

**PLANNING DEPARTMENT
URBAN DESIGN & DEVELOPMENT DIVISION
600 2nd Street NW, 3rd Floor, 87102
P.O. Box 1293, Albuquerque, NM 87103
Office (505) 924-3860 Fax (505) 924-3339**

OFFICIAL NOTIFICATION OF DECISION

April 28, 2015

**Anthea at Nob Hill, LLC
333 Rio Rancho Drive NE, Suite 104
Rio Rancho, NM 87124**

**De Anza Motor Lodge Redevelopment
RFP 04-2014**

LEGAL DESCRIPTION:

The subject site includes all of Block 4 and the alley running through Block 4 of the Mesa Grande Addition, Section 23, Township 10-N, Range 3-E, New Mexico Principal Meridian, Town of Albuquerque Grant, City of Albuquerque, Bernalillo County, New Mexico, located in the northwest quadrant of the intersection of Central Avenue NE and Washington Street NE, containing 2.056-acres.

On March 19, 2015, the Albuquerque Development Commission, voted to APPROVE the selection of Anthea at Nob Hill, LLC, or its successor corporation, company or organization, as the Albuquerque Development Commission Selected Developer to redevelop the De Anza Motor Lodge. On April 23, 2015, the Albuquerque Development Commission adopted the following Findings:

FINDINGS:

1. As the oversight body of the Metropolitan Redevelopment Agency ("MRA"), these findings are made by the Albuquerque Development Commission ("ADC") in regard to Request for Proposals RFP-04-2014, for the redevelopment of the De Anza Motor Lodge at the northwest corner of the intersection of Central Avenue and Washington Street, located at 4301 Central Avenue NE, Albuquerque, NM, 87108 (the "RFP").
2. The redevelopment of the De Anza Motor Lodge helps the MRA attain its objectives by:
 - a) Facilitating the primary catalytic project for the Central/Highland/Upper Nob Hill Metropolitan Redevelopment Area as identified on page 21 of the 2005 Central/Highland/Upper Nob Hill Metropolitan Redevelopment Plan (the "MR Plan");
 - and b) Fulfilling the MR Plan goal of "creating a place that is both identifiable for its

unique Route 66 character and is a livable, walkable, mixed-use and vibrant economic and residential part of Albuquerque” (See MR Plan pg. 1).

3. In August 2014, the MRA commissioned Cherry/See/Reames Architects (the “CNA Architect”) to perform a Capital Needs Assessment Report (“CNA”) to determine the condition of the buildings addressed in the RFP. The CNA Architect, along with several engineering firms, evaluated the electrical, mechanical/plumbing, structural and environmental systems of the buildings. Using a widely accepted cost estimating approach, the CNA Architect determined the cost of bringing the buildings to a Certificate of Occupancy level that does not include any additional improvements. Per that determination, the total estimated cost for basic rehabilitation at the site is \$10,299,409.00, which amount does not include any remodeling, modernization, or cosmetic upgrades to the buildings. The State Historic Preservation Office and the City’s Landmarks Urban Conservation Commission (“LUCC”) have reviewed the CNA.
4. The RFP stated that the City will require the selected developer to save and rehabilitate the existing buildings that front Central Avenue, including Building A, Building E with the porte-cochere, and the Turquoise Café at the southern end of Building G along with the pole mounted De Anza sign.
5. Although the RFP required the restoration of certain features along the Central Avenue frontage, the CNA demonstrates that the condition of all buildings on the site is poor, requiring extensive and expensive rehabilitation.
6. Anthea @ Nob Hill (“Anthea”) submitted a responsive proposal to the RFP (the “Proposal”).
7. The De Anza Motor Lodge is listed on the New Mexico State Register of Cultural Properties and the National Register of Historic Places. In accordance with the New Mexico Prehistoric and Historic Sites Preservation Act (18-8-1 NMSA 1978), the City will consult with the State’s Historic Preservation Officer on the redevelopment of the De Anza Motor Lodge.
8. Further, the De Anza Motor Lodge is a designated City Landmark, and in accordance with the Landmarks and Urban Conservation Ordinance (Chapter 14 Article 12 ROA 1974), Anthea’s proposed project will require approval by the LUCC and an issuance of a Certificate of Appropriateness before any redevelopment may occur. The MRA will assist Anthea through this process.
9. The Proposal submitted by Anthea supports historic preservation goals as presented in the RFP Project Goals, Part I.B.: Historic Significance, including restoring buildings and other elements required to be restored by the RFP. The Proposal also contemplates replacing several buildings not fronting Central Avenue with 1- and 2-story buildings that follow a similar configuration of the original De Anza Motor Lodge, with a variation of the motor court re-established on the site. The design, scale and density are appropriate for the site.
10. The Proposal states that access and mural preservation in the meeting space in the basement of Building D shall be maintained.

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11. The Proposal supports the Project Goal in the RFP, Part I.B.: Quality Design. The Proposal further shows a quality, urban design with numerous pedestrian connections to the Central Avenue frontage as well as to the neighborhoods to the north.
12. The Proposal supports the Project Goal in the RFP, Part I.B.: Vitality & Catalytic Economic Redevelopment. The proposed hospitality/residential use is catalytic for economic development in the area as the occupants of the redeveloped De Anza Motor Lodge will require other neighborhood services and spur further redevelopment in the surrounding area.
13. The Proposal supports the Project Goal in the RFP, Part I.B.: Experience. The development team for Anthea is highly qualified and experienced in development and management.
14. The Proposal supports the Project Goal in the RFP, Part I.B.: Timing. The project timeline shows that complete construction and opening will be within a few years of final approval from the State Historic Preservation Office and a Certificate of Appropriateness from the LUCC.
15. Regarding RFP Evaluation Criterion 3, Anthea demonstrates a practical and achievable financing structure, allowing for completion of construction as presented in the Proposal. Anthea's Proposal includes a substantial up-front cash infusion by the development team with vocal support from a banking institution for the remainder of the financing.
16. In addition, under the RFP Evaluation Criterion 4 "Financial Capacity," the Anthea Proposal presents a strong letter of interest to lease a restaurant space at a market rate rent to a local restaurateur.
17. The Proposal states that a ground lease will be negotiated with the City, including an annual rent payment. In theory, the accumulated value of the lease payment will offset the purchase price of the property made by the City in 2003, which offers a greater benefit to the community and opportunities for further economic development.
18. The RFP required letters of financial commitment in RFP Evaluation Criterion 4, Financial Capacity, and the Anthea proposal includes strong financial commitment letters.
19. The RFP required proposer financial risk in RFP Evaluation Criterion 4, Financial Capacity. In the Anthea Proposal, the principals have committed \$1.6 million of equity and are financially strong.
20. The Proposal submitted by Anthea is the starting point for negotiations between Anthea and the MRA. The Director of the MRA must have maximum flexibility to negotiate a development agreement that carries out the purposes and goals of the Metropolitan Redevelopment Code in accordance with the Metropolitan Redevelopment Plan. *See* § 3-60A-48, NMSA 1978. The process of arriving at a negotiated development agreement in the real world of ever changing economic conditions may necessitate additional provisions or provisions different from the Proposal to be included in the development agreement. The MRA, however, will not enter into a development agreement with Anthea that includes substantial changes to key components of the Proposal which would change the fundamental nature of the Proposal without seeking City Council approval.

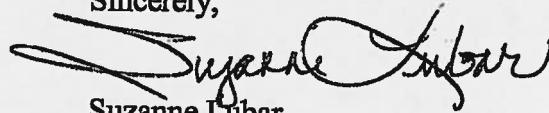
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APPEAL: If you wish to appeal this decision, you must do so within 15 days of the ADC's Official Notice of Decision or by **MAY 13, 2015**. The date of the ADC's Notice of Decision is not included in the 15-day period for filing an appeal, and if the 15th day falls on a Saturday, Sunday or holiday as listed in Chapter 3, Article 1, Merit System; Personnel Policy, the next working day is considered as the deadline for filing the appeal.

For more information regarding the appeal process, please refer to Section 14-8-4-8 of the Metropolitan Redevelopment Agency Ordinance. A Non-Refundable filing fee of \$500 is required at the time the appeal is filed at the Land Development Coordination Counter.

You will receive notification if any person files an appeal. If there is no appeal, the decision of the ADC is final.

Sincerely,



Suzanne Lubar
Planning Director

cc: De Anza Company, 4401 Central Avenue NE, Suite A, Albuquerque, NM 87108
De Anza Revival, P.O. Box 35532, Albuquerque, NM 87176
New Life Homes, P.O. Box 51055, Albuquerque, NM 87181
TTX New Mexico, 1105 Mansion Ridge Road, Santa Fe, NM 87501
Gary Eyster, 233 Morningside Drive NE, Albuquerque, NM 87108
Elizabeth Chestnut, 305 Bryn Mawr Drive SE, Albuquerque, NM 87106
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Robert Munro, 4310 Central Avenue SE, Albuquerque, NM 87108
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