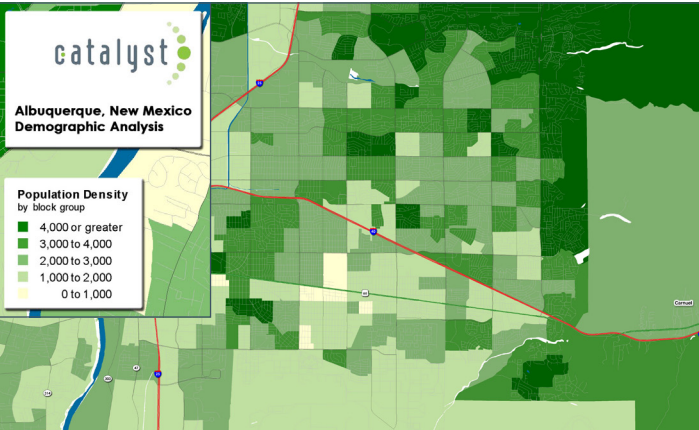
While the Westside of Albuquerque has experienced a majority of the new development activity, East Albuquerque contains a wide range of income, including some of the strongest incomes in the Albuquerque market. The Study Area contains a mixed rate of incomes, including low, high with a majority of moderate incomes.

Disposable Income



This map represents the income by block group
Income - EXHIBIT 2.1

Population Density



This map represents the population density by block group
Population - EXHIBIT 2.2

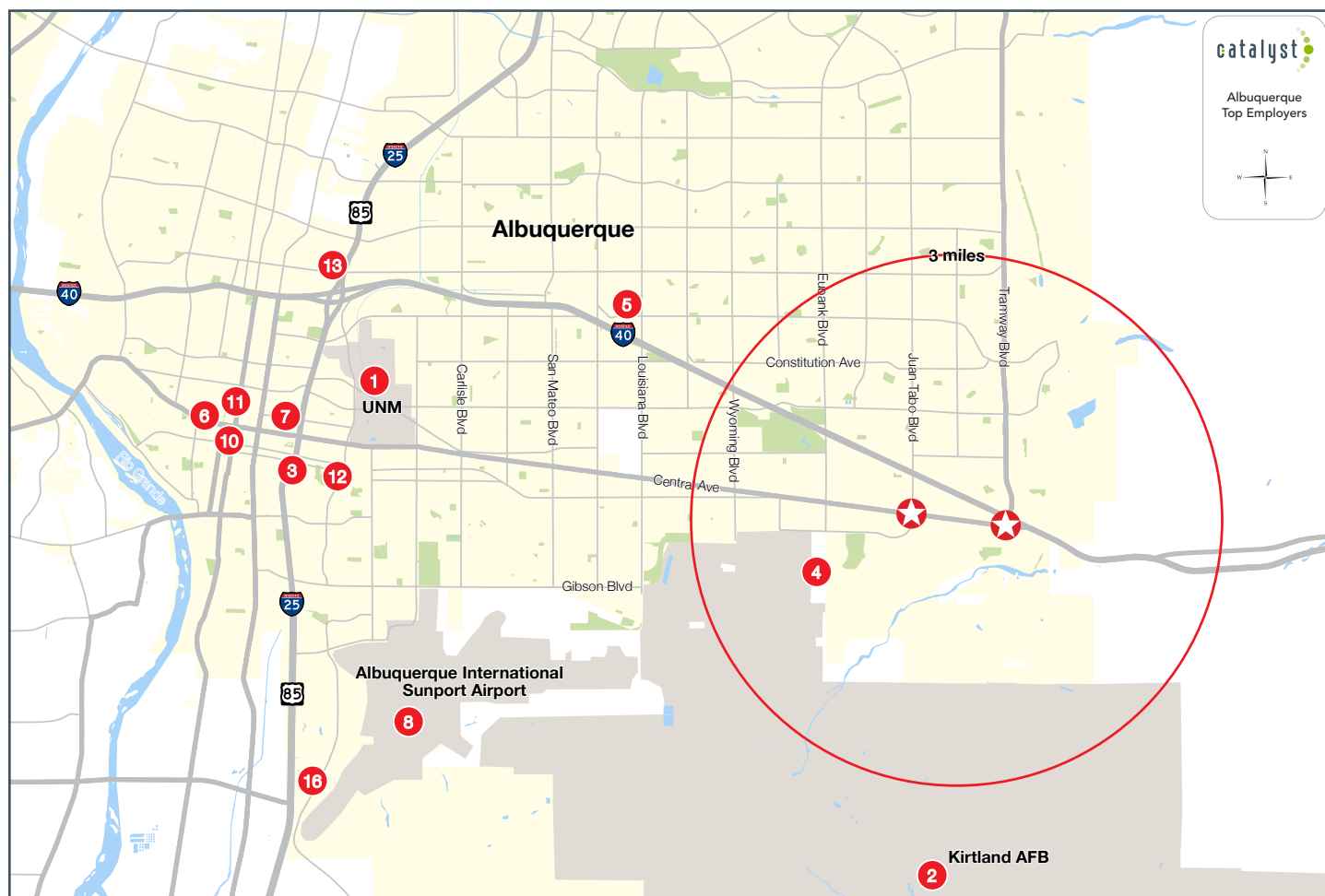
2.3 Major Regional Employment

Workforce

Albuquerque lies at the center of the New Mexico Technology Corridor, a concentration of high-tech private companies and government institutions along the Rio Grande. The city is home to numerous regional employers including the University of New Mexico (14,300 employees), Kirtland Airforce Base (9,748 employees), and Sandia National Laboratories (10,633 employees). Other major employers include Albuquerque Public Schools (11,500 employees), Presbyterian Healthcare Services (9,500 employees), Lovelace Health Systems (4,000), and Albuquerque International Sunport

(3,600). Within a 5-minute drive from the study area there are over 2,200 business that employ nearly 13,000 workers.

Research of workforce spending patterns indicate that workers spend approximately \$195 per week on various daily expenditures. Therefore, there is a potential \$2.5M in weekly workforce spending on retail and restaurants within a 5-minute drive of the study area. Excluding transportation, the largest portion of spending is for restaurants and fast-food eating establishments, which collectively account for 16% of weekly expenditures. Among goods and services spending, grocery stores capture the largest portion at 9% of weekly expenditures.



This map represents the major employers
Major Workforce - EXHIBIT 2.3

MAP	EMPLOYER	EMPLOYEES
1	University of New Mexico	14,300
2	Kirtland Airforce Base - Civilian & Active Duty	9,748
3	Albuquerque Public Schools	11,500
4	Sandia National Labs	10,633
5	Presbyterian Healthcare Services	9,500
6	City of Albuquerque	6,940
7	Lovelace Health System	4,000
8	Albuquerque International Sunport Airport	3,600
9	Intel Corporation	3,300

MAP	EMPLOYER	EMPLOYEES
10	PNM Resources	3,000
11	Bernalillo County	2,300
12	Central New Mexico Community College	1,770
13	T-Mobile	1,750
14	NM Veterans Affairs Health Care System	1,677
15	Honeywell	1,100
16	Ethicon Endo-Surgery	560
17	Thomas & Betts	400

2.4 Major Visitor Attractions

Visitor Attractions

Travel and visitor tourism is one of the biggest industries in the City of Albuquerque. Albuquerque has a number of attractions and is home to the International Balloon Festival and State Fair.

Some of the major attractions in the city include the University of New Mexico, Old Town and Sandia Peak Tramway, and Petroglyph National Monument.



This map represents the visitor generators (labeled in red)
Major Visitor Attractions - EXHIBIT 2.4

Visitor Findings

Visitors spend money at restaurants, shops, conventions, attractions, hotels, and countless destinations each year. Last year, the Albuquerque International Airport received over 5.8M passengers, and visitors to Bernalillo County spent over \$2B.

In 2012, there were 10.8M visitors to the city, and approximately 6.1M were overnight visitors. The average stay was 3 nights and the average total trip was \$623 per group. The Balloon Festival attracts more than 700,000 visitors and the State Fair attracts more than 400,000 visitors each year. The study area is less than 4-miles from the State Fair Grounds, less than 3 miles from the Sandia Foothills, and less than 7 miles from the University of New Mexico. The study area is well positioned to capture a strong portion of visitor expenditures on restaurant and retail due to its close proximity to these major tourist destinations and the spending generated by each.

ATTRactions	EVENTS
Old Town	International Balloon Fiesta
University of New Mexico	New Mexico State Fair
Inidan Pueblo Cultural Center	Albuquerque Folk Festival
Sandia Peak Tramway	Native American Gathering of Nations Pow-Wod
Petroglyph National Monument	Festival Flamenco Internacional de Albuquerque
Paseo del Bosque	New Mexico Arts & Crafts Fair
Biological Park	
National Museum of Natural Science and History	
International Balloon Museum	
Open Space Visitor Center	
Rio Grande Valle State Park	

(Source: Albuquerque CVB)

2.5 Regional Commuter Patterns

Traffic Counts

The study area is located along Central Ave. and Juan Tabo Blvd. A strong flow of traffic exists in and around this intersection. There are 21,200 vehicles per day (VPD) along Central Ave. east of Juan Tabo Blvd and 19,900 VPD west of Juan Tabo Blvd. There are 27,400 VPD along Juan Tabo Blvd. north of Central Ave. and 17,500 VPD south of Central Ave. Interstate 40 receives 84,300 and 62,800 VPD west and east of Juan Tabo, respectively.

One block west of the study area, Eubank Blvd received 43,600 VPD north of Central Ave. and 30,000 VPD south of Central Ave. One block east of the study area, there are 13,700 VPD along Tramway Blvd. Four Hills Rd. which leads to Four Hills Country Club and Four Hills Estates receives 9,400 VPD.

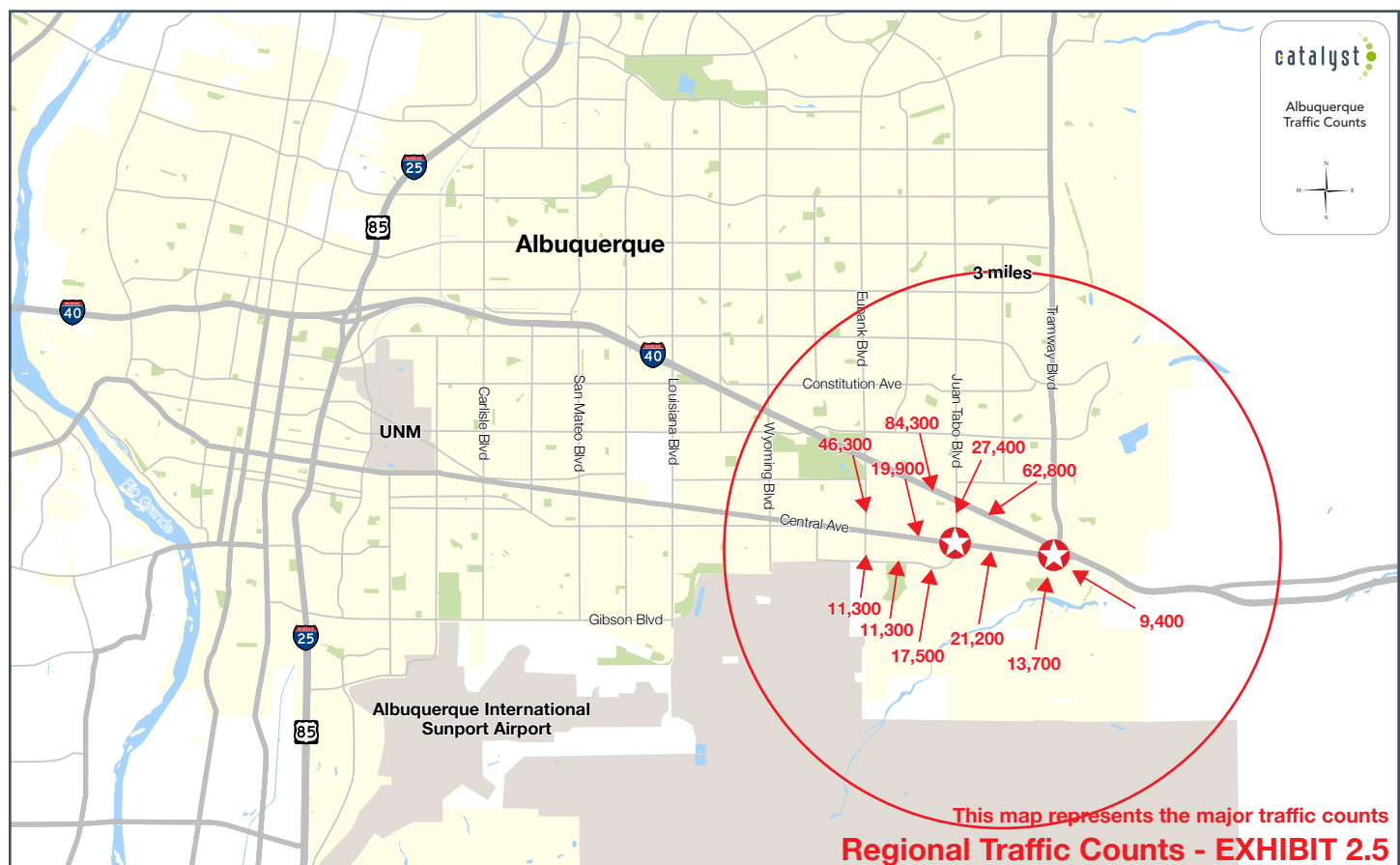
Traffic Counts Findings

The intersection of Central Ave. and Juan Tabo Blvd. is a core

MAP	LOCATION	INTERSECTION	24 HOUR COUNTS
1	Central Ave	E. of Juan Tabo Blvd	21,200
2	Juan Tabo Blvd	N. of Central Ave	27,400
3	I40	E. of Juan Tabo Blvd	62,800
4	Eubank Blvd	N. of Central Ave	43,600
5	Central Ave.	W. of Juan Tabo Blvd	19,900
6	Juan Tabo Blvd	S. of Central Ave.	17,500
7	I40	W. of Juan Tabo Blvd	84,300
8	Southern Ave.	W. of Juan Tabo Blvd	11,300
9	Eubank Blvd	S. of Central Ave	30,000
10	Tramway Blvd	S. of Central Ave	13,700
11	Four Hills Rd	S. of Central Ave	9,400
Total			341,100

(Source: MRCG)

Regional Traffic Counts Map



commuter tract within the City of Albuquerque. There are a total of over 341,000 vehicles per day that pass within a one block radius of the study area, which is 140% greater than the intersection of Coors Blvd. and Central Ave. and just under 100% of the traffic flow at Central Ave. and I25.

Central Avenue is a major corridor that connects nearby neighborhoods located south of the intersection, including Four Hills Village, Willowood, and Tijeras Arroyo, to the major arterials of I40 and I25. Tramway Blvd, one block east of Juan Tabo, is the exit from I40 for visitor access to the

Sandia Foothills and Sandia Peak. Central Ave. also provides direct access for westbound travelers on I40 to the State Fair Grounds and Nobb Hill District.

These commuters offer potential retail businesses an additional market opportunity. The retail spending that the study area may capture varies on whether commuters are likely to spend their money near their place of work or near their place of residence.

2.6 Student

There are 10 college campuses located in Albuquerque with a total enrollment of 60,422 students. The two largest campuses are the University of New Mexico with over 29,000 enrolled students, and Central New Mexico Community College with over 28,000 enrolled students. Both of these campuses are located within a 7-mile drive from the study area.

Other colleges include Pima Medical Institute (942 students), Brown Mackie College (752 students), ITT Technical Institute (536 students), National American University (327 students), Southwest University of Visual Arts (235 students), De Wolff's College (103 students), Universal Therapeutic Massage (88 students), and Toni & Guy Hairdressing Academy (83 students). All of these campuses, with the exception of ITT Technical Institute, are located within a 7-mile drive of the study area.

	SCHOOLS	STUDENTS	DISTANCE	CAPTURE
1	University of New Mexico	29,033	6.5	5%
2	Central New Mexico Community College	28,323	6.6	5%
3	Pima Medical Institute	942	5.5	5%
4	Brown Mackie College	752	1.8	25%
5	ITT Technical Institute	536	12.6	1%
6	National American University	327	5.6	5%
7	Southwest University of Visual Arts	235	5.0	5%
8	De Wolff's College - Hairstyling	103	2.7	10%
9	Universal Therapeutic Massage Institute	88	7.0	5%
10	Toni & Guy Hairdressing Academy	83	6.5	5%
	Total	60,422		3,155

(Source: IPEDS)

Student Map



Student Findings

The average annual discretionary spending per student increased by 37%, from \$4,069 to \$5,559, between 2011 and 2012. Food accounts for the largest portion of student discretionary spending. Approximately 36% of total discretionary spending is spent on groceries, full-service restaurants, and fast-food. The next largest categories are automotive (15%), clothing and shoes (11%), entertainment (9%), technology (7%), personal care and cosmetics (12%).

Catalyst examined the study area potential capture of student discretionary spending based on distance from campus and the percent spent off-campus. The conservative estimate indicates the site has the potential to capture \$12.6M annually in student expenditures on retail and restaurants.

There is limited off-campus housing near the University of New Mexico and Central New Mexico Community College. Nearby multifamily housing

This map represents major schools
Student - EXHIBIT 2.6

options are predominantly located in Downtown and the Nobb Hill District. As enrollment increases there will be increased demand for alternative housing options. The study area has potential to capture some of this growing demand for multifamily housing including the student populations.



The strongest areas of Albuquerque are developments that area pedestrian-friendly, have access to transit, and have direct access to number of amenities including entertainment, restaurants, retail and job opportunities.

3.1 Multi-Family Trends

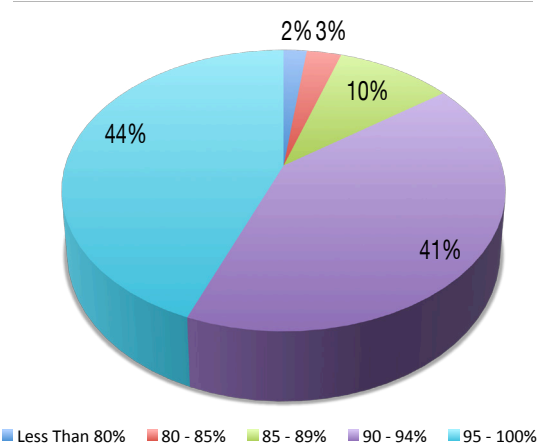
The Albuquerque multi-family market is experiencing positive growth. Based upon recent reports, mult-family occupancy is above 95% and rents are increasing slightly across all market types. This is likely due to job growth, higher standards for mortgages and acculturation of urban lifestyles.

Current areas with strong activity include Nob Hill, ABQ Uptown, Cottonwood Mall, and the area around Winrock Mall. The Downtown@700-2nd is located on Second, just South of Lomas Boulevard. This project consists of 72 units. Other Downtown developments include the Silver Moon project as well as a project at 517 Gold Avenue. Silver Moon is a 150-unit project near 10th Street and Central Avenue. The new Silver Moon Apartments is to be located at corner of 10th Street and Central Avenue on the former Silve Moon Lodge site. The Gold Avenue project is an adaptive reuse of the federal office building.

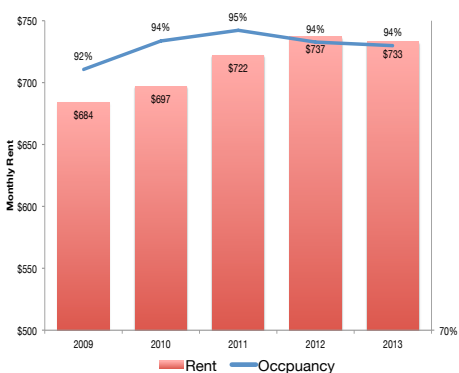
Another project under development is Broadstone Cottonwood. This is a 13.3-acre, 254-unit multifamily housing project on the Westside near the Presbyterian Medical Center. Broadstone Cottonwood, is a joint venture between Titan and Phoenix-based Alliance Residential Company. Alliance also developed Broadstone Estates and Broadstone Heights. In addition to Broadstone Cottownwood, Broadstone Santa Monica was just completed in 2012. This project is a 280 unit project in north Albuquerque, near San Antonio Drive and San Pedro Drive, that consists of 64 townhome units and 216-units of multi-family. The total project cost is estimated at \$23M.

Other notable projects include Casitas de Colores, a \$16M project at 215 Lead Ave., that consists of 71 units. This in-fill project is affordable housing financed with tax credits. Silver Gardens Phase I and II are both LEED certified, urban, mixed-income projects. Phase I consists of 121 apartments and is currently reported to be 90 percent leased. Phase I opened in May of 2010 and was fully occupied by July. The 55-unit phase II of Silver Gardens is expected to open December 15, 2013. Silver Gardens II is already at 75 percent.

Multi-Family Occupancy



Multi-Family Rent and Occupancy



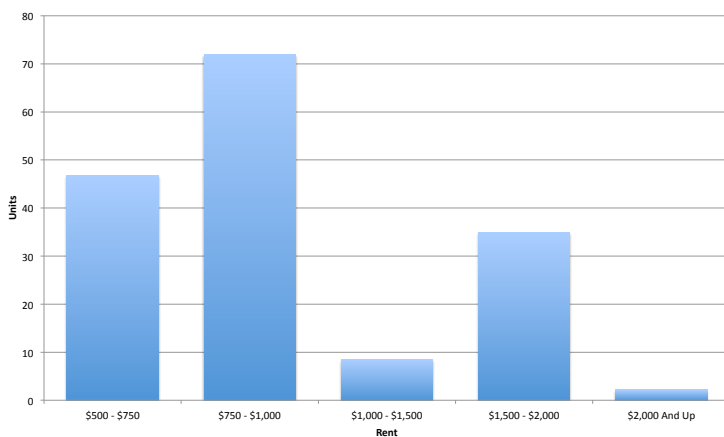
3.2 Multifamily Demand

Potential Demand for multifamily was analyzed by examining current and future household demand for Bernalillo County across multiple income categories. Current projections estimate 17,000 new households throughout the county over the next 5 years, which is an average of 3,200 new households annually. Based on recent trends 16% (2,100 households) of new household growth across all income categories will live in for-rent housing.

Currently, there are 190,000 households (17%) that reside in owner-occupied homes and 80,300 households (30%) reside in for-rent homes in Bernalillo County. Of the existing owner households, 11,400 (6%) households will move to a new residence each year, and of these movers 4,000 (35%) will choose to rent upon moving. Of the existing renter households, 30,100 (37%) will move each year, and of these movers 23,000 (76%) of these current renter households will rent upon moving.

The combined annual demand of new households, existing renter households, and existing owner households for multifamily housing is projected to be a total of 29,100 units. Of the total projected multifamily demand, 633 units (2%) will be for newly constructed units. Over the last five years, all of the multifamily construction permits issued in Bernalillo County occurred within the City of Albuquerque.

Annual Multifamily Demand



Study Area Demand

We estimate that the East Central Avenue Study Area has the potential to capture 165 units (26%) of new multifamily demand, annually. The largest segment of this demand, 72 units, will be for monthly rents that range from \$750 to \$1,000. There is also potential demand of 47 units for rents between \$500 and \$750 per month and demand of 46 units for rents between \$1,000 and \$2,000 per month.

Current Multifamily Projects



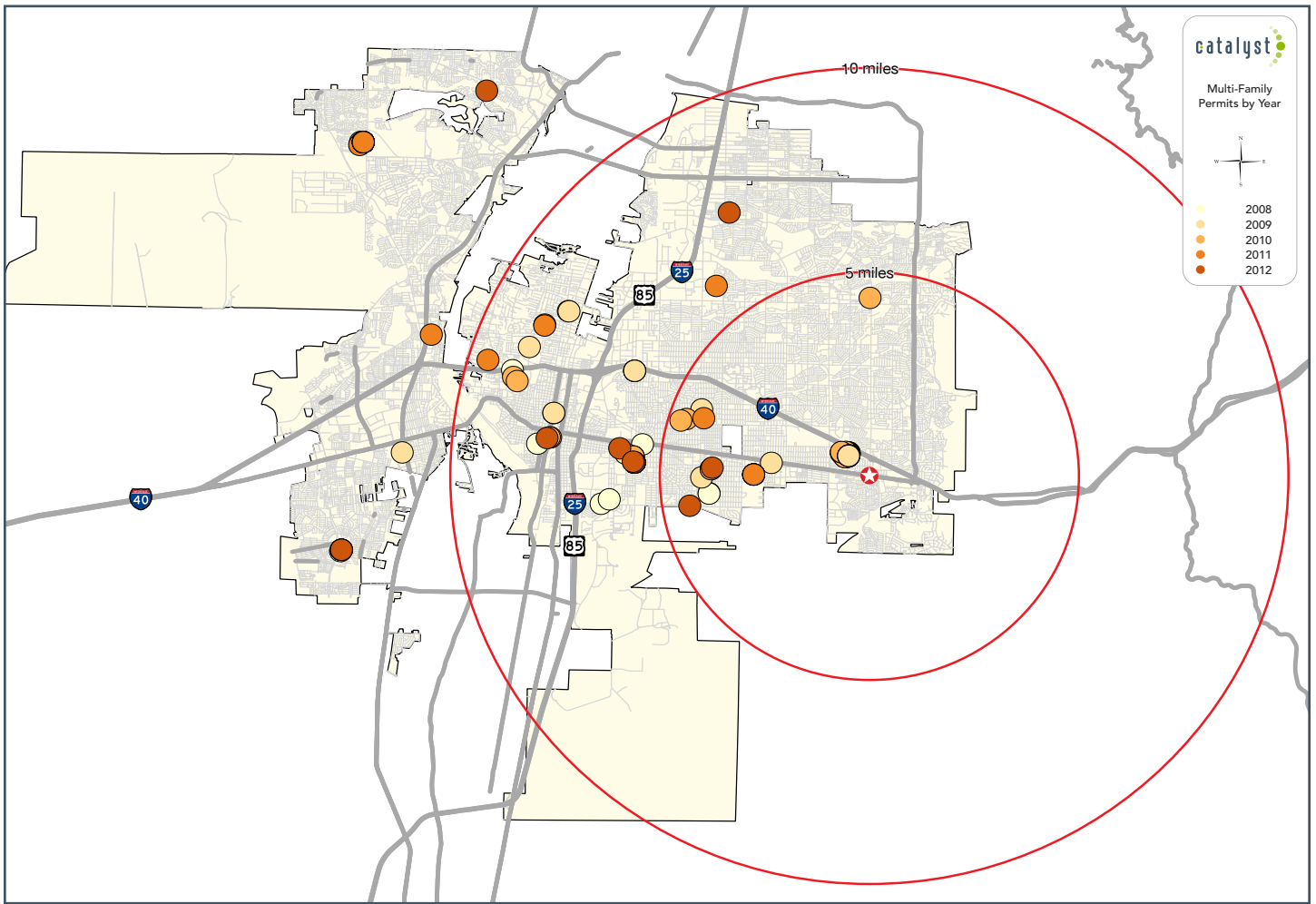
Broadstone - Santa



Silver Lodge - PH I



Casita de Colores



This map represents multi-family in ABQ

Active Multi-family - EXHIBIT 3.1

RECENT & PLANNED DEVELOPMENTS					
MAP	PROJECT	STATUS	OCCUPANCY	UNITS	LOCATION
1	Broadstone Santa Monica	Complete	-	260	Northeast
2	Cantata Trails	Complete	-	253	Northwest
3	Silver Gardens Phase I	Complete	90%	66	Downtown
4	Silver Gardens Phase 2	Under Construction	75%	55	Downtown
5	Andalucia Villas	Under Construction		240	Northwest
6	Casitas de Colores	Under Construction		71	Downtown
7	Broadstone Cottonwood	Planned		254	Rio Rancho

(Source: CBRE)

**Estimated Annual Demand Potential for Multifamily
Based on 2013 - 2018 Demographic Trends for Bernalillo County**

Monthly Rent	\$500	\$750	\$1,000	\$1,500	\$2,000	
	\$750	\$1,000	\$1,500	\$2,000	And Up	
Qualifying Income	Less Than \$35,000	\$35,000 \$50,000	\$50,000 \$75,000	\$75,000 \$100,000	\$100,000 And Up	Total
2012 Total Households¹	271,104					
2017 Total Households¹	286,947					
Avg. Annual Household Growth	3,169					
New Household Growth						
Total Annual New Households ¹	3,169	13,024	13,024	13,024	13,024	13,024
% Income Qualified	33%	18%	22%	13%	15%	100%
# Income Qualified	1,033	2,324	2,843	1,637	1,975	13,024
Renter Propensity	55%	32%	17%	10%	6%	16%
Qualified New Households	571	750	478	169	118	2,086
Existing Owner Household						
Total Households ¹	271,104	271,104	271,104	271,104	271,104	271,104
% Income Qualified ²	33%	18%	22%	13%	15%	100%
Owner Propensity ²	45%	68%	83%	90%	94%	70%
Total Owner Households	39,517	32,767	49,224	30,553	38,653	190,713
Annual Turnover Rate ²	5%	6%	5%	5%	3%	6%
Qualified Owners in Turnover	1932	2045	2468	1475	1275	11447
Estimated % Rent vs. Purchase ³	68%	49%	34%	37%	24%	35%
Estimated Owners in Turnover that Rent	1,314	1,002	839	546	306	4,007
Existing Renter Households						
Total Households ¹	271,104	271,104	271,104	271,104	271,104	271,104
% Income Qualified ²	33%	18%	22%	13%	15%	100%
Renter Propensity ²	55%	32%	17%	10%	6%	30%
Total Renter Households	48,854	15,613	9,952	3,525	2,447	80,391
Annual Turnover Rate ²	39%	34%	36%	36%	42%	37%
Qualified Renters in Turnover	18,945	5,269	3,600	1,263	1,030	30,107
Estimated % Rent vs. Purchase ³	85%	72%	55%	54%	43%	76%
Estimated Renters in Turnover that Rent	16,103	3,793	1,980	682	443	23,002
Income Qualified Households						
Total Potential Demand	17,988	5,546	3,297	1,397	866	29,094
Percent New Renters ³	1%	5%	1%	10%	1%	2%
Total Potential Demand for New Units	180	277	33	134	9	633
City Capture Rate ^{3,4}	26%	26%	26%	26%	26%	26%
Total Potential New Multifamily Demand	47	72	9	35	2	165

1. ESRI

2. US Census American Community Survey

3. US Census American Housing Survey

4. US Census Building Permits Survey



Given a normal vacancy of 10%, this is an oversupply of 1.4M SF of office space under existing conditions.

4.1 Existing Office Conditions

While the US office market has experienced a slow but steady recovery fostered by job creation, the Albuquerque office market remains stagnant. The Albuquerque market has been negatively impacted by reductions in military and government spending. The overall vacancy rate for the Albuquerque market remains at flat at 18.7% quarter over quarter, but nearly 1% higher year over year.

Office relocations dominated the market in the 2nd Quarter of 2013, as many moves were within the same market or within an existing building. According to CBRE, the largest deal for the quarter were a 10,000 SF and 8,600SF relocation to similar size spaces, which resulted in no net gain in occupancy.

The two best performing submarkets are the University and West Mesa Submarkets. The University currently has a vacancy rate of 12.0% and a positive net absorption of 5,216 SF year over year. The West Mesa Submarket, at 10.5% has the lowest vacancy rate in the overall market and experienced a net absorption of 3,455 SF year over year. The University and West Mesa Submarkets have overall leasing rates of \$15.25 and \$16.50, respectively. The I25 submarket was the most active over the past year with over 61,200 SF of net absorption and vacancy rates down from 19.8% to 13.9%.

The overall median leasing rates remained steady at \$15.50 per SF for the last three quarters. The low leasing rates coupled with high vacancy rate and low leasing activity have led to all construction projects put on hold until the market experiences signs of increased demand.

OFFICE MARKET STATISTICS						LEASING PRICE PER SF		
	RBA	VACANT (%)	VACANT (SF)	NET ABSORPTION PER QTR	NET ABSORPTION EA YEAR	CLASS A	CLASS B	OVERALL
Airport	1,010,757	16.6%	167,786	6,357	8,866		\$14.00	\$13.00
Downtown	3,042,137	3.6%	109,517	-6,094	-25,715	\$20.25	\$15.75	\$15.25
Far NE Heights	1,081,255	12.8%	138,401	5,497	23,962		\$17.50	\$15.75
Mesa del Sol	271,052	16.1%	43,639	0	0		\$19.00	\$19.00
NE Heights	654,472	26.0%	170,163	-958	-3,306		\$17.50	\$12.88
North I25	3,310,763	13.9%	460,196	18,187	61,293	\$22.50	\$17.95	\$17.25
Rio Rancho	718,493	5.9%	42,391	-350	896		\$16.27	\$15.79
SE Heights	824,874	14.3%	117,957	-4,693	-59		\$19.00	\$14.50
University	509,426	12.0%	61,131	-29,734	5,216		\$16.13	\$15.25
Uptown	1,716,851	21.8%	374,274	-29,734	-34,081	\$21.25	\$18.50	\$16.50
West Mesa	562,069	10.5%	59,017	5,839	3,455		\$19.00	\$19.00
Market Total	13,702,149	18.7%	2,562,302	-5,949	40,527	\$22.25	\$17.50	\$15.50

(Source: CBRE)

ALBUQUERQUE OFFICE MARKET								
CLASS	BUILDING SF	VACANCY RATE	QUARTER NET ABSORPTION (SF)	YTD NET ABSORPTION (SF)	YTD CONSTRUCTION (SF)	UNDER CONSTRUCTION (SF)	LEASE RATE	OVERALL
Class A	1,343,414	17.4%	13,840	28,082	0	0	\$22.25	\$14.50
Class B	6,597,174	16.7%	(16,289)	4,366	0	0	\$17.50	\$15.25
Class C	5,761,561	21.4%	3,500	8,079	0	0	\$14.00	\$15.50
Total Market	13,702,149	18.7%	(5,949)	40,527	0	0	\$15.50	

(Source: CBRE)

ALBUQUERQUE OFFICE EMPLOYMENT & GROWTH, 2012 - 2020									
INDUSTRY	PERCENT OF TOTAL BUSINESS	PERCENT OF TOTAL EMPLOYMENT	CURRENT EMPLOYMENT	PROJECTED EMPLOYMENT GROWTH	PROJECTED EMPLOYMENT CHANGE	OFFICE JOBS (%)	OFFICE JOBS (N)	PROJECTED OFFICE JOB GROWTH	PROJECTED OFFICE JOBS CHANGE
Agriculture, Forestry, Fishing & Hunting	0%	0.3%	640	-3.6%	(23)	28.9%	185	-3.9%	(7)
Mining	0%	0.1%	293	3.1%	9	27.2%	80	0.6%	0
Utilities	0%	0.5%	1,238	-6.5%	(80)	46.9%	581	-10.3%	(60)
Construction	8%	6.5%	15,290	33.3%	5,092	20.3%	3,104	30.1%	934
Manufacturing	4%	5.5%	13,099	-0.6%	(79)	32.2%	4,218	-5.0%	(211)
Wholesale Trade	5%	4.2%	10,052	13.6%	1,367	38.8%	3,900	10.0%	390
Retail Trade	11%	13.6%	32,122	12.3%	3,951	21.5%	6,906	5.6%	387
Transportation & Warehousing	2%	1.8%	4,377	20.4%	893	25.8%	1,129	17.6%	199
Information	2%	2.3%	5,518	5.2%	287	68.1%	3,758	6.0%	225
Finance & Insurance	4%	4.2%	9,926	8.9%	883	85.8%	8,517	7.8%	664
Real Estate, Rental & Leasing	5%	2.6%	6,084	14.2%	864	22.9%	1,393	10.6%	148
Professional, Scientific & Tech Services	17%	9.1%	21,620	28.7%	6,205	87.7%	18,961	27.9%	5,290
Management of Companies & Enterprises	0%	0.0%	84	5.5%	5	85.3%	72	5.8%	4
Administrative & Support & Waste Management & Remediation Services	14%	6.2%	14,680	21.3%	3,127	33.3%	4,888	22.2%	1,085
Educational Services	2%	6.9%	16,275	13.6%	2,213	83.3%	13,557	14.6%	1,979
Health Care & Social Assistance	8%	11.3%	26,692	32.7%	8,728	30.8%	8,221	31.0%	2,549
Arts, Entertainment & Recreation	2%	1.4%	3,396	17.8%	604	26.2%	890	17.1%	152
Accommodation & Food Services	5%	7.4%	17,502	9.0%	1,575	6.7%	1,173	3.2%	38
Other Services (except Public Administration)	10%	5.4%	12,748	13.5%	1,721	41.2%	5,252	14.4%	756
Public Administration	1%	10.7%	25,411	1.6%	407	55.0%	13,976	-1.0%	(140)
Total			237,047		37,749		100,760	14.3%	14,383

(Source: ESRI, BLS)

4.2 Office Demand

Contractions in defense and government spending have had a negative impact on the overall office market in recent years. However, according to the Department of Labor job growth is projected across numerous major industries in Albuquerque.

The current number of jobs by industry for the City of Albuquerque were examined along with projected job growth by the Bureau of Labor Statistics National Industry and Occupation Projections to estimate office job creation over the next 7 years.

The largest job growth is projected to occur among scientific and technology

ALBUQUERQUE MARKET OFFICE DEMAND 2012 - 2020	
Total Businesses	32,696
Total Employment	237,047
Office Jobs (%)	43%
Total Office Jobs	100,760
Projected Job Growth	16%
Projected New Jobs	37,749
Projected Office Job Growth	14%
Projected New Office Jobs	14,383
Avg. Space Per Worker (SF)	250
Cumulative New Office Demand (SF)	3,595,833

(Source: ESRI, BLS, Catalyst)

services, health care, administrative and support, and educational services. The combined growth of these industries is projected to create over 19,000 jobs by 2020. A total of nearly 38,000 new jobs are projected across all industries, of which 14,000 are likely to be office related work. Given an average space of 250 SF per employee, an additional 14,000 office jobs will create demand for 3.5M SF of office space.

Currently, there is 2.5M SF of vacant office space in the overall market. Given a normal vacancy of 10%, this is an oversupply of 1.4M SF of office space under existing conditions. However, an additional 3.5M SF of office demand created by job growth indicates there is potential for the market to absorb an additional 2.4M SF of newly constructed space by 2020. Historically, the Southeast Heights Submarket consists of approximately 6% of total rentable building area and occupancy. Given the proximity to the University of New Mexico, Sandia Laboratories, and Kirtland Airforce Base, the SE Heights Submarket may reasonable absorb 24,000 SF of total office absorption, annually. However, office absorption will depend on the context of the development. It is likely that the market will support 10,000 to 15,000 SF of office absorption in the study area, as part of a mixed use development.

POTENTIAL OFFICE DEMAND	MARKET TOTAL	SE HEIGHTS SUBMARKET	UNIVERSITY SUBMARKET
RBA	13,702,149	824,874	509,426
Vacant	18.7%	14.3%	12.0%
Vacant (SF)	2,562,302	117,957	61,131
Occupied	81.3%	85.7%	88.0%
Occupied Space (SF)	11,139,847	706,917	448,295
Net Absorption Quarter over Quarter	(5,949)	(4,693)	(29,734)
Net Absorption Year over Year	40,527	(59)	5,216
Potential New Office Demand (2012 - 2020)	3,595,833	228,186	144,705
Potential Annual New Office Demand	449,479	28,523	18,088
Avg. Vacancy Rate	10%	10%	10%
Frictional Vacancy SF	1,370,215	82,487	50,943
Potential New Demand Absorption of Existing Space	1,192,087	35,470	10,189
Potential New Demand Absorption New Office Space	2,403,746	192,716	134,517
Potential Annual Demand New Office Space	300,468	24,090	16,815

(Source: CBRE, ESRI, BLS, Catalyst)



This map represents major retailers near the Study Area

Major Retail -

EXHIBIT 5.1



5.1 Retail

The study area is located at the intersection of Central Avenue Northeast and Juan Tabo Boulevard in Albuquerque, NM. This is a signalized intersection, primarily retail oriented. There are very few national credit retailers near Central Avenue & Juan Tabo Boulevard. The intersection is dominated by value oriented uses and convenience uses, such as fast food, dollar stores and car washes. The intersection is also surrounded by many recreational vehicle sales lots and mobile home dealers. These occupy large land parcels and are generally located mid-block.

The Eubank/Central Avenue intersection to the west contains several more national retailers, including Walgreens, IHOP, Golden Corral, Starbucks, Chili's, Taco Cabana, AutoZone, Jack in the Box, and Home Depot.

The Four Hills Shopping Center is located approximately one mile east of the

Juan Tabo/Central Avenue intersection. This shopping center contains a theater, Compass Bank, Cato's, Einstein, Starbucks, Albertsons, Aarons, Dollar Tree, and Carls Jr. Other notable retailers at the intersection include McDonalds, and Smith's Grocers.

The next intersection North of Juan Tabo and Central Avenue is the intersection of Lomas Boulevard and Juan Tabo. This is just north of Interstate 40, which runs northwest along Central Avenue. This intersection contains Albertsons, Family Dollar, Wendy's, McDonalds, Pizza Hut. Manzano High School is also located just east of Lomas and Juan Tabo.

SCHOOLS	ENROLLMENT	DISTANCE	CAPTURE
University of New Mexico	29,033	6.5	5%
Central New Mexico Community College	28,323	6.6	5%
Pima Medical Institute	942	5.5	5%
Brown Mackie College	752	1.8	25%
ITT Technical Institute	536	12.6	1%
National American University	327	5.6	5%
Southwest University of Visual Arts	235	5.0	5%
De Wolff's College - Hairstyling	103	2.7	10%
Universal Therapeutic Massage Institute	88	7.0	5%
Toni & Guy Hairdressing Academy	83	6.5	5%
Total	60,422		3,155

(Source: IPEDS)

There is potential for the subject area to capture over \$11M in student retail expenditures annually, or 30,000 SF of retail/restaurant.

5.1 Student Generated Retail Demand

There are over 60,000 students enrolled in various college campuses throughout Albuquerque. The two largest campuses are the University of New Mexico and the Central New Mexico Community College with over 57,000 students between the two campuses. Both of these campuses are located less than 7 miles from the subject area.

Recent studies on student discretionary spending find that the average student spends over \$5,500 annually on retail goods and services. Catalyst estimated the potential capture of student retail expenditures based on study area distance from the campus and the percent of expenditures spent off campus for each retail category. There is potential for the subject area to capture over \$11M in student retail expenditures annually, which may support nearly 30,000 SF of retail and restaurants. Food accounts for the largest portion of student demand. Approximately 36% of total discretionary spending is spent on groceries, full-service restaurants, and fast-food. The next largest categories are automotive (15%), clothing and shoes (11%), entertainment (9%), technology (7%), personal care and cosmetics (12%).

COLLEGE STUDENT DISCRETIONARY SPENDING PATTERNS					
Average Annual Discretionary Spending		\$5,559			
Category	Percent Total Expenditures	Percent Spent Off-Campus	Potential Annual Expenditures	Sales/SF	Demand (SF)
Grocery Stores	18%	92%	\$2,910,110	475	6,127
Limited-Service Eating Places	7%	88%	\$1,042,195	300	3,474
Full-Service Restaurants	11%	83%	\$1,630,003	425	3,835
Auto Parts, Accessories, & Tire Stores	15%	95%	\$2,492,302	500	4,985
Clothing Stores	4%	73%	\$477,872	275	1,738
Shoe Stores	4%	73%	\$477,872	150	3,186
Jewelry, Luggage, & Leather Goods	4%	73%	\$477,872	315	1,517
Electronics & Appliance Stores	16%	10%	\$275,840	300	919
Health & Personal Care Stores	11%	65%	\$1,218,043	300	4,060
Entertainment	9%	7%	\$106,817	#N/A	#N/A
Total	97%		\$11,002,110	3040	29,841

(Source: ICSC, ESRI, IPEDS)

This chart represents the potential expenditures of the regional college students

Student Expenditures - EXHIBIT 5.2

POTENTIAL ANNUAL WORKFORCE EXPENDITURES

Workforce Employees	12,681
Total Weekly Expenditures	\$195
Percent Capture	10%
Total Annual Expenditures	\$8,605,327

(Source: ESRI, ICSC, Catalyst)

This chart represents the potential expenditures of the regional workforce
Workforce Expenditures - EXHIBIT 5.3

5.2 Workforce Generated Retail Demand

There are over 2,200 business that employ nearly 13,000 workers within a 5-minute drive from the study area. Research of workforce spending patterns indicate that workers spend approximately \$195 per week. A quality development with national and regional brands, convenient parking, and a wide array of retail and restaurant option may easily capture 10% of potential retail expenditures from the local workforce, which is over \$8.6M in retail expenditures, excluding transportation and online spending.

A quality development may also capture workforce spending from several of the large institutions in the nearby vicinity including Sandia Laboratories and Kirtland Airforce Base. After accounting for the percent of workforce expenditures across each retail category and the average sales per SF of each retail category, the Study Area may capture sufficient workforce expenditures to support over 37,000 SF of retail and restaurants. The 37,000 SF of workforce demand is based on current market potential. Any additional demand will depend on employment growth in the region.

Category	Percent	Weekly Expenditures	Annual Expenditures	Sales Per SF	Demand (SF)
Gasoline Stations	21.9%	\$54,154.21	\$2,707,710.53	300	9,026
Electronic Shopping & Mail-Order Houses	8.4%	\$20,771.48	\$1,038,573.90		
Full-Service Restaurants	8.1%	\$20,029.64	\$1,001,481.98	425	2,356
Limited-Service Eating Places	7.7%	\$19,040.52	\$952,026.08	300	3,173
Department Stores	3.9%	\$9,643.90	\$482,195.03	300	1,607
Other General Merchandise Stores	12.0%	\$29,673.54	\$1,483,677.00	200	7,418
Health & Personal Care Stores	11.7%	\$28,931.70	\$1,446,585.08	300	4,822
Grocery Stores	9.6%	\$23,738.83	\$1,186,941.60	475	2,499
Clothing Stores	2.0%	\$4,945.59	\$247,279.50	275	899
Shoe Stores	1.5%	\$3,709.19	\$185,459.63	150	1,236
Sporting Goods/Hobby/Musical Instr Stores	1.3%	\$3,214.63	\$160,731.68	300	536
Electronics & Appliance Stores	2.9%	\$7,171.11	\$358,555.28	300	1,195
Jewelry, Luggage & Leather Goods Stores	2.4%	\$5,934.71	\$296,735.40	315	942
Office Supplies, Stationery & Gift Stores	4.4%	\$10,880.30	\$544,014.90	300	1,813
Entertainment	2.1%	\$5,192.87	\$259,643.48		
Total	99.9%	\$247,032.22	\$12,351,611.03		37,524

(Source: ESRI, ICSC, Catalyst)

This chart represents the SF demand from regional workforce
Workforce Demand - EXHIBIT 5.4

	LOW	MEDIUM	HIGH
Capture Rate	0.25%	0.50%	1.00%
Capture	853	1,706	3,411
Average Weekly Spending	\$131		
Total Potential Annual Expenditures	\$5,585,513	\$11,171,025	\$22,342,050

(Source: ESRI, ICSC, Catalyst)

This chart represents the potential expenditures of the regional commuters

Commuter Expenditures - EXHIBIT 5.5

5.3 Commuter Generated Retail Demand

Over 341,000 vehicles per day pass within a one block radius of the study area. The ability of the study area to capture commuter retail spending will vary based on several factors including visibility of store fronts, convenient hours, recognizable national and regional retail brands, convenient parking, and a critical mass of retail shopping and other businesses that make a stop more convenient for the commuter.

Assuming a low capture rate of .25% and average weekly spending of \$131, the subject site may reasonable capture \$5.6M in annual retail expenditures by commuters. Excluding transportation expenses, the subject area may capture \$6.4M in commuter expenditures on retail and restaurants. There is potential to capture \$1.4M in Grocery Sales, \$1.5M in full-service restaurants and fast food, and \$3.4 in other retail categories. Currently, there is potential to capture \$11M in retail expenditures, which may support nearly 34,000 in additional retail goods and services. Any additional demand will depend on population growth in the region.

CATEGORY	PERCENT	WEEKLY EXPENDITURES	ANNUAL EXPENDITURES	SALES PER SF	DEMAND (SF)
Gasoline Stations	38%	\$85,275	\$4,263,750	300	14,213
Auto Parts, Accessories, & Tire Stores	4%	\$8,528	\$426,375	500	853
Grocery Stores	13%	\$28,994	\$1,449,675	475	3,052
Full-Service Restaurants	7%	\$15,350	\$767,475	425	1,806
Limited-Service Eating Places	7%	\$15,350	\$767,475	300	2,558
Department Stores	3%	\$6,443	\$322,150	300	1,074
Other General Merchandise Stores	3%	\$6,443	\$322,150	200	1,611
Health & Personal Care Stores	3%	\$6,443	\$322,150	300	1,074
Clothing Stores	3%	\$6,443	\$322,150	275	1,171
Shoe Stores	3%	\$6,443	\$322,150	150	2,148
Sporting Goods/Hobby/Musical Instr Stores	3%	\$6,443	\$322,150	300	1,074
Electronics & Appliance Stores	3%	\$6,443	\$322,150	300	1,074
Jewelry, Luggage & Leather Goods Stores	3%	\$6,443	\$322,150	315	1,023
Office Supplies, Stationery & Gift Stores	3%	\$6,443	\$322,150	300	1,074
Other	5%	\$11,939	\$596,925		
Total	100%	\$223,421	\$11,171,025		33,803

(Source: ESRI, ICSC, Catalyst)

This chart represents the potential SF demand from of the regional Commuters

Commuter Demand - EXHIBIT 5.6

5.4 Residential Generate Retail Demand

The current residential population within the region may support an additional 461,000 SF of retail and restaurants. Potential capture of residential retail expenditures was calculated by examining the potential demand and current supply of retail. Retail demand is based on the aggregate disposable income within a geographic area and average portion spent across all retail categories, while current retail supply is based on total retail sales by category within that same geography. Currently, there are 97,000 people living within 3 miles of the study area with an aggregated disposable income of over \$2.2B dollars. There is over \$112M in unmet demand across numerous retail categories including food and beverage stores, clothing and clothing accessories, food services and drinking places, and other store retailers. The average distance traveled for each retail category was examined in order to identify the potential capture of unmet retail demand across each of these categories. The study area may capture \$58M of the total unmet retail demand across each of these categories, which may support an additional 189,000 SF of retail and restaurants.

Within 3 to 5 miles from the study area, there are 92,000 people with an aggregated disposable income of over \$2.6B dollars. There is \$188M in unmet retail demand within this geography that includes home furnishing stores, building material and supply stores, food and beverage stores, and other food services and drinking places. Given the close proximity to this area, the study area may capture a significant portion of the unmet retail demand of these residents which may support an additional 131,650 SF of retail.

There are over 230,000 people living 5 to 10 miles from the study area with an aggregated disposable income of over \$6.4B dollars, and an unmet retail demand over \$930M. After accounting for distance traveled for each of these retail categories, the subject area has the potential to capture additional retail expenditures that may support an additional 139,000 SF of retail. The development of multifamily as part of an integrated mixed use development in the study area will generate additional retail demand. Residential growth due to migration or natural growth will also generate additional retail demand.

RETAIL DEMAND BY RANGE	0 - 3 MILES	3 - 5 MILES	5 - 10 MILES	TOTAL (SF)
Automobile Dealers	-	69,961	-	69,961
Furniture Stores	810	51	-	861
Home Furnishings Stores	1,755	1,595	-	3,350
Electronics & Appliance Stores	-	-	3,739	3,739
Bldg Material & Supplies Dealers	-	5,519	-	5,519
Lawn & Garden Equip & Supply Stores	5,929	1,000	72	7,001
Grocery Stores	31,451	18,201	-	49,653
Specialty Food Stores	8,157	-	-	8,157
Beer, Wine & Liquor Stores	7,828	1,973	-	9,801
Gasoline Stations	25,781	-	2,507	28,287
Clothing Stores	52,230	-	-	52,230
Shoe Stores	19,318	-	9,607	28,925
Jewelry, Luggage & Leather Goods Stores	1,355	-	-	1,355
Book, Periodical & Music Stores	1,205	-	2,221	3,426
Department Stores Excluding Leased Depts.	8,036	-	-	8,036
Other General Merchandise Stores	-	28,589	121,412	150,001
Florists	439	-	-	439
Office Supplies, Stationery & Gift Stores	5,431	-	-	5,431
Used Merchandise Stores	630	-	-	630
Full-Service Restaurants	11,573	-	-	11,573
Special Food Services	5,316	4,761	-	10,077
Drinking Places - Alcoholic Beverages	2,646	-	-	2,646
Total Demand (SF)	189,891	131,650	139,557	461,098

(Source: ESRI, Catalyst)

This chart represents the potential SF demand from of the regional Residential
Residential Demand - EXHIBIT 5.9

5.5 Aggregate Retail Demand

Retail demand for the study area will be impacted by each of the demand drivers discussed above, which include commuters, workforce, students, and the residential population. The table below shows the potential currently of each of these demand drivers, and the cumulative supportable square footage by each retail category. Based on current demand, the study area has the potential to support over 562,000 SF of retail across all retail categories. Additional retail demand over time will be dependent on student enrollment, population and income, and employment growth within the region.

POTENTIAL SUPPORTABLE RETAIL SQUARE FOOTAGE BY RETAIL CATEGORY					
CATEGORY	STUDENT	WORKFORCE	COMMUTER	RESIDENTIAL	TOTAL
Automobile Dealers	-	-	-	-	-
Other Motor Vehicle Dealers	-	-	-	-	-
Auto Parts, Accessories & Tire Stores	4,985	-	853	-	5,837
Furniture Stores	-	-	-	14,601	14,601
Home Furnishings Stores	-	-	-	13,706	13,706
Electronics & Appliance Stores	919	1,195	966	17,588	20,669
Bldg Material & Supplies Dealers	-	-	-	32,611	32,611
Lawn & Garden Equip & Supply Stores	-	-	-	5,944	5,944
Grocery Stores	6,127	2,499	3,052	45,876	57,553
Specialty Food Stores	-	-	-	309	309
Beer, Wine & Liquor Stores	-	-	-	-	-
Health & Personal Care Stores	4,060	4,822	966	38,878	48,726
Gasoline Stations	-	9,026	14,213	8,412	31,650
Clothing Stores	1,738	899	1,054	69,581	73,272
Shoe Stores	3,186	1,236	1,933	15,863	22,218
Jewelry, Luggage & Leather Goods Stores	1,517	942	920	9,712	13,092
Sporting Goods/Hobby/Musical Instr Stores	-	536	966	13,231	14,734
Book, Periodical & Music Stores	-	-	-	6,228	6,228
Department Stores Excluding Leased Depts.	-	1,607	966	51,499	54,073
Other General Merchandise Stores	-	7,418	1,450	90,113	98,981
Florists	-	-	-	255	255
Office Supplies, Stationery & Gift Stores	-	1,813	966	2,447	5,227
Used Merchandise Stores	-	-	-	9,867	9,867
Other Miscellaneous Store Retailers	-	-	-	13,619	13,619
Full-Service Restaurants	3,835	2,356	1,806	25,277	33,274
Limited-Service Eating Places	3,474	3,173	2,558	-	9,206
Special Food Services	-	-	-	-	-
Drinking Places - Alcoholic Beverages	-	-	-	4,770	4,770
Total Demand (SF)	29,841	37,524	32,671	490,387	590,423

This chart represents the total SF demand from all categories

Aggregate Demand - EXHIBIT 5.10