



Timothy Keller, Mayor

East Downtown Metropolitan Redevelopment Area Designation Report



City Council

Isaac Benton, District 3

Albuquerque Planning Department

David S. Campbell, Planning Director

Metropolitan Redevelopment Agency

Karen Iverson, Manager

Matthew Butkus, Development Coordinator

PURPOSE

The proposed East Downtown Metropolitan Redevelopment Area includes the main commercial corridors along Central Avenue NE and Dr. Martin Luther King Jr. Ave NE, just east of the Downtown Albuquerque central business district. Given the location of the East Downtown Area, its economic success and vitality is important to the greater downtown community and the City of Albuquerque as a whole.

The designation of this geographic area as a Metropolitan Redevelopment Area will allow a Metropolitan Redevelopment Plan to be created. The creation and adoption by the Albuquerque City Council, of both the Metropolitan Redevelopment Area and subsequent Plan will allow the Metropolitan Redevelopment Agency to undertake activities designed to revitalize the area through multiple initiatives, including, but not limited to:

- Providing financial incentives for private development;
- Removal of barriers to private investment;
- Providing public investment in infrastructure projects;
- Making improvements to public rights-of-way; and
- Creating public-private partnerships for anchor projects.

The MRA is governed by the State’s Metropolitan Redevelopment Code, Section 3-60A-1 thru 3-60A-48 (MR Code). The MR Code has specific guidelines that must be followed in order for properties to be eligible for MRA funded improvements. The MR Code **does not** grant local government the power of eminent domain for the acquisition of private property.

INTRODUCTION

In order to take advantage of the state Metropolitan Redevelopment Code, §§ 3-60A-1, et seq. (“MR Code”), NMSA 1978, the City of Albuquerque passed the Metropolitan Redevelopment Agency Ordinance, §§ 14-8-4-1, et seq., ROA 1994 (“MRA Ordinance”). The MR Code requires that a geographical area be declared “a blighted area” and there be a finding that the rehabilitation, conservation, redevelopment or development, or a combination thereof, in the designated area is necessary in the interest of the public health, safety, morals or welfare of the residents before a municipality can exercise the powers conferred by the MR Code. (MR Code, § 3-60A-7, NMSA 1978). The Albuquerque City Council has reserved to itself the power to declare an area blighted, through the MRA Ordinance. (§ 14-8-4-3 (A), ROA 1994). However, in creating the Albuquerque Development Commission (“ADC”) as an advisory body and designating it the board of commissioners for the MRA, it is appropriate for the City Council to look to the ADC for recommendations regarding the existence, extent and eligibility of

appropriate areas of the City to be declared blighted (§ 14-8-6-2 (C), ROA 1994). This designation report is submitted pursuant to this function of the ADC.

This designation report regarding the proposed boundary for the East Downtown Metropolitan Redevelopment Area (“Area”, “MR Area” or “East Downtown Area”) is based on an analysis of the existing conditions in the MR Area, conversations with local stakeholders, a meeting with the East Downtown Neighborhood Association Board of Directors on March 7, 2019 and from public input received at a community meeting held on April 11, 2019.

As shown in Figure 1, the proposed boundary of the MR Area generally includes properties not zoned for single family residential uses along the Central Avenue corridor between Broadway Boulevard and Oak Street, along the east side of Broadway Boulevard between Coal Avenue and Roma, and along Dr. Martin Luther King Jr. Avenue between Broadway Boulevard and Interstate 25.

It is the opinion of Metropolitan Redevelopment Agency (“MRA”) staff that the proposed MR Area would benefit from being designated as a Metropolitan Redevelopment Area. As outlined further in this Designation Report, staff believes the current conditions of the MR Area do indeed meet the requirements of a “blighted area” under the State of New Mexico Redevelopment Code 3-60A-4.

The recommendation of the Metropolitan Redevelopment Agency Staff is to approve the proposed boundary of the East Downtown Metropolitan Redevelopment Area. Following the approval of the MR Area boundary, MRA staff can develop a Metropolitan Redevelopment Area Plan to address the conditions of slum and blight that exist, with the goals of promoting new real estate development activity, improving the conditions for businesses to thrive and to improve the overall health, safety and economic activity within the East Downtown Metropolitan Redevelopment Area.



Figure 1 – Proposed East Downtown MR Area Boundary

As defined by the State of New Mexico Metropolitan Redevelopment Code, N M S A 1978, § 3-60A-4 (H & I), a slum area or a blighted area is:

H. “slum area” means an area within the area of operation in which numerous buildings, improvements and structures, whether residential or nonresidential, which, by reason of its dilapidation, deterioration, age, obsolescence or inadequate provision for ventilation, light, air, sanitation or open spaces, high density of population, overcrowding or the existence of conditions that endanger life or property by fire or other causes, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency or crime and is detrimental to the public health, safety, morals or welfare;

I. “blighted area” means an area within the area of operation other than a slum area that, because of the presence of a substantial number of deteriorated or deteriorating structures, predominance of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility or usefulness, insanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land, defective or unusual conditions of title, improper subdivision or lack of adequate housing facilities in the area or obsolete or impractical planning and platting or an area where a significant number of commercial or mercantile businesses have closed or significantly reduced their operations due to the economic losses or loss of profit due to operating in the area, low levels of commercial or industrial activity or redevelopment or any combination of such factors, substantially impairs or arrests the sound growth and economic health and well-being of a municipality or locale within a municipality or an area that retards the provisions of housing accommodations or constitutes an economic or social burden and is a menace to the public health, safety, morals or welfare in its present condition and use.

CAUSES OF BLIGHT IN THE EAST DOWNTOWN METROPOLITAN REDEVELOPMENT AREA

In order for an area of the city to be designated as a Metropolitan Redevelopment Area, certain conditions of blight must exist as described in the state’s MR Code (§ 3-60A-7, NMSA 1978). Through its analysis of the proposed MR Area, the MRA has identified categories that demonstrate that the proposed Area should be designated as a Metropolitan Redevelopment Area. These categories are identified below and include:

- Deteriorated or deteriorating structures;

- Deterioration of site improvements;
- Significant number of commercial or mercantile businesses have closed; and
- Low levels of commercial or industrial activity or redevelopment.

The MRA acknowledges that additional conditions that contribute to the slum and blighted conditions in the MR Area may exist. It should be noted that not all properties within the boundary area exhibit these conditions but a high enough concentration of properties and blighted conditions exist to designate the overall area as a Metropolitan Redevelopment Area.

1. Deteriorated or deteriorating structures

Throughout the Area there are a number of aging and deteriorating buildings and structures that are in need of repair, rehabilitation and in some instances removal. There are several properties in the Area along Central Avenue that appear to be very old and only marginally functional. Many of these buildings appear to need updating in order to be considered safe and functional for occupancy. Many structures were observed to have crumbling or deteriorating facades, broken windows and deferred maintenance.



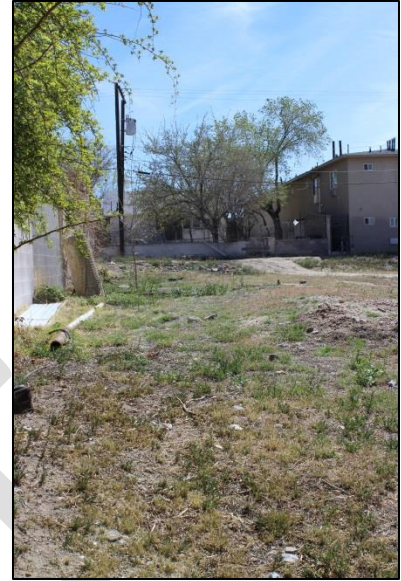
Broken windows and deteriorating building facades

2. Deterioration of site improvements

As one of the oldest neighborhoods in the City, the East Downtown community has transformed and evolved over time. The built environment grew and responded to many factors including the diminishing role the railway in the city, an increased use of the automobile, the construction of Interstate 25 along the eastern portion of the neighborhood, and the outmigration of businesses and residents of the downtown core. Because the Area experienced these changes, there properties with deteriorating site improvements that are outdated or unusable in the current marketplace. These deteriorating site improvements have potential for redevelopment opportunities or adaptive reuse solutions to modernize the structures and provide new activity to the community and local economy. Sites were observed with remnants of structures, trash and debris from past activities and damaged and decaying buildings.



Vacant and deteriorating building fronting Broadway Blvd.



Trash and debris on vacant property

3. **Significant number of commercial or mercantile businesses have closed**

Throughout the Area there are a number of shuttered businesses, many with high profile locations and frontage along the major activity corridors of Central Avenue, and Broadway Boulevard. Businesses have closed and the buildings they once inhabited remain vacant. These vacant storefronts contribute to a lack of economic activity in the Area, as well as decreasing the walkability, activity and potential for increased customer interactions at other Area businesses. In addition to the vacant unoccupied business locations there are numerous buildings, storefronts and vacant properties that are shown as available for sale or lease. The vacancy combined with the properties that are available for sale or lease show a current lack of confidence in the Area for businesses to locate and operate.



Closed businesses and inactive storefronts along Central Avenue

4. Low levels of commercial or industrial activity or redevelopment

While much of the Area has frontage along the transit corridors of Central Avenue and Broadway Boulevard, there are numerous vacant lots and empty buildings. Given the location of the Area, along vehicular and pedestrian commuter routes, and the proximity to downtown Albuquerque and the University of New Mexico main campus, there is great potential for an increase in the number and mix of commercial businesses that can operate in the area, as well as an increase in the economic output that could come from the increased business activity.



Vacant properties with high redevelopment potential

NEIGHBORHOOD INPUT:

TBD from community meetings.

FINDINGS:

Through its analysis the MRA Staff identified the areas that demonstrate that blighted conditions exist including, but are not limited to:

- Deteriorated or deteriorating structures;
- Deterioration of site improvements;
- Significant number of commercial or mercantile businesses have closed; and
- Low levels of commercial or industrial activity or redevelopment.

It is the determination of MRA staff that the existing conditions within the proposed East Downtown Area sufficiently meet the definition of “Blight” as required by the MR Code ((§ 3-60A8), NMSA 1978). *“...because of the presence of a substantial number of deteriorated or deteriorating structures...deterioration of site or other improvements, ...an area where a significant number of commercial or mercantile businesses have closed or significantly reduced their operation due to the economic losses or loss of profit due to operating in the area, low levels of commercial or industrial activity or redevelopment, or any combination of such factors, substantially impairs or arrests the sound growth and economic health and well-being of a municipality or locale within a municipality”*

STAFF RECOMMENDATION:

Based on the findings outlined in this report, it is the determination of the MRA that this area should be designated as the East Downtown Metropolitan Redevelopment Area. If the MR Area is approved by City Council, the MRA will utilize powers made available through MR Code and work with the community to create a MR Plan to encourage revitalization and private investment within the East Downtown Metropolitan Redevelopment Area.

MRA staff encourages the Albuquerque Development Commission to make a recommendation to the Albuquerque City Council to **APPROVE** the Designation of the East Downtown Metropolitan Redevelopment Area based on the four findings of blight contained in this report. These four findings of blight conditions include:

- Deteriorated or deteriorating structures;
- Deterioration of site improvements;
- Significant number of commercial or mercantile businesses have closed; and
- Low levels of commercial or industrial activity or redevelopment.

Prepared by: Matthew Butkus
Metropolitan Redevelopment Agency

DRAFT