

# **CITY of ALBUQUERQUE**

## **TWENTY FOURTH COUNCIL**

**COUNCIL BILL NO.** O-20-2 **ENACTMENT NO.** \_\_\_\_\_

**SPONSORED BY:** Isaac Benton, by request

### **ORDINANCE**

**RELATING TO THE REDEVELOPMENT, LEASING AND SALE OF A METROPOLITAN REDEVELOPMENT PROJECT AND THE ISSUANCE OF METROPOLITAN REDEVELOPMENT REVENUE BONDS PAYABLE FROM RENTAL PAYMENTS THEREFORE; APPROVING THE METROPOLITAN REDEVELOPMENT APPLICATION ENTITLED "1716 CENTRAL AVENUE, LLC METROPOLITAN REDEVELOPMENT BOND APPLICATION"; AUTHORIZING THE ACQUISITION OF LAND AND EXISTING IMPROVEMENTS AND CONSTRUCTION OF A BUILDING WITHIN THE HISTORIC CENTRAL METROPOLITAN REDEVELOPMENT AREA; AUTHORIZING THE DISPOSITION BY LEASE AND SALE OF THE CITY'S INTEREST IN SUCH PROJECT TO 1716 CENTRAL AVENUE, LLC, ITS SUCCESSORS AND ASSIGNS; AUTHORIZING THE ISSUANCE AND SALE OF THE CITY OF ALBUQUERQUE, NEW MEXICO METROPOLITAN REDEVELOPMENT REVENUE BONDS (THE FRANZ PROJECT) SERIES 2020 IN THE MAXIMUM PRINCIPAL AMOUNT OF \$10,000,000 TO PROVIDE FUNDS TO FINANCE A PORTION OF THE COSTS OF THE CONSTRUCTION OF THE PROJECT; AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE, LEASE AGREEMENT, BOND PURCHASE AGREEMENT, THE BONDS, AND OTHER DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF THE BONDS AND THE PROJECT; MAKING CERTAIN DETERMINATIONS AND FINDINGS RELATING TO THE BONDS AND THE PROJECT; RATIFYING CERTAIN ACTIONS TAKEN PREVIOUSLY; AND REPEALING ALL ACTIONS INCONSISTENT WITH THIS ORDINANCE.**

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

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

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

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

17           WHEREAS, 1716 Central Avenue, LLC, a New Mexico limited liability  
18 company (together with its successors and assigns, the "Company") has  
19 presented to the Development Commission and the Council a proposed  
20 metropolitan redevelopment project application (the "Plan") whereby the City will,  
21 pursuant to the Act, acquire from the Company land and existing improvements  
22 located within the City and within the Historic Central Metropolitan  
23 Redevelopment Area for redevelopment by the lessee/purchaser thereof for a  
24 multi-family project (the "Project"), and pursuant to which the City would issue its  
25 metropolitan redevelopment revenue bonds in order to finance construction of  
26 the Project; and

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

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

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

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

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

19       WHEREAS, the Council has adopted Resolution No. R-20-\_\_\_\_, Enactment  
20 No. R-2020-\_\_\_\_, indicating its intent to take all necessary and advisable steps to  
21 effect the issuance of the Bonds subject to full review of the documents to which  
22 the City is a party and authorization by the Council of the issuance of the Bonds;  
23 and

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

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

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

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

- 33               1.     Lease Agreement

1                   **2.     Indenture**

2                   **3.     Bond Purchase Agreement**

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

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

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

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

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

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

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



- 1                   (1)     The Plan and the proposed activities under the Plan aid  
2 in the elimination or prevention of slum or blight; and
- 3                   (2)     The Plan conforms to the general plan for the City as a  
4 whole;
- 5                   (3)     The Plan affords maximum opportunity consistent with  
6 the needs of the community for the rehabilitation or redevelopment of the area by  
7 private enterprise or persons, and the objectives of the Plan justify the proposed  
8 activities as public purposes and needs;
- 9                   (4)     The Bonds will be issued for the purpose of financing  
10 the Project;
- 11                   (5)     The aggregate face amount of obligations to be issued  
12 with respect to financing the Project is not to exceed \$10,000,000;
- 13                   (6)     The developer of the Project property is the Company;  
14 and
- 15                   (7)     The Project property comprises of 1716 Central Avenue  
16 SW Albuquerque, New Mexico, all within the Historic Central Metropolitan  
17 Redevelopment Area.

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

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

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

25           A.     Approval and Sale. The issuance of the Bonds in an aggregate  
26 principal amount not to exceed \$10,000,000 and the use of the proceeds of the  
27 Bonds to finance a portion of the costs of the Project, including payment of  
28 expenses relating thereto, are hereby approved and confirmed. The Bonds shall  
29 be issued no later than December, 2020.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

28 E. The maximum amount necessary in each year to pay the  
29 principal of and interest on the Bonds, assuming issuance of the Bonds as of  
30 December, 2020, in the maximum principal amount of \$10,000,000 and bearing  
31 interest at a maximum rate of 5%, is as follows:

	Combined Total Principal and Interest Payment
<u>Year Ending</u>	

1 December 31, 2021

\$

2 December 31, 2022

3 December 31, 2023

4 December 31, 2024

5 December 31, 2025

6 December 31, 2026

7 December 31, 2027

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

29       **Section 13. APPROVAL OF INDEMNIFICATION.** The Council specifically  
30 approves the provisions of the Lease relating to indemnification which provide  
31 that the Company shall indemnify and hold harmless the City and its City

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

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

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

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

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




**CITY OF ALBUQUERQUE**  
**Albuquerque, New Mexico**  
**Office of the Mayor**

Mayor Timothy M. Keller

**INTER-OFFICE MEMORANDUM**

December 27, 2019

**TO:** Klarissa J. Peña, President, City Council

**FROM:** Timothy M. Keller, Mayor 

**SUBJECT:** RELATING TO THE REDEVELOPMENT, LEASING AND SALE OF A METROPOLITAN REDEVELOPMENT PROJECT AND THE ISSUANCE OF METROPOLITAN REDEVELOPMENT REVENUE BONDS PAYABLE FROM RENTAL PAYMENTS THEREFORE; APPROVING THE METROPOLITAN REDEVELOPMENT APPLICATION ENTITLED "1716 CENTRAL AVENUE, LLC METROPOLITAN REDEVELOPMENT BOND APPLICATION".

The City of Albuquerque Metropolitan Redevelopment Agency is requesting approval of a metropolitan redevelopment bond in the amount of \$10,000,000 for 1716 Central Avenue, SW LLC ("Applicant"). The private redevelopment project is located in the Historic Central Metropolitan Redevelopment Area. The project site is specifically located on 3.3 acres in the Country Club Plaza between Downtown and Old Town.

The project consists of 58 residential units with 2000 sq. ft. of co-working office space. The Applicant is requesting the issuance of the bonds for the sole purpose of the 7 year tax abatement that the bonds provide to the property owner. With the approval and issuance of the bonds, the estimated annual amount of property taxes abated on the project would be \$180,277 for a term of 7 years. The 7 year cumulative value of the abated taxes is estimated to be \$1,261,936. Following the 7 year abatement period, the estimated annual amount of property taxes that will be due from the project is \$186,713. There is no financial obligation on the part of the City in regard to the bonds, and they have no impact on the City's credit/bond ratings. The Applicant is responsible for all payments and liabilities associated with the bond debt.

On November 21, 2019, the Albuquerque Development Commission ("ADC") reviewed the request and recommended to the City council APPROVAL of the issuance of \$10 million in metropolitan redevelopment bonds to the Applicant.

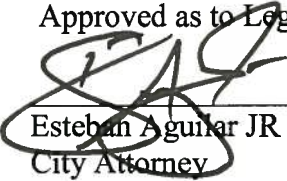
This request is forwarded to City Council for approval.

TITLE OF LEGISLATION: RELATING TO THE REDEVELOPMENT, LEASING AND SALE OF A METROPOLITAN REDEVELOPMENT PROJECT AND THE ISSUANCE OF METROPOLITAN REDEVELOPMENT BONDS PAYABLE FROM RENTAL PAYMENTS THEREFORE; APPROVING THE METROPOLITAN REDEVELOPMENT APPLICATION ENTITLED "1716 CENTRAL AVENUE, SW, LLC METROPOLITAN REDEVELOPMENT BOND APPLICATION".

Approved:


 1/23/20  
Sarita Nair Date  
Chief Administrative Officer

Approved as to Legal Form:

 12-31-19  
Esteban Aguilar JR Date  
City Attorney

Recommended:

 30 DEC 2019  
Brennon Williams Date  
Director, Planning Department

 12.30.2019  
Karen Iverson Date  
Metropolitan Redevelopment Manager

## **Cover Analysis**

### **1. What is it?**

This is a resolution authorizing the issuance and sale of a metropolitan redevelopment bond, in an amount not to exceed \$10,000,000 for the Franz Project that is being completed by 1716 Central Avenue, LLC.

### **2. What will this piece of legislation do?**

1716 Central Avenue, L.L.C. is requesting the issuance of a metropolitan redevelopment bond to aid in the development of the Franz project located in the Historic Central Metropolitan Redevelopment Area. The project site's address is 1716 Central Avenue, SW, Albuquerque, NM 87104. The project is the last phase of a larger redevelopment project known as Country Club Plaza. The Project's annual property tax baseline amount is \$6,436. With the approval and issuance of the bonds, the estimated annual amount of property taxes abated on the project would be \$180,277 for a term of 7 years. The 7 year cumulative value of the abated taxes is estimated to be \$1,261,936. Following the 7 year abatement period, the estimated annual amount of property taxes that will be due from the project is \$186,713. The Albuquerque Development Commission reviewed the project and recommended approval at their meeting on November 21, 2019.

### **3. Why is this project needed?**

The project is the last phase of a larger redevelopment project known as Country Club Plaza. The Franz converts a 3.3 acre lot that was vacant for fifteen years, along historic Route 66 (Central Avenue) in Albuquerque, NM between Downtown Business District and Old Town.

According to the City's evaluation criteria, metropolitan redevelopment projects must show substantial contribution to the area revitalization and redevelopment. Franz meets the goals of the Historic Central Metropolitan Redevelopment Area as follows: 1) it makes private sector investment of approximately \$10 million into the community hence increasing the market viability and acts as a catalyst for additional investment; 2) it increases residential density along Central Avenue in the commercial corridor in order to promote business revitalization and pedestrian character of the area; and 3) the Franz removes slum and blight that exists in Historic Central Metropolitan Redevelopment Area.

### **4. How much will it cost and what is the funding source?**

The bonds will be financed by 1716 Central Avenue, SW, LLC. There is no financial obligation on the part of the City in regard to the bonds, and they have no impact on the City's credit/bond ratings. The applicant is responsible for all payments and liabilities associated with the bond debt.

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

Following the 7-year tax abatement period, the project will be subject to a significant property tax increase from the currently existing annual baseline amount of \$6,436. The estimated annual amount of the property tax abated on the project would be \$180,277.00 for a term of 7 years.



# FISCAL IMPACT ANALYSIS

R: O:

TITLE: RELATING TO THE REDEVELOPMENT, LEASING AND SALE OF A METROPOLITAN REDEVELOPMENT PROJECT AND THE ISSUANCE OF METROPOLITAN REDEVELOPMENT BONDS PAYABLE FROM RENTAL PAYMENTS THEREFORE; APPROVING THE METROPOLITAN REDEVELOPMENT APPLICATION ENTITLED "1716 CENTRAL AVENUE, SW, LLC METROPOLITAN REDEVELOPMENT BOND APPLICATION".

FUND: 275

DEPT: Metro Redev

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

	2020	Fiscal Years 2021	2022	Total
Base Salary/Wages	-	-	-	-
Fringe Benefits at	-	-	-	-
Subtotal Personnel	-	-	-	-
Operating Expenses	-	-	-	-
Property	-	-	-	-
Indirect Costs	-	-	-	-
Total Expenses	\$ -	\$ -	\$ -	\$ -
<input type="checkbox"/> Estimated revenues not affected				
<input checked="" type="checkbox"/> Estimated revenue impact				0
Revenue from program				
Amount of Grant		-	-	
City Cash Match				
City Inkind Match				
City IDOH	-	-	-	-
Total Revenue	\$ -	\$ -	\$ -	\$ -

These estimates do not include any adjustment for inflation.

\* Range if not easily quantifiable.

Number of Positions created

## COMMENTS:

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

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

PREPARED BY:

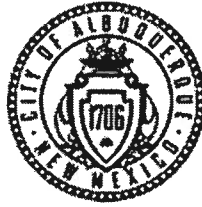
Dustin D. Hest  
FISCAL ANALYST

APPROVED:

P. Williams 30-02-2019  
DIRECTOR (date)

REVIEWED BY:

John A. Podell 1/3/20 AB 1/2/20  
EXECUTIVE BUDGET ANALYST BUDGET OFFICER (date) CITY ECONOMIST



## ALBUQUERQUE DEVELOPMENT COMMISSION

*Terry Brunner, Chairman*  
*John Mechenbier*  
*James Strozier*  
*Fred Mondragon*  
*Mona Ghattas*

Please Note: A time limit may be imposed on all parties in interest to each case. Limits shall be as follows:

Staff Report:	Five Minutes
Applicant:	Ten Minutes
Other Interested Parties:	Two Minutes
Applicant Rebuttal:	Two Minutes
Staff Rebuttal:	Two Minutes
Floor Closed:	Commissioners' discussion and vote

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### Action Summary

Thursday November 21, 2019 2:00 P.M.

600 2<sup>nd</sup> Street, Basement Hearing Room, Albuquerque, NM 87102

#### Regular Meeting

1. Call to Order  
2:01 pm
2. Changes and/or Additions to the Agenda  
None.
3. Approval of Minutes for August 15, 2019 Meeting  
A motion was made by Commissioner Strozier for approval of minutes for the meeting on August 15, 2019. Commissioner Mechenbier seconded the motion. Motion carried 5-0.
4. Announcements / Public Comments  
None.
5. MRA Manager's Report
  - A. Updated on 4<sup>th</sup> & Coal (1min.)
  - B. Update on the Railyards (1 min.)
  - C. Update on North 4<sup>th</sup> corridor plan (1 min.)
  - D. Update on a RFP for the Civic North project (1 min.)
6. New Agenda Items
  - A. 2019-010 Metropolitan Redevelopment Bond: 1716 Central Avenue LLC- Franz Project.

Diale Fomukong, Planning Coordinator for the Metropolitan Redevelopment Agency, gave a presentation on 2019-010 Metropolitan Redevelopment Bond: 1716 Central Avenue LLC- Franz Project.

A motion was made by Commissioner Strozier for approval, Commissioner Mondragon seconded the motion. Motion carried 5-0.

## **FINDINGS FOR APPROVAL**

**1. MRB 2019-11 will make a positive impact to the Historic Central Metropolitan Redevelopment Area by making a private sector investment of approximately \$10 million into the community. The project will show an increased market viability in the area and act as a catalyst for additional investment.**

**2. MRB 2019-11 Franz furthers the strategy outlined in the MR Plan of increasing the residential density along Central Avenue in the commercial corridor in order to promote Central Avenue business revitalization and the pedestrian character of the area.**

**10**

**3. MRB 2019-11 Franz will help to remove the conditions of slum and blight that exist in the Historic Central Metropolitan Area by converting a blighted property into new multi-family housing.**

**8. Adjourn to December 19, 2019  
2:35 pm**

**(The ADC has the ability to go into closed session pursuant to Section 10-15-1(H)(8), NMSA 1978, of the Opening Meetings Act which allows the meeting to go into closed session to discuss the purchase, acquisition or disposal of real property.)**

**NOTICE TO PERSONS WITH DISABILITIES: If you have a disability and require special assistance to participate in this meeting, please call TTY at 1-800-659-8331 at least three (3) days prior to the meeting/hearing date. For inquiries regarding this agenda, please call the Matt Butkus at (505) 924-3807.**

# **ALBUQUERQUE DEVELOPMENT COMMISSION**

**November 21, 2019**

**MRB 2019-11            1716 Central Avenue, LLC – Franz Project**

**REQUEST: Approval of the issuance and sale of metropolitan redevelopment bonds in an amount not to exceed \$10,000,000 is requested for the Franz Project.**

## **METROPOLITAN REDEVELOPMENT BOND PROJECT CRITERIA**

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

### **PROJECT SUMMARY:**

1716 Central Avenue, LLC (“Applicant”) is requesting the issuance of metropolitan redevelopment bonds (“MRB” or “MRB’s”) to aid in the development of a new multi-family mixed-use building (“Project” or “Franz”). The Project is located within the boundary of the Historic Central Metropolitan Redevelopment Area (“MR Area” or “Area”), making it eligible for the issuance of MRB. A map of the MR Area and the specific Project location can be seen in the application package, attached as Exhibit A.

The development entity for the Project is 1716 Central, LLC. The development entity is owned, operated and managed by Rembe Urban Design + Development.

Jay Rembe, Principal of Rembe Urban Design + Development, has been involved in real estate and redevelopment activities in and around the Albuquerque community for many years. Jay Rembe, through his current firm, and past firm: Infill Solutions Urban Design + Development, has dedicated his last 19 years to quality infill projects within the core of our city with an emphasis on design, walkability, and sustainability.

The Project includes the development of a new, mixed-use building consisting of 58 market-rate residential units and 2,000 square feet of modern office and co-working space. The building will provide residential amenities including a community room with kitchen, gym, roof-top deck and entertaining space, on-site storage and outdoor gathering spaces. The office and co-working space will provide an affordable location for professionals, small businesses and entrepreneurs to lease space on short-term, and even an hourly basis.

It is estimated that 150-200 direct and indirect jobs will be created for the construction of the Project. Following construction, it is estimated that 2-5 full-time equivalent jobs will be created for the operation and maintenance of the Project. Approximately 8-15 coworkers will be using

the office space. The increased residential activity at this location, on the major transit route of Central Avenue, and its location between downtown Albuquerque and Old Town will have a multiplier effect on additional retail and commercial industries that will arise to provide goods and services to the increased customer base the new residents represent. These new commercial businesses and activities will increase the tax base of the area and are critical to helping further the redevelopment activities currently underway.

The existing annual property tax amount due on the property, identified as the baseline tax amount due on the property prior to construction is \$6,436.00. The Applicant will continue to pay the baseline amount throughout the 7 year abatement period. Following completion of the Project, the increased property tax amount is estimated to be \$186,713.00. With the approval and issuance of the MRB, the estimated annual amount of the property tax abated on the project would be \$180,277.00 for a term of 7 years. The 7 year cumulative net present value of the total abated taxes is estimated to be \$1,261,936.00. Following the 7 year abatement period, the estimated annual amount of property taxes that will be due from the Project is \$186,713.00. A full property tax analysis of the project, performed by the University of New Mexico's Bureau of Business & Economic Research, is attached to this report.

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

**There is no indebtedness on the part of the City.**

The full project plan and application are attached as **Exhibit A**.

## **HISTORIC CENTRAL METROPOLITAN REDEVELOPMENT AREA**

The designation of the Historic Central Metropolitan Redevelopment Area (MRA) and the adoption and implementation of this MRA Plan are two parts of implementing redevelopment activities within the Central Ave. corridor between Laguna Drive and Sunset Road, with specific goals as follows:

The MR Plan identified several needs and community problems that needed to be addressed, including: commercial needs, residential needs, physical improvement needs, and social service needs. Throughout the Plan, mixed-use and infill development are encouraged.

The three objectives of the Historic Central Metropolitan Redevelopment Plan are:

1. Introduce iconic structures and directional signage near the intersections of Central Avenue and Tingley Drive and Central Avenue and Rio Grande Blvd., and at either end of the Rio Grande Bridge, to draw attention to the uniqueness of the area.
2. Redevelop Catalyst Areas in the Historic Central corridor in order to spur redevelopment of other vacant or underutilized lots.

3. Improve the image, functionality and safety of the Historic Central corridor by developing an attractive and welcoming streetscape with street furnishings, enhanced pedestrian and bicycle facilities and improved transit services to and between tourist attractions and parking.

## **MRB PROJECT CRITERIA**

### **I. LAND USE, PLANNING AND DESIGN ELEMENTS**

#### **1. PLAN AND ZONING**

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

The Project is located in the Historic Central Metropolitan Redevelopment Area and has an address of 1716 Central Avenue, SW Albuquerque, NM 87104. The project is the last phase of a larger redevelopment project known as Country Club Plaza. Country Club Plaza is a 3.3-acre site along historic Route 66 (Central Avenue) in Albuquerque, NM, nestled between Downtown Business District and Old Town.

The existing zoning on the site is MX-M (Mixed-Use Moderate Intensity). Per the City's Integrated Development Ordinance, MX-M zoning has the following purpose: *to provide for a wide array of moderate-intensity retail, commercial, institutional and moderate-density residential uses, with taller, multi-story buildings encouraged in Centers and Corridors surrounding residential area.* The existing zoning on the site allows for the uses that are currently under construction. Site-plan and building permits have already been issued for the redevelopment project and the uses under construction are recommended under the City's Integrated Development Ordinance. No additional zone changes or variances are needed for the Project.

#### **2. LAND USE**

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

The Project has transformed a vacant underutilized property, that was a remnant of the Route 66 auto-centric culture, into an active mixed-use community that will complement the activity and livelihood in the area. The ability for residents and visitors to the area to live,

work, dine and enjoy the recreation and culture of Albuquerque will be greatly increased and encouraged by the successful development of the Project.

### 3. INFILL

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

The Project is located in the core of the city along Central Avenue in the West Downtown Neighborhood. This location has existing utility and roadway systems that will service the site. The Applicant has already constructed the necessary drive pads, curb, and gutter and made needed utility connections. There are no additional infrastructure needs required and the City will not be asked to share in any of the costs. The Developer eliminated three curb cuts on Central Avenue as a way to provide longer uninterrupted sections of sidewalks to encourage people to walk.

### 4. DESIGN AND CONSERVATION

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

The Project has been designed to reduce its environmental impact and energy consumption. Residential units were intentionally designed with smaller footprints to minimize heating and cooling needs, reducing the energy needed to maintain comfortable temperatures. Mini-splits and energy-efficient appliances were also selected to further reduce the energy needs and environmental impact created by the Project. Additional design features include the selection of small appliances as well as a 2-burner stovetop convection oven microwave to help reduce utility bills. LED lights were selected throughout the entire project including replacing existing parking lot lightbulbs with new, more efficient LED lights.

### 5. DEMOLITION

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

Before the start of construction, the site was an unimproved and vacant property. With construction on the Project completed, the site consists of a new mixed-use building that

provides 58 residential units and 2,000 square feet of office and co-working space to the community. No demolition occurred at the site. It was a vacant lot for 15 years.

## 6. RELOCATION

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

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

No individuals, families or businesses were displaced by the development of the Project.

## II. REMOVAL OF BLIGHTED CONDITIONS

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

### 1. REDEVELOPMENT

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

The addition of new market-rate housing units to the area is essential in recruitment and location of new businesses and services to the area. New residents represent an increased customer base and help to show a geographic area's viability for new business to occur. The new residents will spend money in the area and increase the local tax base for years to come. The addition of a 58-unit mixed-use building will add variety and competition to the apartment marketplace in the area and will update the existing housing stock.

The new jobs that will be created because of the development of the Project will help contribute to the economic environment and tax base of the area. The jobs created will be dispersed across multiple sectors and income levels.

### 2. CONTRIBUTION TO THE GOALS OF THE MR PLAN

The Historic Central MR Plan identifies several actions and goals for the improvement of the area and the removal of blighted conditions. The MR Plan identifies residential needs as an area that needs to be addressed in order to eliminate problems created by slum and blighted conditions. The MR Plan suggests that housing needs to be improved. The Project will bring new housing stock and residential choices to the area allowing for more people to inhabit the area.



The Project site is located in an area defined by the Plan as one of Mixed-Use Density Residential. The Plan provides a summary of needs and objectives, as well as policy and implementation plans for the Mixed-Use Density Residential Area. The Plan identifies the development of mid-rise apartments as something that should be encouraged in the area. The Project meets this goal by providing new, mid-rise apartment units to the area and increasing the housing options for residents in the area.

The Plan encourages: *“new multi-family residential development to have desirable design features including provision and good siting of open space, effective landscaping, attractive street facades and entrances, off-street parking in close proximity to individual units, convenient access and circulation, and preservation of views along with compatibility with topography is to construct streetscape improvements that would make Central Ave. more inviting to those traveling its length through the MRA, particularly pedestrians and bicyclists. These would include:*

- *Street lighting for vehicles and pedestrians*
- *Street furniture such as seating areas*
- *Landscaped nodes along Central Avenue*
- *Low walls to screen large parking lots and to frame intersections.”*

Many of these goals are furthered through the thoughtful design of the Project. The landscaping of the Project will help to create an attractive street frontage and will encourage pedestrian activity by increasing sidewalk widths to 6 feet, adding bulb-outs into the street to protect parking and pedestrians, planting a variety of street trees and installing new pedestrian-scale lighting. As the Plan encourages, the majority of the parking for the Project will be located within the boundary of the property.

Additionally, as part of the implementation of the policies within the Plan, it states that: *The city will actively seek to develop a specific mechanism for the use of redevelopment bonds for new residential development.* The application and issuance of MRB’s for this project furthers this goal.

### **III. ECONOMIC BENEFITS**

#### **1. JOBS**

During the construction phase of the Project, the number of construction related jobs created was between 150 and 200 for both trade and management roles.

Following the construction, it is anticipated that 2-5 full-time jobs will be created for the management and operation of the Project.

## 2. HOUSING

Franz will create an additional 58 residential units increasing the residential density and activity of this location, as well as, approximately 8-15 coworkers for the office space. The increased residential activity at this location, on the major transit route of Central Avenue, and its location between downtown Albuquerque and Old Town will have a multiplier effect on additional retail and commercial industries that will arise to provide goods and services to the increased customer base the new residents represent. These new commercial businesses and activities will increase the tax base of the area and are critical to help further the redevelopment activities currently underway.

Additionally, the Project will have 2,000 square feet of fully furnished private office and co-working space available for small businesses and entrepreneurs to lease. The co-working and office space will increase the synergy and activity of the Project site and create a truly mixed-use environment. With the decrease in traffic due to the redesign of the ART lanes and the intersection of Lomas and Central, every new business and resident is needed to help support the existing local restaurants.

## IV. PROJECT FEASIBILITY

### 1. FINANCING AND FEASIBILITY

*Has the applicant presented convincing evidence that the project will generate sufficient cash flow to pay debt service? Alternatively, does the applicant have a firm financing commitment? Projects must show the ability to retire bonds, or evidence that financing has been obtained.*

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

The baseline property tax amount for the Project (before any construction activity) is \$6,436.00. The baseline amount will continue to be paid through the duration of the 7-year abatement period. The estimated incremental property tax increase, following construction, will be \$186,713.00. With the approval and issuance of the MRB, the \$180,277.00 represents the annual amount of property taxes that will be abated for a total of 7 years. The cumulative

value of the total abated taxes is estimated to be \$1,261,936.00. Following the 7 year abatement period, the property tax amount due is estimated to be \$186,713.00 per year.

## 2. COST

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

Based on staff's review of the project, we find that the bond amount is no more than that required to complete the project. The bond amount, \$10 million, is equivalent to the projected increase in assessed value and is no greater than the authorized bond amount.

The total estimated cost of the Project is approximately \$10,000,000

The estimated appraised value of the Project after completion is \$10,850,000

## 3. APPLICANT'S RECORD

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

Jay Rembe, Principal of Rembe Urban Design + Development, has been involved in real estate and redevelopment activities in and around the Albuquerque community for many years. Jay Rembe, through his current firm, and past firm: Infill Solutions Urban Design + Development, has dedicated his last 19 years to quality infill projects within the core of our city with an emphasis on design, walkability, and sustainability.

With roots in New Mexico's architectural heritage, Jay Rembe merges past and present with innovative infill and urban developments that improve neighborhood value, enhance the urban experience and demonstrate Jay's commitment to urban design ideals. Through his passion to make Albuquerque a better place, Jay strives to create the highest quality and well-designed commercial, residential and mixed-use infill projects that resonate with the landscape and history of their place. Combining his experience as a successful local commercial real estate broker and developer with his local knowledge of Albuquerque, Jay has created award-winning projects differentiated by their innovation, inspired design and attention to detail.

Jay Rembe has completed many redevelopment projects in and around the Albuquerque community, like:

- The Silver Lofts Phase I – 18 live/work lofts;
- The Silver Lofts Phase II – 38 lot development design sold to Beazer Homes;
- Richmond Street Studios – 8 unit mixed-use, live/work lofts;
- The Bricklight District – multi-phase, 26 lot development across from UNM;

#### 4. EQUITY

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

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

#### 5. MANAGEMENT

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

An effort was taken in the pre-development, design and construction of the Project to focus on hiring a predominately local workforce for as much of the Project as possible. In addition to being developed by the local firm of Rembe Design + Development, the locally owned firms of Mullen Heller Architecture and the Insight Construction were hired for the design and construction of the Project. All local subcontractors were selected for all disciplines, including structural, mechanical, electrical, acoustical, plumbing and more.

### FINDINGS

1. MRB 2019-11 will make a positive impact to the Historic Central Metropolitan Redevelopment Area by making a private sector investment of approximately \$10 million into the community. The project will show an increased market viability in the area and act as a catalyst for additional investment.
2. MRB 2019-11 Franz furthers the strategy outlined in the MR Plan of increasing the residential density along Central Avenue in the commercial corridor in order to promote Central Avenue business revitalization and the pedestrian character of the area.

3. MRB 2019-11 Franz will help to remove the conditions of slum and blight that exist in the Historic Central Metropolitan Area by converting a blighted property into new multi-family housing.

### **STAFF RECOMMENDATIONS**

Based on the application package provided by the Applicant and the above findings, staff recommends approval of a Metropolitan Redevelopment Bond in an amount not to exceed \$10,000,000 for the Franz project.

Prepared by: Diale Fomukong  
Metropolitan Redevelopment Agency

# 1716 Central Avenue, LLC

Metropolitan Redevelopment Bond Application



## **I. GENERAL DESCRIPTION**

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

1716 Central Avenue, LLC (“Applicant”) submits this application for an allocation of Metropolitan Redevelopment Bonds for the project known as the Franz (“Franz” or “Project”). The Project does include the development of a new, mixed-use building consisting of 58 market-rate residential units and 2,000 square feet of modern office and co-working space. The building will provide residential amenities including a community room with kitchen, gym, roof-top deck and entertaining space, on-site storage and outdoor gathering spaces. The office and co-working space will provide an affordable location for professionals, small businesses and entrepreneurs to lease space on short-term, and even an hourly basis. The flexibility provided by the short-term office and co-working space will lower the barriers of entry for many individuals and small businesses to enter the market. The affordable spaces will allow patrons to develop concepts, meet with clients and grow successful businesses and ventures that contribute the community and local economy.

The Project’s address is 1716 Central Avenue SW, and is the last phase of a larger redevelopment project known as Country Club Plaza. Country Club Plaza is a 3.3-acre site along historic Route 66 (Central Avenue) in Albuquerque, NM, nestled between the bustling Downtown Business District and the historic Old Town Tourist District. The site was once the home of the Horn Motor Lodge and part of the vibrant history of Route 66 and the growth of Albuquerque. Following the decline of Route 66, and the exodus of residents and businesses from in and around the downtown area, the property became blighted and sat vacant and neglected for over 15 years until the recent phased redevelopment plan was implemented. Records show the day to day hotel that occupied the site in the early 2000’s had many police calls in the area which were for drugs, prostitution and other disturbances. Given the site’s history and potential within the Route 66 corridor, the project’s primary goal was to

reactivate this stretch of one of the country's most iconic streets, connecting the Downtown and Old Town corridors, and bringing a new commercial identity to this underutilized stretch of road. Grounded on the principles of revitalization, the project is focused on the adaptive reuse of the three remaining historic buildings on site (the Horn Oil Service Station and Motor Lodge buildings and an old uninspiring run down auto body shop, and the construction of three new buildings to complement the existing). This combination of old and new allows for a dynamic mixed-use development capable of generating an environment conducive to robust pedestrian and bicyclist activity. Although the design emphasizes walkability, an internal main street with buildings flanking each side was provided to allow for nearby parking and to create a village like setting. Site planning and development efforts sought to provide ample opportunities for interactions between an array of uses, including retail, restaurants, offices, and residential through the interplay of landscaped walkways and interstitial manicured plazas.

The main plaza in the project is enclosed by the former newly renovated auto body shop and the newly built 3 story mixed use building both of which have attracted two wonderful local businesses; Boxing Bear Brewery, Amore Neapolitan Pizzeria. Both restaurants with their outdoor patios liven and activate the heart and soul of the project.

The Applicant acquired the land nearly 15 years ago and patiently waited for the local economy to bounce back in order to make the project feasible. Tremendous time and effort was spent working with the adjacent established neighborhoods, finessing the site design to be respectful of their community's cultural and aesthetic values as well as creating a neighborhood hub capable of enhancing the local quality of life. Development efforts took time as the project was phased over a 10 years.

Throughout the many different phases, many challenges were dealt with including lengthy entitlements, environmental issues, drainage and a low water table that required the installation of over 200 reinforced concrete piers. Construction of Albuquerque's new ART (Bus Rapid Transit) project flooded the larger site multiple times and caused a loss of business activity and delayed the project timeline. Given that the ART line is still not functioning, much of the business traffic has not returned to the area creating a hardship for businesses and residents of the area. Even with the many challenges the developer has endured with the construction of the ART Project, he continues to invest and enhance the area. Some of the challenges include losing 3 quality restaurant tenants (5-star burgers, 35 North Coffee and Draft Station). The losses were not only due to the



lack of traffic and construction activity that negatively impacted the sales of these businesses, but the sewer and water lines to the businesses were severed numerous times. Both the Draft Station and 35 North finally gave up after their restaurants were flooded a second time with over 2 inches of raw sewage. The developer has invested an additional \$500,000 to repurpose these spaces, as well as to provide free rent to keep these key restaurants open as they are such an important ingredient to activating the street and encouraging people to walk and enjoy our historic Route 66. The developer is forced to lower rents as demand for this stretch of Central is not as strong as it was pre-ART.

The Project site falls within the boundary of the Historic Central Metropolitan Redevelopment Area (“MR Area”) and contributes to many of the redevelopment goals outlined within the plan. The MR Area Plan (“Plan” or “MR Plan”) was developed in 2013 with the purpose of:

“...Implementing redevelopment activities within the Central Ave. corridor between Laguna Dr. and Sunset Road”. (MR Plan page 1)  
 “Since the 1960s, the area within the Historic Central MRA has declined and become blighted, and is in need of reinvestment and redevelopment. In some locations, the MR area is now characterized by an unattractive streetscape, deteriorated building facades and under-utilized properties. The purpose of the Historic Central MRA Plan is to identify and create opportunities for redevelopment and improvements in the public realm. These improvements can be implemented from a variety of funding sources including federal funds, state grants, and municipal funding. These improvements can act as catalysts for further improvements on private properties.”<sup>1</sup>

As stated in the MR Plan, the Plan proposes to accomplish redevelopment in the Historic (West) Central MR Area by facilitating redevelopment of Opportunity and Catalyst Sites in the area by:

#### 1. Redevelopment of Catalyst Areas and Opportunity Sites

This Plan focuses particular attention on several small areas within the MRA boundary, referred to as Catalyst Areas and Opportunity Sites. There are two key locations within the Historic Central MRA that have been designated by this Plan as Catalyst Areas, where

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<sup>1</sup> “Overview, Summary of Need and Purpose of the MRA Plan.” Historic Central Metropolitan Redevelopment Area Plan 2013. Page 8.

the City can focus its economic resources on facilitating redevelopment and/or adaptive reuse. Comprising several parcels and considerable street frontage, these prominent locations along Central Ave. have the potential to spur additional nearby redevelopment. Opportunity Sites typically comprise privately owned parcels, which are either vacant or under-utilized and might be available and suitable.<sup>2</sup>

The Subject Property is located along the major transit line of Central Avenue, in the Character Area B and is identified as an Opportunity Site in the MR Plan making its successful redevelopment a priority for the City and the MRA.

The total bond amount requested by the Applicant is \$10 million.

## **II. SITE AND EXISTING CONDITIONS**

### **A. Legal Description**

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

The project site has an existing address of 1716 Central Avenue SW, Albuquerque, NM 87104.

This site is more particularly described as: LT 5 PLAT OF LTS 1-5 COUNTRY CLUB PLAZA (BEING A REPL OF REMAINING PORT OF TR B AMENDED HUNING CASTLE ADDN TRSA & B LANDS OF H.B. HORN & CALVIN HORN MRGCD TRS 129-A)

### **B. Prevailing Site Condition**

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

The Subject Site is currently under construction and is the third phase in a larger master-planned redevelopment known as Country Club Plaza. Prior to the start of construction, the site was an unimproved and vacant property. With construction on the Project completed the site does consist of a new mixed-use building that provides 58 residential units and 2,000 square feet of office and co-working space to the community.

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<sup>2</sup> “The Plan, Redevelopment of Catalyst Areas and Opportunity Sites.” Historic Central Metropolitan Redevelopment Area Plan 2013. Page 4.

### C. Present Assessed Value

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

The present assessed value for the property according the Bernalillo County Assessor's office for the tax year of 2018 is \$6,436.16. A copy of the most recent tax bill is attached to this application.

### D. Present and Proposed Zoning

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

The Current zoning on the Subject Property is MX-M, Mixed-Use: Moderate Intensity. As stated, the purpose for the MX-M zone is: to provide for a wide array of moderate-intensity retail, commercial, institutional and moderate-density residential uses, with taller, multi-story buildings encouraged in Centers and Corridors

The existing zoning on the site allows for the uses that are currently under construction. Site-plan and building permits have already been issued for the redevelopment project and the uses under construction are recommended under the City's Integrated Development Ordinance.

No additional zone changes or variances are needed for the Project.

### E. Renewable Energy

*Indicate in detail if and how the project will create, produce or use renewable energy and renewable energy technology. Include any waste and/or energy reduction measures that will be a part of the project. If the project is expected to receive any third-party verification, identify the certifying organization and the expected certification level.*

The Project has been designed to reduce its environmental impact and energy consumption. Given the high cost of third-party certification, such as the LEED Certification Program, the Applicant elected not to pursue the certification. However, the Project is designed to LEED standards throughout. Residential units were intentionally designed with smaller footprints to minimize heating and cooling needs, reducing the energy

needed to maintain comfortable temperatures. Mini-splits and energy efficient appliances were also selected to further reduce the energy needs and environmental impact created by the Project. Additional design features include the selection of small appliances as well as a 2-burner stovetop, convection oven microwave to help reduce utility bills. LED lights were purposely selected throughout the entire project including replacing existing parking lot lightbulbs with new, more efficient LED lights.

The Project is located in an existing and established part of the city on an infill site that already has access to major utilities and infrastructure, this greatly reduces the environmental impact of development compared with similar projects located outside the city core. Additionally, the location of the Project along a major transit route, and in close proximity to multiple dining, entertainment, service and employment options will reduce the inhabitant's dependence on daily travel by automobile thus reducing overall vehicle miles traveled that originate and/or terminate at the site.

The focus on quality market rate apartments with 2,000 square feet of office space was intentionally programed so to take advantage of being located between two ART stations, which unfortunately are not operational. The design and location is encouraging residential and commercial tenants to walk, bike and use the public transportation so to eliminate the need for a car and to help reduce our carbon footprint.

### **III. PROJECT PLAN**

#### **A. Information Concerning Applicant**

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

The development entity for the Project is: 1716 Central, LLC. The development entity is owned, operated and managed by Rembe Urban Design + Development.

Jay Rembe, Principal of Rembe Urban Design + Development, has been involved in real estate and redevelopment activities in and around the Albuquerque community for many years. Jay Rembe, through his current firm, and past firm: Infill Solutions Urban Design + Development, has

dedicated his last 19 years to quality infill projects within the core of our city with an emphasis on design, walkability and sustainability.

With roots in New Mexico's architectural heritage, Jay Rembe merges past and present with innovative infill and urban developments that improve neighborhood value, enhance the urban experience and demonstrate Jay's commitment to urban design ideals. Through his passion to make Albuquerque a better place, Jay strives to create the highest quality and well-designed commercial, residential and mixed-use infill projects that resonate with the landscape and history of their place.

Combining his experience as a successful local commercial real estate broker and developer with his local knowledge of Albuquerque, Jay has created award-winning projects differentiated by their innovation, inspired design and attention to detail.

As a local, long-term property owner, who grew up in the north valley where he attended Alvarado Elementary, Taft Middle and Valley High Schools, Jay Rembe is committed to developing projects that improve and enhance the value of their neighborhoods and community. He is dedicated and passionate to making our city better.

From 2001 to 2010, Jay was a founding partner at Infill Solutions Urban Design and Development, a boutique full-service real estate design and development firm in Albuquerque. His former and existing firms have received over 30 awards of excellence for architecture and innovative urban design and development from the American Institute of Architects, American Planning Association, City of Albuquerque and Congress for the New Urbanism.

In 2001, Jay created Rembe Properties, LLC to handle project leasing, sales and management for Infill Solutions and other strategic real estate partnerships. Today, it serves as the development, sales, leasing and management company for his projects.

While Infill Solutions focused on modern architecture and urbanism, Rembe Urban Design + Development builds on that discipline and expertise but extends its focus to develop a wider range of projects that include modern, urban, historical and traditional architecture. Working with architects that possess a range of specialties and strengths, the company is agile and able to work effectively in different environments. When a development process includes city approvals and public

involvement, Rembe Urban Design + Development has the acquired skills and experience to work effectively with local government officials, neighborhood associations and concerned property owners.

Jay Rembe has successfully completed many redevelopment projects in and around the Albuquerque community, including:

- 1700 Central Ave. – 23,000 sqft. Mixed-use building with restaurant and retail spaces and 23 urban apartments;
- 1710 Central Ave. – redevelopment and repurposing of an automotive building to a 4-tenant retail building;
- 1716 Central Ave. – The Franz project site;
- 1718 Central Ave. – New 6,000 sqft. Multi-tenant, leased office building;
- 1720 Central – Renovated/repurposed Historic Horn Oil Building to multi-tenant restaurant and retail building;
- 901 3<sup>rd</sup> Street – 1950's old automotive building renovated for office use;
- The Silver Lofts Phase I – 18 live/work lofts;
- The Silver Lofts Phase II – 38 lot development design sold to Beazer Homes;
- Silver Phase III – sold land to GAHP for 113-unit affordable housing project;
- Richmond Street Studios – 8 unit mixed-use, live/work lofts;
- Vinaigrette Restaurant – former vacated 1950's building;
- Pacheco Street Lofts – 15-unit condo project at the Pacheco Street Rail Station;
- Flying Star Café – Former Southern Union Gas Building, put on the Historic Registry;
- Aveda Institute; the former 1940's Sandia Theater & then AAMCO Transmissions/Kelly Automotive
- The Bricklight District – multi-phase, 26 lot development across from UNM;
- The Bricklight Courtyards – 46-unit urban apartment building;
- Veranda Compound;
- Redevelopment of the old Denny's Restaurant on Central Ave. into a 3-tenant building with Chipotle; and
- Los Poblanos Historic Inn and Farm-25-acre preservation family project

## B. Tax Issues

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

The Applicant has no outstanding substantive federal, state or local tax issues as stated on the signed statement attached to this application.

#### **C. Information Concerning Products and Process**

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

The Applicant acquired the Property over 15 years ago with the intent to redevelop the site into a mixed-use community that would provide residents, neighbors, visitors and businesses increased opportunities to live, eat, walk and work along the Central Avenue corridor. Over that timeframe the Applicant has worked extensively with the surrounding neighborhoods and property owners to refine the site design in order to be respectful of the community's cultural and aesthetic values as well as to create a neighborhood hub that enhances the community and the local quality of life. The construction site has been fenced off and secure as to not negatively impact the adjacent business and residential activities that occur daily in the area. The Project does not generate excessive air, noise, waste pollution, traffic congestion or project emissions.

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

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

Effort was taken in the pre-development, design and construction of the Project to focus on hiring a predominately local workforce for as much of the Project as possible. In addition to being developed by the local firm of Rembe Design + Development, the locally owned firms of Mullen Heller Architecture and the Insight Construction were hired for the design and construction of the Project. All local subcontractors were selected for all disciplines, including: structural, mechanical, electrical, acoustical, plumbing and more.

The development of the Franz is estimated to create 150 – 200 full time jobs during the construction period.

Once the project is completed, the operation of the Franz is expected to generate 2-5 full time equivalent jobs of the ongoing operation and maintenance of the property.

In addition to the creation of jobs associated with the construction of the Project, the Franz will create an additional 58 residential units increasing the residential density and activity of this location, as well as, approximately 8-15 coworkers for the office space. The increased residential activity at this location, on the major transit route of Central Avenue, and its location between downtown Albuquerque and Old Town, will have a multiplier effect on additional retail and commercial industries that will arise to provide goods and services to the increased customer base the new residents represent. These new commercial businesses and activities will increase the tax base of the area and are absolutely critical to help further the redevelopment activities currently underway.

Additionally, the Project will have 2,000 square feet of fully furnished private office and co-working space available for small business and entrepreneurs to lease. The co-working and office space will increase the synergy and activity of the Project site and create a truly mixed-use environment. With the decrease in traffic due to the redesign of the ART lanes and the intersection of Lomas and Central, every new business and resident is needed to help support the existing local restaurants.

#### E. Land Acquisition

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

The proceeds of the MRB will not be used to acquire any land for this project. The Applicant is the current owner of the land.

#### F. Description of Proposed Development

*Describe the construction to be undertaken in the project, including specific uses, square footage, construction type, and location of construction on the project site. Indicate whether existing buildings on the site will be rehabilitated or incorporated in the construction. Detail any demolition which will be required by the project, and indicate whether demolition involves any identified historic properties. If possible, attach a*



*conceptual site plan and elevation (alternately, these may be presented at the Development Commission hearing).*

The Project includes the development of a newly constructed, mixed-use building consisting of 58 market-rate residential units with amenities, community room, private storage and outdoor space. Additionally, there will be 2,000 square feet of leasable private office and co-working space for local businesses and entrepreneurs.

There will not be any demolition involved with the development of the Project and no historic properties will be subject to this phase of the overall project.

The Project is the fifth phase of a larger master-planned redevelopment project known as Country Club Plaza. Country Club Plaza is a 3.3-acre site along historic Route 66 (Central Avenue) in Albuquerque, NM, nestled between the bustling Downtown Business District and the historic Old Town Tourist District. The site was once the home of the Horn Motor Lodge and had sat vacant and neglected for over 15 years. Given the site's history and potential within the Route 66 corridor, the project's primary goal was to reactivate this stretch of one of the country's most iconic streets, connecting the Downtown and Old Town corridors, and bringing a new commercial identity to this underutilized stretch of road. The site's purposeful design, with a focus on providing as much ground floor retail on Central Ave. with parking located behind the building, was intended to bring fun, great local restaurants on the street level to encourage walkability and pedestrian activity by activating the street.

The Project furthers many of the goals outlined in the Historic Central Metropolitan Redevelopment Area Plan as well as the Integrated Development Ordinance which encourages the development of mixed-use projects, with increased density, in the city's centers and corridors, especially along Central Avenue where the city has made significant investments in public safety, transit and beautification efforts.

#### G. Infrastructure

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

The Project is located in the core of the city along Central Avenue in the West Downtown Neighborhood. This location has existing utility and

roadway systems that will service the site. The Applicant has already constructed the necessary drive pads, curb and gutter and made needed utility connections. There are no additional infrastructure needs required and the city will not be asked to share in any of the costs. The Developer eliminated three curb cuts on Central Ave. as a way to provide longer interrupted sections of sidewalks to encourage people to walk.

#### H. Relocation of Individuals or Businesses

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

No individuals, families or businesses will be displaced with the activities outlined in this plan. The site was a previously vacant lot.

#### I. Number and Types of Jobs Created

*Estimated number of both temporary and permanent jobs to be created and filled by persons who are residents of the city.*

The Project is estimated to create 150–200 direct and indirect construction jobs, most of which will be filled by residents of the City of Albuquerque and the surrounding metro area. Once completed, it is estimated that 1–5 full time equivalent jobs will be created for the operation and maintenance of the Project.

#### J. Positive Contributions

*List all positive contributions that the project will make to the neighborhood and how the project design and placement will enhance the area. Include any increased economic benefits to the area/city that will be created directly or indirectly from the development of the project.*

The Project will make a variety of positive contributions to the immediate neighborhood, the larger downtown community and the city as a whole. The Project will bring new market-rate housing options to the community. The residents of the new housing units will create a new customer base for the existing restaurant and retail businesses that exist in the area and encourage new businesses to locate near the new customers. The Project will also create 2,000 square feet of new office and co-working space for business professionals and entrepreneurs that will provide jobs and increased economic activity to the community.

The city has recently targeted investment in activating the Central Avenue corridor in and around downtown with the goal of increasing growth and economic activity. The development of the Project shows a viability in the marketplace and will encourage additional private investment in the area. The increased private investment will generate additional taxes for the city and allow for continued reinvestment.

The construction of the Project will yield significant gross receipts tax that will benefit the city. During construction of the Project a sizable workforce will be needed and 150 – 200 full time jobs will be created. Additional jobs will be created for the continued operation and maintenance of the Project.

The Project will ultimately transform a vacant underutilized property, that was a remnant of the Route 66 auto-centric culture, into an active mixed-use community that will complement the activity and livelihood that has grown from this area in recent years. The ability for residents and visitors to the area to live, work, dine and enjoy the recreation and culture of Albuquerque will be greatly increased and encouraged by the successful development of the Project.

The Project will attract approximately 75-85 full time residents and coworkers that will shop and eat in the neighborhood, thus supporting all the local businesses and increasing their sales and gross receipts tax.

#### K. Gross Receipts Tax

*Provide an estimated amount of gross receipts tax that will be generated from the construction of the project.*

Based on existing cost projections it is estimated that the amount of gross receipts tax that will be generated by the construction of the Project will be between \$550,000 and \$600,000.

#### L. Management

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

Once completed the Project will be managed by the Applicant through Rembe Properties, LLC, a management company owned by the Applicant.

## M. Metropolitan Redevelopment Area Goals

*Describe all the ways that the proposed project furthers the goals and objectives of the Metropolitan Redevelopment Plan for the area.*

The Project is in the Historic Central Metropolitan Redevelopment Area. The location of the Project is specifically identified in the MR Area Plan as an Opportunity Site that is need of redevelopment.

As stated in the MR Plan, the specific goals are as follows:

- Brand the area as important to the city residents and a travel destination.
- Introduce iconic structures and directional signage near the intersections of Central Ave. and Tingley Dr. and Central Ave. and Rio Grande Blvd., and at either end of the Rio Grande Bridge, to draw attention to the uniqueness of the area.
- Redevelop Catalyst Areas in the Historic Central corridor in order to spur redevelopment of other vacant or underutilized lots.
- Improve the image, functionality and safety of the Historic Central corridor by developing an attractive and welcoming streetscape with street furnishings, enhanced pedestrian and bicycle facilities and improved transit services to and between tourist attractions and parking.
- Rehabilitate existing building facades and signs.<sup>3</sup>

The MRA Plan proposes several redevelopment strategies to revitalize the Historic Central MRA:

Strategy 1 is to facilitate redevelopment of key land areas, which have the potential to become vibrant activity centers and are referred to as Catalyst Areas, and to encourage owners of Opportunity Sites, which are under-utilized sites, to redevelop their own properties. There are two key locations within the Historic Central MRA that have been designated as Catalyst Areas, where the City can focus its economic resources on facilitating redevelopment.<sup>4</sup>

The Project is being developed at one of the identified Opportunity Sites. As stated in the MR Plan the site was previously underutilized and blighted. The redevelopment of the site into a mixed-use hub along Central Avenue directly meets the goals outlined in the MR Plan and will

<sup>3</sup> “Executive Summary, Chapter 1.” Historic Central Metropolitan Redevelopment Area Plan 2013. Page 1.

<sup>4</sup> “Executive Summary, Chapter 1.” Historic Central Metropolitan Redevelopment Area Plan 2013. Page 1.

continue to catalyze activity and investment in the MR Area, a stated goal of the MR Plan.

Throughout the MR Plan, Opportunity Sites are referenced as those sites that, if redeveloped, will provide the greatest catalytic benefit to the existing community. Sites were identified according to the following criteria:

- Vacant of any active land use or structures, or under passive land use such as outdoor storage or surface parking over most of the site.
- Building absent, unused or used for activity ancillary to the primary use of property.
- Multiple small and/or irregular platted lots.<sup>5</sup>

The Project meets these criteria and, as previously stated, is one of the Opportunity Sites identified in the MR Plan. The site was previously a vacant property that did not make a positive contribution to the community and was blighted in nature. With the development of the Project and the previous phases of Country Club Plaza, multiple small and irregular lots were able to be combined into a larger, mixed-use community that provides residential, office, dining and retail uses. This development of this Project furthers the goals of the MR Plan.

The MR Plan additionally identifies strengths and opportunities that exist for the redevelopment of sites located within the MR Area. These strengths and opportunities include:

- Potential exists for combining vacant, abutting parcels to create larger development sites for mixed uses.
- All the sites are within one-quarter mile of the Rapid Ride and the 66 Route transit.
- All necessary utilities (water, sewer, electricity, natural gas) are already in place or can be connected within a short distance.<sup>6</sup>

The Project meets all of the above referenced strength and opportunities described in the MR Plan. As previously discussed, the Project in part of larger master development known as Country Club Plaza, which, once completed, will combine multiple underutilized and blighted properties in to a larger mixed-use development. Additionally, the site is located along Central Avenue allowing residents, visitors and patrons to easily access mass-transit options that are provided. Given the infill location of the

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<sup>5</sup> “Opportunity Sites, Selection Criteria, Chapter 3” Historic Central Metropolitan Redevelopment Area Plan 2013. Page 15

<sup>6</sup> “Opportunity Sites, Strengths/Opportunities, Chapter 3” Historic Central Metropolitan Redevelopment Area Plan 2013. Page 15

Project, all necessary utilities were located within a short distance of the site.

Potential uses are identified in the Plan with Multi-Family Housing being one of the desired uses.<sup>7</sup> The Project will bring 58 new market-rate residential units to the community and will fill a need for new residences that currently exists. The addition of the multi-family uses furthers the goals outlined in the MR Plan.

The successful completion of the Project will help to further the goals of the Historic Central MR Plan and the greater goals of the Metropolitan Redevelopment Agency. The City has made significant investment in downtown and its surrounding communities. Upgrades to Central Avenue including new streets, sidewalks, infrastructure and mass transit were completed to help catalyze private redevelopment efforts. This Project builds on the investment the city has made and represents a private sector investment of \$10 million into the local community. Overall the Project will further the goals of the MR Area and the City of Albuquerque and contribute to the continued growth and success of the Central Avenue Corridor and the City as a whole.

#### **IV. PROJECT FINANCING**

##### **A. Cost of Improvements, Bond Amount and Private Financing**

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

The total projected cost of the Project is \$10,000,000 the same amount of Metropolitan Redevelopment Bonds that are being requested. The project is being financed with owner equity and a commercial loan provided by Sandia Labs Federal Credit Union.

##### **B. Estimated Value after Completion**

*Indicate the estimated appraised value of the project after completion.*

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<sup>7</sup> "Opportunity Sites, Potential Uses, Chapter 3" Historic Central Metropolitan Redevelopment Area Plan 2013. Page 15

The estimate value of the Project after completion and stabilization is approximately \$12,000,000.

**C. Future Property Tax Amount**

*Provide the estimated annual property tax amount for the project once it is completed. Additionally, provide the estimated annual property tax abatement amount that the project will receive if the bond is approved. (Future property tax amount - existing property tax amount = abated property tax amount)*

The estimated annual property tax amount for the project once completed is approximately \$75,000.

The estimated annual property tax abatement amount that the project will receive if the bond is approved is \$68,564  
(\$75,000- \$6,436 = \$68,564)

**D. Feasibility**

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

The Project has received financing approvals and is currently under construction with a scheduled completion in the fall of 2019. The financing is a combination of owner equity and a commercial loan.

**E. Construction Schedule**

*Give the date of anticipated beginning and completion of construction.*

The Project is currently under construction with an estimated completion in the fall of 2019.

**F. Issuance of Bonds**

*Provide the anticipated date of bond issuance.*

The anticipated date of bond issuance is December 1, 2019.

APPLICATION  
For  
METROPOLITAN REDEVELOPMENT BOND  
Project Approval

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Name of Project: The Franz - 1716 Central Avenue, LLC

Location of Project: 1716 Central Ave. SW, Albuquerque, NM 87104

Company Name: 1716 Central Avenue, LLC

Company Website: www.countryclubplazaabq.com

Contact Person: Jay Rembe

Address: 1718 Central Ave. SW, Suite A, Abq., NM 87104

Telephone: 505.243.0188

Email: rembe@rembedesign.com

Bond Counsel: TBD

Address:

Telephone:

Bond Amount Requested: \$10 million Fee Submitted:

**FOR STAFF USE**

Staff Assigned:

Case Number:

Fee Received: \$

ADC Hearing Date:

Council Dates (Tentative): Introduction

Committee  Council Hearing



## Exhibit B - Context Maps With Project Location and MR Area Boundary

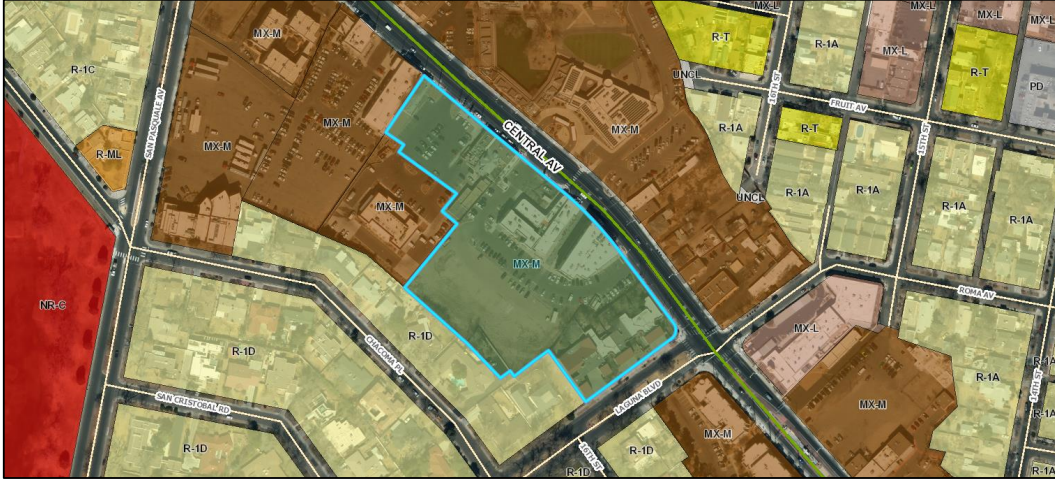


Location of Project site in the Historic Central Metropolitan Redevelopment Area



Close-up of Project location

### Exhibit C - Zoning Map of Project Site



### Map of Project site zoning, MX-M





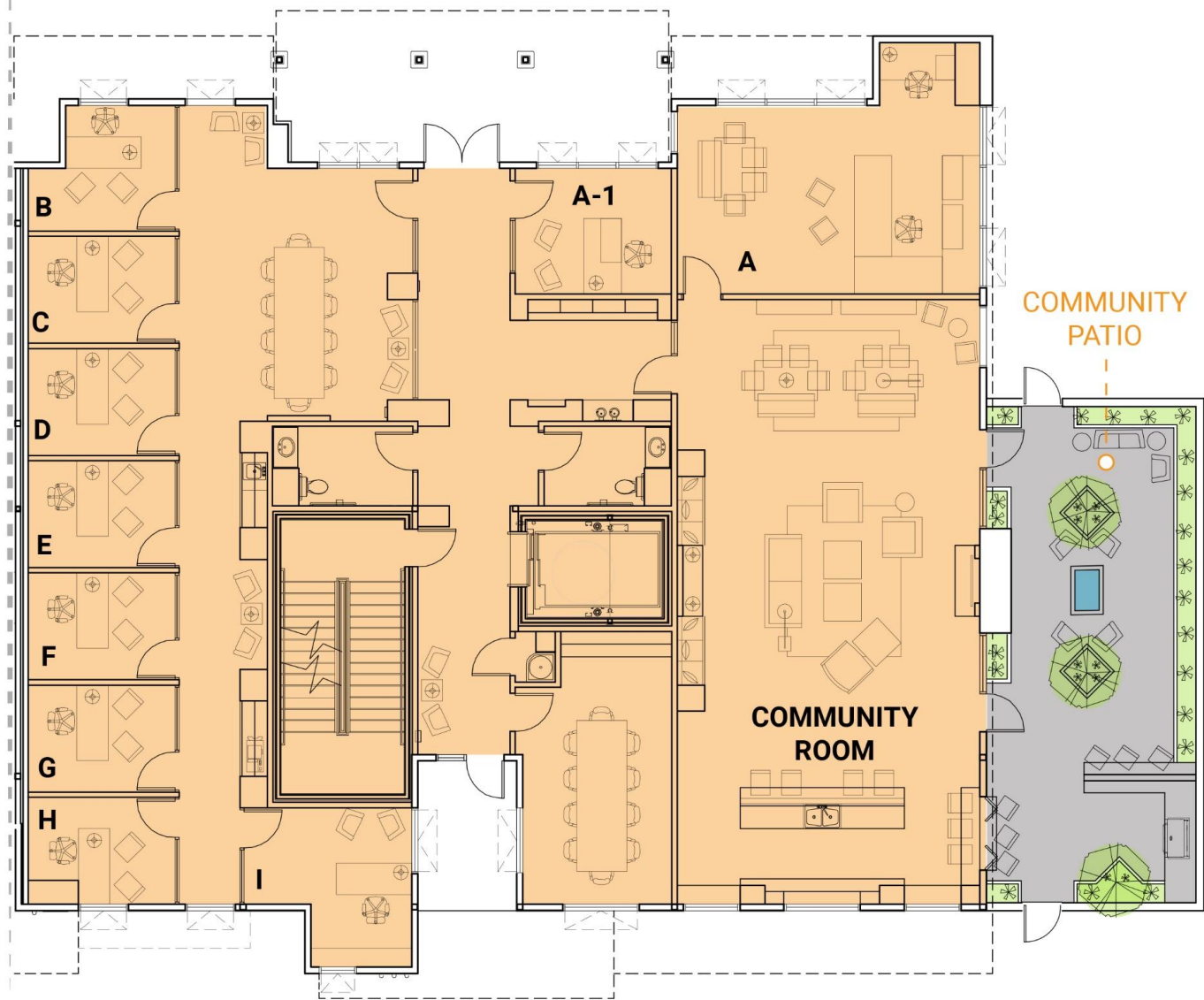
# SITE PLAN

THE FRANZ COUNTRY CLUB PLAZA

# ENLARGED COMMUNITY AREA PLAN



A	410 SF
A-1	134 SF
B	110 SF
C	107 SF
D	107 SF
E	107 SF
F	107 SF
G	107 SF
H	100 SF
I	154 SF



# LEGEND

## FIRST FLOOR UNITS

- 101 597 SF
- 102 474 SF
- 103 474 SF
- 104 474 SF
- 105 474 SF
- 106 474 SF
- 107 602 SF ADA
- 108 602 SF
- 109 602 SF
- 110 599 SF
- 111 550 SF
- 112 461 SF

SEE COMMUNITY  
AREA PLAN





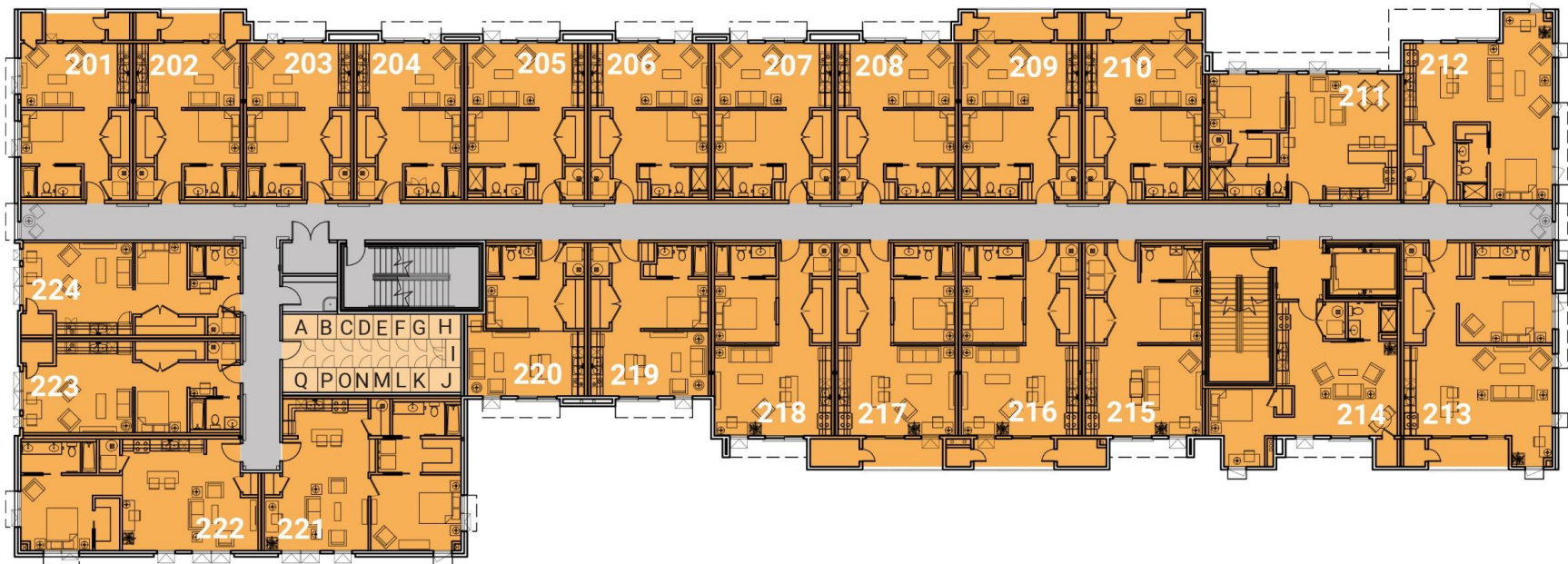
# LEGEND

## SECOND FLOOR UNITS

201	505 SF	213	827 SF
202	488 SF	214	587 SF
203	446 SF	215	613 SF ADA
204	446 SF	216	677 SF
205	498 SF	217	657 SF
206	498 SF	218	614 SF
207	498 SF	219	490 SF
208	498 SF	220	455 SF
209	534 SF	221	767 SF
210	530 SF	222	699 SF
211	641 SF	223	541 SF
212	649 SF	224	550 SF

## SECOND FLOOR STORAGE

A	24SF (4"x6')	M	12SF (4'x3')
B	12SF (4'x3')	N	12SF (4'x3')
C	12SF (4'x3')	O	12SF (4'x3')
D	12SF (4'x3')	P	12SF (4'x3')
E	12SF (4'x3')	Q	12SF (4'x3')
F	12SF (4'x3')		
G	12SF (4'x3')		
H	20SF (4'x5')		
I	12.5 SF (2'-6"x5')		
J	20SF (4'x5')		
K	12SF (4'x3')		
L	12SF (4'x3')		



# LEGEND

## THIRD FLOOR UNITS

301 505 SF	312 572 SF
302 488 SF	313 613 SF ADA
303 446 SF	314 677 SF
304 446 SF	315 657 SF
305 498 SF	316 614 SF
306 498 SF	317 490 SF
307 498 SF	318 455 SF
308 498 SF	319 738 SF
309 534 SF	320 699 SF
310 530 SF	321 541 SF
311 642 SF	322 550 SF

## THIRD FLOOR STORAGE

A 24SF (4"x6')	M 12SF (4'x3')
B 12SF (4'x3')	N 12SF (4'x3')
C 12SF (4'x3')	O 12SF (4'x3')
D 12SF (4'x3')	P 12SF (4'x3')
E 12SF (4'x3')	Q 12SF (4'x3')
F 12SF (4'x3')	
G 12SF (4'x3')	
H 20SF (4'x5')	
I 12.5 SF (2'-6"x5')	
J 20SF (4'x5')	
K 12SF (4'x3')	
L 12SF (4'x3')	

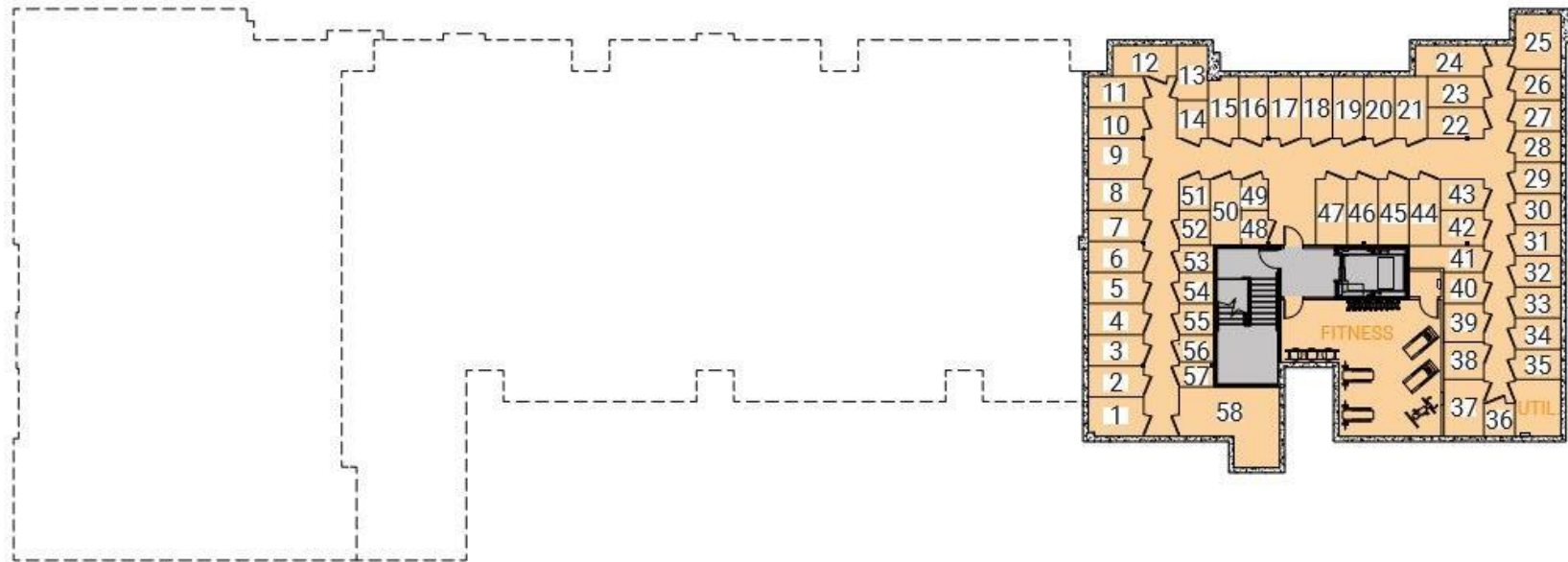




# LEGEND

## BASEMENT STORAGE

1 57 SF (6'-4" x 8'-11")	16 47 SF (10' x 4'-8")	31 50 SF (7'-4" x 5')	46 52 SF (10'-8" x 5')
2 44 SF (5' x 8'-11")	17 53 SF (10' x 5'-4")	32 50 SF (7'-4" x 5')	47 52 SF (10'-8" x 5')
3 44 SF (5' x 8'-11")	18 50 SF (10' x 5')	33 50 SF (7'-4" x 5')	48 24 SF (5'-7" x 4'-4")
4 44 SF (5' x 8'-11")	19 50 SF (10' x 5')	34 50 SF (7'-4" x 5')	49 22 SF (5' x 4'-4")
5 44 SF (5' x 8'-11")	20 50 SF (10' x 5')	35 50 SF (7'-4" x 5')	50 53 SF (10'-7" x 5')
6 44 SF (5' x 8'-11")	21 50 SF (10' x 5')	36 26 SF (5'-4" x 5')	51 25 SF (5' x 5')
7 44 SF (5' x 8'-11")	22 45 SF (10' x 5')	37 59 SF (9'-2" x 6'-5")	52 28 SF (5'-7" x 5')
8 44 SF (5' x 8'-11")	23 45 SF (5' x 9')	38 39 SF (6' x 6'-5")	53 25 SF (4'-4" x 5')
9 58 SF (6'-6" x 8'-11")	24 55 SF (5' x 11')	39 40 SF (6' x 6'-5")	54 28 SF (5' x 5')
10 44 SF (5' x 8'-11")	25 65 SF (8'-10" x 7'-4")	40 32 SF (5' x 6'-5")	55 28 SF (5' x 5')
11 44 SF (5' x 8'-11")	26 37 SF (5' x 7'-4")	41 50 SF (4' x 12')	56 25 SF (4'-4" x 5')
12 52 SF (5' x 10'-4")	27 37 SF (5' x 7'-4")	42 40 SF (5'-8" x 7')	57 23 SF (4' x 5')
13 44 SF (8'10" x 5')	28 37 SF (5' x 7'-4")	43 35 SF (5' x 7')	58 165 SF
14 31 SF (6'-2" x 5')	29 37 SF (5' x 7'-4")	44 52 SF (10'-8" x 5')	
15 50 SF (10' x 5')	30 37 SF (5' x 7'-4")	45 52 SF (10'-8" x 5')	





# COUNTRY CLUB PLAZA

ALBUQUERQUE, NEW MEXICO

URBAN + REGIONAL PLANNING  
AWARD CATEGORY

Exhibit E - Country Club Plaza Site Information Package



## PROJECT | data

### PROJECT NAME

Country Club Plaza

### AWARD CATEGORY

Urban & Regional Planning Award

### SQUARE FOOTAGE

100,000(+/-) square feet

### DATE OF COMPLETION

Phase 1 | June 2015

Phase 2 | May 2016

Phase 3 | To Be Completed 2019

### DEVELOPER

Jay Rembe | Rembe Urban Design + Development

### ARCHITECT

Mullen Heller Architecture

### CONTRACTOR

Insight Construction

### CONSTRUCTION + STRUCTURE TYPE

Renovated Historic Buildings | Existing Concrete Masonry and Wood Trusses

New Construction | Wood stud framing and Wood Trusses

### MATERIALS + SYSTEMS

Aluminum Metal Panels | Fiber-Cement Board Lap Siding | Steel Component Accents |

Fiberglass Grating | Cementitious Stucco

### SITE FEATURES

Site planning efforts sought to provide ample opportunities for interactions between an array of uses, including retail, restaurants, offices, and residential through the generation of a looped main street through the site and the diverse interplay of a central courtyard, landscaped walkways, and interstitial manicured plazas.

## PROJECT | description

Country Club Plaza is a 3.3 acre site along historic Route 66 (Central Avenue) in Albuquerque, NM, nestled between the bustling Downtown Business District and the historic Old Town Tourist District. The site was once the home of the Horn Motor Lodge and had sat vacant and neglected for over 15 years. Given the site's history and potential within the **Route 66 corridor**, the project's primary goal was to reactivate this stretch of one of the country's most iconic streets, connecting the Downtown and Old Town corridors, and bringing a new commercial identity to this underutilized stretch of road.

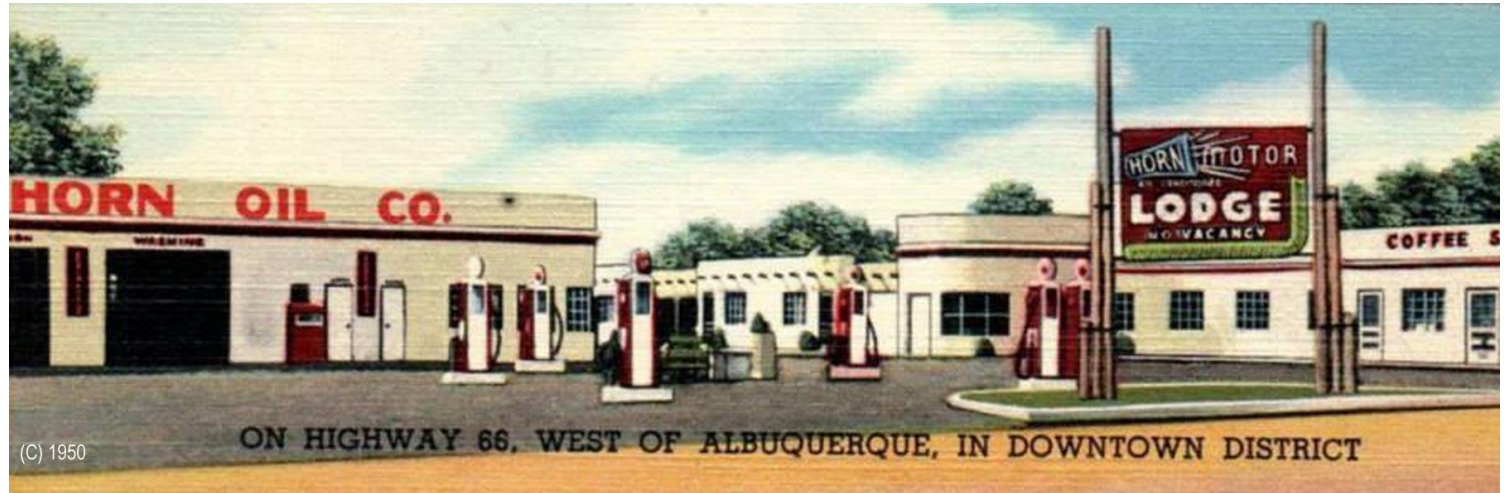
Grounded on the **principles of revitalization**, the project focused its efforts on the adaptive reuse of the three remaining historic buildings on site (the Horn Oil Service Station and Motor Lodge buildings and an old uninspiring run down auto body shop, and the construction of three new buildings to complement the existing). This combination of old and new allows for **a dynamic mixed-use development** capable of generating an environment conducive to robust pedestrian and bicyclist activity. Although the design emphasized walkability, an internal main street with buildings flanking each side was provided to allow for near by parking and to create a village like setting. Site planning and development efforts sought to provide ample opportunities for interactions between an array of uses, including retail, restaurants, offices, and residential through the interplay of landscaped walkways and interstitial manicured plazas. The main plaza in the project is enclosed by the former newly renovated auto body shop and the newly built 3 story mixed use building both of which have attracted two wonderful local restaurants; Amore Neapolitan Pizzeria + Wine Bar and Five Star Burgers. Both restaurants with their outdoor patios liven and activate the heart and soul of the project.

Rembe acquired the land nearly 15 years ago and patiently waited for the local economy to bounce back in order to make the project feasible. Tremendous time and effort was spent working with the adjacent established neighborhoods, finessing the site design to be respectful of their community's cultural and aesthetic values as well as creating **a neighborhood hub capable of enhancing the local quality of life**. Development efforts took time as the project was phased over a 10 years. Throughout the many different phases, many challenges were dealt with including lengthy entitlements, environmental issues, drainage and a low water table, not to mention Albuquerque's new ART project flooded the site multiple times.

Ultimately, the efforts paid off, yielding an integrated site design that is now home to some of Albuquerque's most up and coming businesses.

[before]

View of the original 1940's Horn Oil Development with Service Station, Coffee Shop, and Motor Lodge beyond.



[after]

The original Motor Lodge was closely examined to save and renovate all the buildings. After further studies the difficult decision was made to demolish the rear motel and focus full efforts on the front two buildings both of which have seen two extensive recent renovations and currently the eastern building is under renovation for Erin Wade's Modern General and The Feel Good restaurants.





The design team was challenged by **the juxtaposition of old buildings with new**. In order to balance the mixed use strategy for the project it was paramount to add needed vertical residential square footage to the project. The team had to be sensitive to the existing conditions. Building footprint size, building height, and overall massing were thoughtfully negotiated so as not to overwhelm the existing surroundings.

The team also spent time and care to select exterior materials that were reminiscent of the existing Moderne architectural style, but were also durable, tactile, and contemporary. . Pedestrian walkways are enhanced through the use of granite pavers and intermittent landscape planters, which helps to designate the pathways while also softening the hardscape. **to create a sense of place.**



## PROJECT | context

Country Club Plaza is the off-spring of another previous development by Rembe Urban Design + Development, Country Club Place. This project aimed to continue the work of its predecessor, by further filling the commercial void between Albuquerque's Business District of Downtown and the Tourist District of Old Town. The goal again was to figure out how to save both historic buildings and activate the street with lively positive uses. This vision allows old and new to coexist, **generating an architectural character and community value unmatched by many of the newer neighborhoods within Albuquerque**. Furthermore, it provides new opportunities for economic growth in an area that had long sat commercially defunct.

Based on revitalizing both the existing structures on the site and the commercial presence within the area, the owner sought to complete a diversely mixed-use development with a wide variety of services that would **engage the community and enrich their day-to-day life**. Restaurants to residential, retail to office, marketable functions are laced into the fabric of the project to further enhance the community and bring new patrons into this area of Albuquerque. It was also important that businesses within the development be local, for locally owned businesses build stronger communities by sustaining vibrant town centers, connecting neighbors through economic and social relationships, and ultimately, contributing to local economic causes.

Conscientious site planning also contributed to the communal character of the project and further initiated **community interaction**. The development is anchored by a large central plaza which is flanked by the two main commercial buildings. Restaurant and retail activities on the ground floor dynamically interact with one another, as the residential functions look down from above. More small patios and courtyards are generated from the interstitial spaces between buildings, and vast exterior balconies within the office and residential functions further engage the exterior and the site activities happening within the plazas beneath.

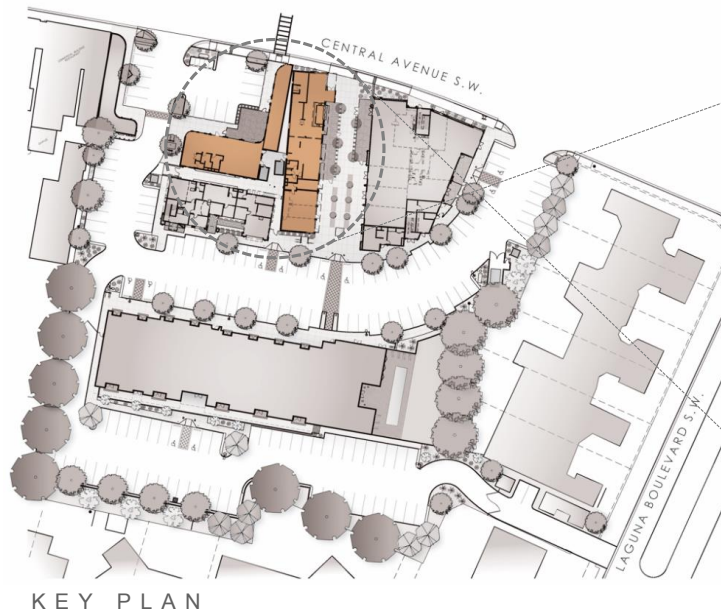


PROJECT | overall site plan



SITE PLAN





ARCHITECTURAL FLOOR PLANS





[after]

View of the renovated  
facades of the existing  
1940's Horn Oil Service  
Station and Coffee Shop  
Buildings.



[left]

Interior view of the renovated Horn Oil Service Station into Draft Station ABQ. Unfortunately, ART's disruptive construction and ultimately numerous flooding events caused both the Draft Station and 35 North to close their doors. This however presented an opportunity to enhance the tenant mix. We immediately started working with Erin Wade, owner of Vinaigrette who will be opening Modern General and the Feel Good in June of 2018.



[right]

Interior view of the renovated existing Autobody Shop into 5Star Burgers Old Town.





[top left]

The renovated Horn Oil Service Station into Draft Station ABQ – complete with a **lively community patio to engage the street**.



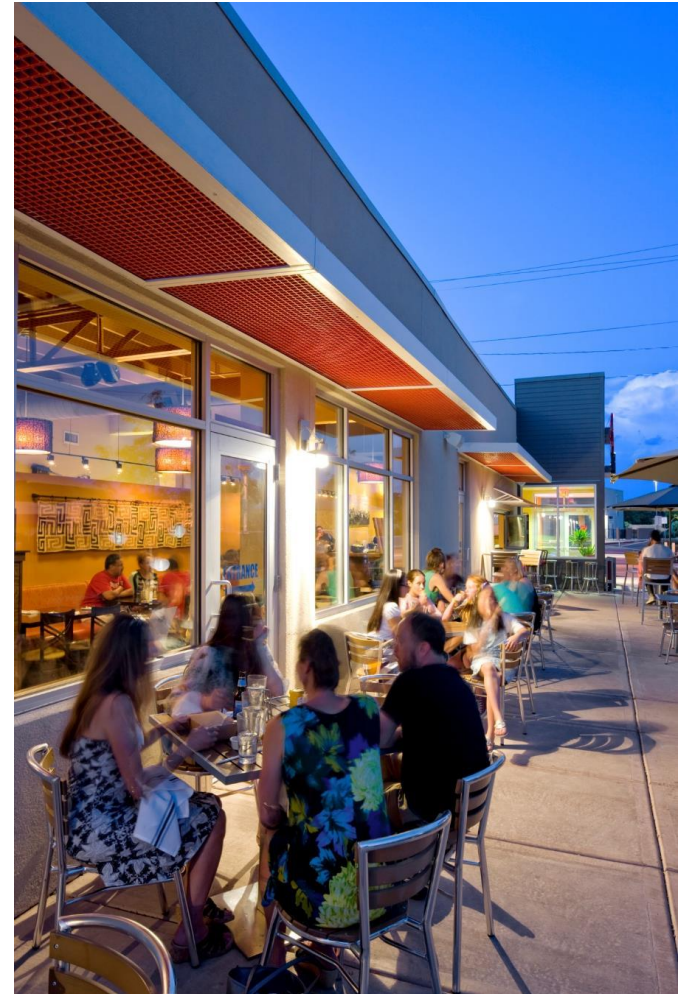
[bottom left]

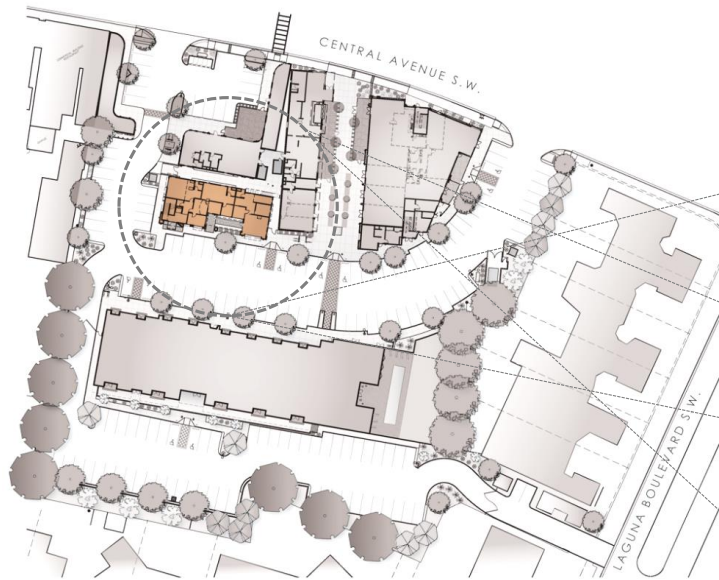
Interior view of Amore Neapolitan Pizza & Vino, the first retail tenant of the Country Club Lofts Building and the **corner anchor of the central courtyard**.



[right]

The renovated courtyard façade of the existing Autobody Shop into 5Star Burgers Old Town – complete with a **lively patio to engage the central courtyard** and the adjacent Country Club Lofts building.





KEY PLAN



SECTION

PROJECT | phase 1



- LEGEND:
- A ENTRY FOYER
  - B UTILITY/STORAGE
  - C OPEN OFFICE
  - D RECEPTION
  - E OFFICE
  - F BATHROOM
  - G CONFERENCE

2ND FLOOR



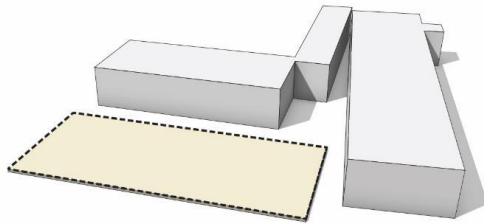
1ST FLOOR

ARCHITECTURAL FLOOR PLANS

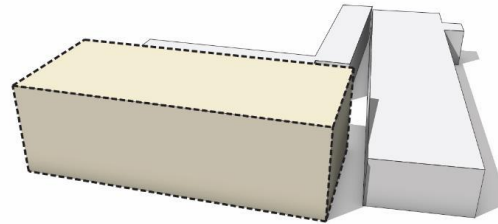


SCALE: 1/8"=1'-0"

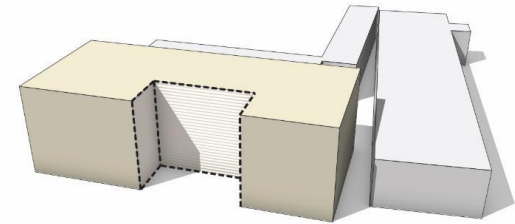
OFFICES @ 1718 CENTRAL  
**FLOOR PLANS**



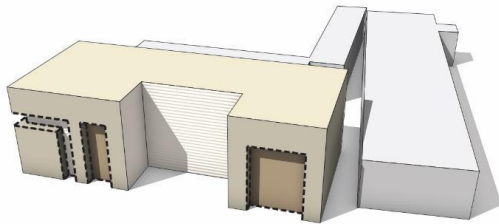
[1] BUILDABLE FOOTPRINT



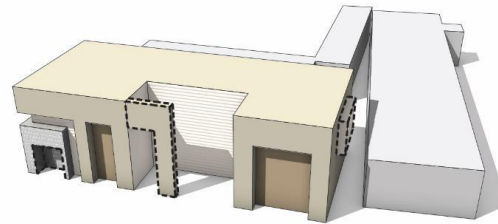
[2] TWO-STORY MASS TO MAXIMIZE FLOOR AREA AND VIEWS.



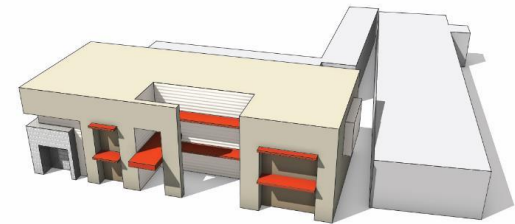
[3] CENTRAL CUT-OUT TO CREATE A COURTYARD AND MAXIMIZE DAYLIGHT OPPORTUNITIES.



[4] CARVED OUT ELEMENTS TO CREATE RECESSES FOR WINDOWS AND MATERIAL CHANGES.



[5] ADDED COMPONENTS TO DEFINE LOOKOUT AREAS.



[6] ADDED OVERHANGS FOR SUNSHADE AND BALCONY LOOKOUT.

PROJECT | phase 1

OFFICES @ 1718 CENTRAL

**DESIGN DIAGRAMS**



Exterior view of the main entrance of the Offices @ 1718 Central.

As the first new building within the Country Club Plaza development, The Offices @ 1718 Central set the benchmark for future development within Country Club Plaza. The building massing and variety of exterior materials established the architectural guidelines for the future buildings on the site.

The goal of the building was to create a welcoming, contemporary office building that takes the lead in building sustainability practices. The Building is **LEED® Certified**.



[left & right]

Exterior views of the Offices  
@ 1718 Central that highlight  
the central courtyard.

The building's design takes  
inspiration from the  
combination of contemporary  
aesthetics with the moderne  
architectural qualities of  
historic Route 66.

Key design features include  
clean, asymmetrical, and  
unadorned facades of the  
moderne style. Subtle  
massing and material  
changes, as well as an  
emphasis on the horizontal,  
help to punctuate the facades  
and reinvigorate the moderne  
character of the Route 66  
corridor.

All of these components  
worked together to **impart a  
fresh, contemporary  
character.**





[left & right]

Interior views of the Offices  
@ 1718 Central.

The building was designed to be a **new prototype for office buildings** that incorporates new perspectives on a typical workspace: open office floor plans to increase collaboration, communication, and to ultimately create an inviting workspace for its users.

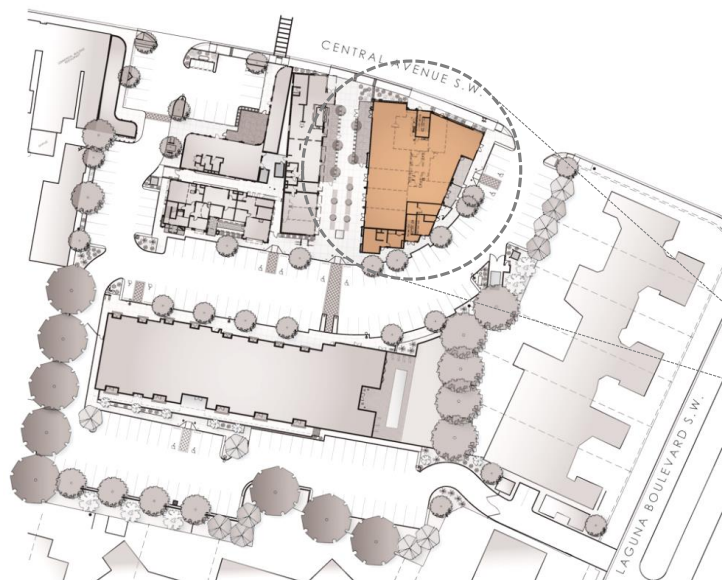






[left & right]

Interior views of the Offices  
@ 1718 Central.



PROJECT | phase 2



[left]

Phase 2 of the development included the design and construction of the Country Club Lofts Building. The building serves to **anchor the new central courtyard**, designating the pedestrian entrance to the development with its soaring corner tower and lively festive string lighting.

[right]

In addition to the renovation of the historic Horn Oil buildings on-site, Phase 1 of the development also included the **renovation and adaptive reuse** of an existing autobody shop, which is now home to one of Albuquerque's favorite local restaurants – 5Star Burgers Old Town.





[top]

Incorporating the vehicle into the development was important. Although the project was grounded on the principal of **encouraging pedestrian and bicyclist activity**, the development's location along Route 66 could not ignore the need of the commuting car. Street parking and a looped main street within the site were integrated to allow for orchestrated vehicle and pedestrian/bicyclist interaction.



[bottom]

It was integral in the design to not have a back of a building face the street and/or pedestrian walkways. Additionally it was critical to the success of the project to not provide a huge parking lot but instead an internal main street with parking dispersed through out the entire project. This allows for multiple opportunities to activate the street so to encourage pedestrian activity and to create a sense of place. Cars truly are secondary and when fully built out, the project will feel like a village.





[left & right]

Interior views of the  
residential units of  
Country Club Lofts.



KEY PLAN



PROJECT | phase 3 | To Be Completed 2018





PROJECT | phase 3 | schematic design rendering



PROJECT | phase 3 | schematic design rendering



**Exhibit F - Statement of No Tax Issues**

Rembe Urban Design + Development  
1718 Central Avenue SW, Suite A  
Albuquerque, NM 87104

June 27, 2019

City of Albuquerque  
Metropolitan Redevelopment Agency Manager  
600 2<sup>nd</sup> Street NW  
Albuquerque, NM 87102

Re: Statement of No Tax Issues

To Whom It May Concern:

1716 Central Avenue, LLC has no outstanding substantive federal, state or local tax issues.

Sincerely,

Jay Rembe  
Manager, 1716 Central Avenue, LLC

## Exhibit G - Property Tax Bill

about:blank

### PROPERTY ADDRESS AND DESCRIPTION PARCEL

1716 CENTRAL AV SW  
LT 5 PLAT OF LTS 1-5 COUNTRY CLUB PLAZA (BEING  
A REPL OF  
REMAINING PORT OF TR B AMENDED HUNING  
CASTLE ADDN TRS  
A & B LANDS OF H. B. HORN & CALVIN HORN MRGCD  
TRS 129-A

2018

PARCEL NUMBER: 101305823211430905



TREASURER BERNALILLO  
COUNTY  
PO BOX 627  
ALBUQUERQUE, N.M. 87103-0627  
(505) 468-7031  
TREASURERS OFFICE  
E-MAIL: TREAS@BERNCO.GOV

### 2018 TAX BILL

THIS TAX BILL IS THE  
ONLY NOTICE YOU WILL  
RECEIVE FOR PAYMENT  
OF BOTH INSTALLMENTS  
OF YEAR 2018  
PROPERTY TAX

AFC MRGB

1 013 058 232 114 30905  
1716 CENTRAL LLC  
117 RICHMOND DR SE SUITE #B  
ALBUQUERQUE NM 87106 2268

A1AM TAX DISTRICT

PROPERTY	CODE	VALUE	AGENCIES	TAX RATE	NET TAXABLE VALUE	AMOUNT DUE
ASSESSED VALUE LAND		315,300	STATE	1.360	118,488	161.14
ASSESSED VALUE IMPROVEMENTS		40,200	COUNTY	12.224	118,488	1,448.40
ASSESSED VALUE PERS PROP		0	ALBUQ	11.520	118,488	1,364.98
TAXABLE VALUE LAND		105,089	SCHOOL APS	11.329	118,488	1,342.35
TAXABLE VALUE IMPROVEMENTS		13,399	CNM	4.000	118,488	473.95
TAXABLE VALUE PERS PROP		0	UNMH	6.400	118,488	758.32
TOTAL VALUATION		118,488	AMAFCA	1.152	118,488	136.50
STATUTORY EXEMPTION		0	MRGCD	6.334	118,488	750.52
VETERAN EXEMPTION		0				
			TOTAL RATE	54.319	2018 TAX >>	6,436.16
NET TAXABLE VALUE		118,488				

1st half payment becomes delinquent after Dec 10, 2018  
2nd half payment becomes delinquent after May 10, 2019  
Postmark by these dates for each half is on time...

[CLICK HERE TO SEE TAX & PAYMENT HISTORY](#)

OTHER TAX DUE:

YEAR	TAX	INTEREST	PENALTY	FEES	AMOUNT DUE
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# **CITY of ALBUQUERQUE**

## **TWENTY-THIRD COUNCIL**

COUNCIL BILL NO. \_\_\_\_\_ ENACTMENT NO. \_\_\_\_\_

SPONSORED BY: \_\_\_\_\_, by request

### **RESOLUTION**

DECLARING THE INTENT OF THE CITY OF ALBUQUERQUE, NEW MEXICO, SUBJECT TO THE SATISFACTION OF CERTAIN CONDITIONS, TO ISSUE METROPOLITAN REDEVELOPMENT BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$10,000,000.00 IN CONNECTION WITH THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE FRANZ PROJECT FOR THE PURPOSE OF INDUCING 1716 CENTRAL, LLC OR ITS SUCCESSORS AND ASSIGNS, TO LOCATE THE PROJECT IN THE CITY AND TO DEVELOP THE PROJECT IN THE CITY AS DESCRIBED IN THE PROJECT PLAN.

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

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

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

1           WHEREAS, the City has previously designated the area within which the  
2 Project Site (as defined below) and the Project (as defined below) are located within  
3 the Historic Central Avenue Metropolitan Redevelopment Area; and

4           WHEREAS, 1716 Central, LLC, a New Mexico limited liability company  
5 (together with its successors and assigns, the "Company") has presented to the City a  
6 proposal (the "Project Plan") whereby, in accordance with the Code, the City will  
7 acquire certain land with a specific site address of 1716 Central Avenue SW, all within  
8 the City (the "Project Site"), upon which renovation, construction and equipping of the  
9 Project Site for the purpose of providing a mixed-use project consisting of multifamily  
10 residential and related amenities and office uses will occur (the "Project") in  
11 accordance with the Code; and

12           WHEREAS, The Project Plan proposes the issuance by the City of its  
13 Metropolitan Redevelopment Bonds (The Franz Project) Series 2019 (the "Bonds")  
14 under the Code in an aggregate principal amount not to exceed \$10,000,000.00 to  
15 finance all or part of the costs of construction and equipping of the Project and certain  
16 costs in connection with the authorization, issuance and sale of the Bonds; and

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

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

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

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

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

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

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

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

13           **a. The location of the Project is at an address of 1716 Central Avenue**  
14 **SW located within the Historic Central Avenue Metropolitan Redevelopment**  
15 **Area.**

16           **b. The Project consists of up to approximately 3.3 acres of land**  
17 **together with a mixed-use buildings containing 58 residential housing units**  
18 **and approximately 2,000 square feet of office and coworking space and related**  
19 **improvements.**

20           **c. The maximum aggregate face amount of the obligations to be issued**  
21 **with respect to the Project is \$10,000,000.00.**

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

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

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

1 general welfare, safety, convenience and prosperity of the inhabitants of the City, it is  
2 the Council's intent to take all necessary and advisable steps to effect the issuance of  
3 the Bonds, in a principal amount not to exceed \$10,000,000.00 in order to defray part  
4 or all of the costs of the construction and equipping of the Project, provided that this  
5 expression of intent is conditioned upon the issuance of the Bonds on or before one  
6 year from the date of the adoption of this Resolution, and further provided that  
7 issuance of the Bonds is subject to the conditions described in Section 6 hereof.

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

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

1           **Section 7. Authorized Actions.** The Mayor and other appropriate City officials are  
2 hereby authorized and empowered to take such steps and to do such things as may be  
3 necessary to achieve the purposes of this Resolution.

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

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

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



# Property Tax Analysis of Proposed 1716 Central Avenue, LLC Project

Prepared for the City of Albuquerque  
and 1716 Central Avenue, LLC  
Prepared by Julian Baca, M.A.



BUREAU OF BUSINESS  
& ECONOMIC RESEARCH

# Property Tax Analysis of Proposed 1716 Central Avenue (Franz) Project

This analysis examines whether the incremental property taxes generated by the proposed 1716 Central Avenue development are sufficient to cover the expected 7-year tax abatement request made by 1716 Central Avenue, LLC to the City of Albuquerque.<sup>1</sup> This analysis is conducted utilizing a 26-year project period and it is assumed that the current property tax base and tax rate will remain the same during the projection period. The valuation data used in the analysis were provided by 1716 Central Avenue, LLC. Table 1 provides the assessed land value, improvement value, total taxable value, mill rate, and the estimated tax amount due in 2018. This table provides the basis for the BBER estimation of the baseline property tax rate.

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

Property	Assessed Value Land	Taxable Value Land	Assessed Value of Structures	Taxable Value Improvement	Total Assessed	Taxable Valuation	Mill Rate	Amount Due
Lot 5	315,300	105,089	40,200	13,399	355,500	118,488	54.319	6,436

*Source: 2018 Notice of Value record provided by 1716 Central Ave, LLC; Bernalillo County Treasurer.*

\*Estimated tax based on 2018 values and 2018 Mill Rate.

According to the 1716 Central Avenue, LLC application, the cost to complete this project is estimated at \$9,776,110. The project consists of 58 residential units and 2,000 square feet of modern office and co-working space. Based on current assessed value of the property and the construction cost, the total assessed market value of the property is expected to be \$10,850,000. 1716 Central Avenue, LLC declined to provide BBER income-based valuations of the property after construction and since New Mexico is a “non-disclosure” state, BBER and the City cannot compel the property owner to provide these details. As a result, this analysis uses a simple average of the cost-based and the estimated appraised value provided by 1716 Central Avenue, LLC, which equals \$10,313,055.<sup>2</sup>

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

Cost method:	9,776,110	Estimated Appraisal Value (MV):	10,850,000	<b>Average:</b>	<b>10,313,055</b>
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Source: 1716 Central Avenue, LLC, Metropolitan Redevelopment Bond Application

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

<sup>1</sup> Pursuant to Section 3-60A-13 and Section 3-60A-13.1 NMSA 1978.

<sup>2</sup> Pursuant to Section 7-36-15 NMSA 1978.

## Analysis Results

Table 3 presents an estimated total assessed value, and the associated taxes with and without the proposed project. Our results show that the yearly property tax will increase to \$186,713 (Column 6, Table 3) with net incremental taxes estimated to be \$180,277 (Column 7, Table 3).<sup>3</sup> This tax increment will only materialize after the completion of construction scheduled to occur in Fall 2019. BBER assumes that the tax abatement will last for seven years starting in tax year 2020 after construction is completed, ending in 2026. The present value of the property tax abatement and net tax increment was estimated using the City's long-term bond rate as the discount rate<sup>4</sup>, which is 2.94%. The cumulative net present value in the last column shows that the net positive gain for the City will begin in the sixteenth year. This means that an additional nine years will be needed to recover the cost of the property tax abatement. Following the seven-year abatement period, the estimated overall tax amount due to the City annually would be \$186,713. This is an increase of \$180,277 annually from the baseline amount of \$6,436 that exists currently and prior to the proposed project being constructed. If the project were not completed, the annual property tax amount received by the City would remain at \$6,436.

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

## Assumptions

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

---

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

<sup>4</sup> As of October 25, 2019 and assumes no market fluctuations (Source: Albuquerque Treasurer/RBC Capital Markets, LLC)

Year	Property Tax Without Improvement			Property Tax With Improvement			Incremental Tax 7	Tax Abatement 8	Net Tax Increment 9	Present Value of Tax Abatement 10	Present Value of Net Tax Increment 11	Cumulative Net Present Value (54.319 mills) 12	CABQ's Cumulative Net Present Value (11.52 Mills) 13
	Total Assessed Value 1	Total Taxable Value 2	Tax Amount 3	Total Assessed Value <sup>1</sup> 4	Total Taxable Value 5	Tax Amount 6							
Year 1	355,500	118,488	6,436	10,313,055	3,437,337	186,713	180,277	(180,277)	-	(180,277)	-	(180,277)	(38,233)
Year 2	355,500	118,488	6,436	10,313,055	3,437,337	186,713	180,277	(180,277)	-	(175,128)	-	(355,404)	(75,141)
Year 3	355,500	118,488	6,436	10,313,055	3,437,337	186,713	180,277	(180,277)	-	(170,126)	-	(525,530)	(110,770)
Year 4	355,500	118,488	6,436	10,313,055	3,437,337	186,713	180,277	(180,277)	-	(165,267)	-	(690,798)	(145,165)
Year 5	355,500	118,488	6,436	10,313,055	3,437,337	186,713	180,277	(180,277)	-	(160,547)	-	(851,345)	(178,367)
Year 6	355,500	118,488	6,436	10,313,055	3,437,337	186,713	180,277	(180,277)	-	(155,962)	-	(1,007,307)	(210,419)
Year 7	355,500	118,488	6,436	10,313,055	3,437,337	186,713	180,277	(180,277)	-	(151,508)	-	(1,158,814)	(241,360)
Year 8	355,500	118,488	6,436	10,313,055	3,437,337	186,713	180,277	-	180,277	-	147,180	(1,011,634)	(208,953)
Year 9	355,500	118,488	6,436	10,313,055	3,437,337	186,713	180,277	-	180,277	-	142,977	(868,657)	(177,302)
Year 10	355,500	118,488	6,436	10,313,055	3,437,337	186,713	180,277	-	180,277	-	138,893	(729,763)	(146,391)
Year 11	355,500	118,488	6,436	10,313,055	3,437,337	186,713	180,277	-	180,277	-	134,927	(594,837)	(116,201)
Year 12	355,500	118,488	6,436	10,313,055	3,437,337	186,713	180,277	-	180,277	-	131,073	(463,764)	(86,715)
Year 13	355,500	118,488	6,436	10,313,055	3,437,337	186,713	180,277	-	180,277	-	127,330	(336,434)	(57,918)
Year 14	355,500	118,488	6,436	10,313,055	3,437,337	186,713	180,277	-	180,277	-	123,693	(212,741)	(29,793)
Year 15	355,500	118,488	6,436	10,313,055	3,437,337	186,713	180,277	-	180,277	-	120,160	(92,581)	(2,325)
Year 16	355,500	118,488	6,436	10,313,055	3,437,337	186,713	180,277	-	180,277	-	116,728	24,148	24,503
Year 17	355,500	118,488	6,436	10,313,055	3,437,337	186,713	180,277	-	180,277	-	113,395	137,542	50,704
Year 18	355,500	118,488	6,436	10,313,055	3,437,337	186,713	180,277	-	180,277	-	110,156	247,698	76,293
Year 19	355,500	118,488	6,436	10,313,055	3,437,337	186,713	180,277	-	180,277	-	107,010	354,708	101,286
Year 20	355,500	118,488	6,436	10,313,055	3,437,337	186,713	180,277	-	180,277	-	103,954	458,662	125,694
Year 21	355,500	118,488	6,436	10,313,055	3,437,337	186,713	180,277	-	180,277	-	100,985	559,647	149,533
Year 22	355,500	118,488	6,436	10,313,055	3,437,337	186,713	180,277	-	180,277	-	98,101	657,747	172,816
Year 23	355,500	118,488	6,436	10,313,055	3,437,337	186,713	180,277	-	180,277	-	95,299	753,046	195,555
Year 24	355,500	118,488	6,436	10,313,055	3,437,337	186,713	180,277	-	180,277	-	92,577	845,623	217,763
Year 25	355,500	118,488	6,436	10,313,055	3,437,337	186,713	180,277	-	180,277	-	89,933	935,556	239,453
Year 26	355,500	118,488	6,436	10,313,055	3,437,337	186,713	180,277	-	180,277	-	87,365	1,022,921	260,637

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

Source: BBER estimation based on data provided by 1716 Central Ave, LLC