



**Metropolitan
Redevelopment
Agency**

RFP Number: 1-2017

Staff Report

Applicant Dos Vientos, LLC

Request(s) Acquisition

Legal Description Tract 197A as shown on MRGCD map 37, City of Albuquerque, Bernalillo County, New Mexico, containing 0.59 acres.

Location 102 Lomas Boulevard, NE

Size Approximately 0.59 acres

Zoning M-1 Industrial-Wholesale-Manufacturing

Staff Recommendation

Recommendation of Acceptance of Dos Vientos, LLC Acquisition Proposal

Staff Planner

Gabriel Rivera, Senior Planner

Summary of Analysis

This is an acquisition request related to the City-owned property at 102 Lomas Boulevard, NE. The site is located in the Railroad Metropolitan Redevelopment Plan. The site is zoned M-1, Industrial - Wholesale - Manufacturing. A building had been previously located on this site. Due to deterioration, the structure had to be knocked down leaving a vacant lot at this current time. The Metropolitan Redevelopment Agency (MRA) released a Request for Sealed Proposals for the sale or lease of the site and received one proposal from Dos Vientos, LLC. The MRA must evaluate whether or not the proposal is in the public interest, meets the objectives of the Railroad Metropolitan Redevelopment Plan and meets the evaluation criteria outlined in the Request for Sealed Proposals.

After this evaluation, the MRA staff planner supports the acquisition of 102 Lomas Boulevard, NE by Dos Vientos, LLC.

I. INTRODUCTION

Issuance of Request for Sealed Proposals

The City of Albuquerque issued a Request for Sealed Proposals on February 2, 2017 for the sale or lease of the previously described real property located within Bernalillo County subject to all exceptions to title, reservations, restrictions, encumbrances, options and easements of record, zoning, subdivision and other land use regulations. The property shall be sold AS IS, and in accordance with Section 3-60A-12, NMSA 1978, which requires, among other items, the purchasers or lessees and their successors and assigns to devote the real property only to the uses specified in the metropolitan redevelopment plan and requires that the real property or interest shall be sold, leased, otherwise transferred or retained at not less than its fair value for uses in accordance with Redevelopment Law.

Metropolitan Redevelopment Agency Role

The Metropolitan Redevelopment Agency (“MRA”) accepted sealed bids until 3 p.m. on March 3, 2017. The MRA received one bid submitted by Dos Vientos, LLC and evaluated the bid to determine whether or not it is in the public interest, meets the objectives of the Railroad Metropolitan Redevelopment Plan (“Railroad Plan”) and meets the evaluation criteria outlined in the Request for Sealed Proposals.

History of the Railroad Metropolitan Redevelopment Area

The subject site is located in the Railroad Metropolitan Redevelopment Area (“Railroad Area”). The Railroad Area exhibits several characteristics of “blight” as defined in Section 3-60A-4 of the State Metropolitan Redevelopment Code and was designated by the Albuquerque City Council as a Metropolitan Redevelopment Area. Subsequently, the City Council adopted the Railroad Plan to address the issues of blight previously identified.

Objectives of the Railroad Plan

The goal of the Railroad Plan is to provide for the coordinated development of several major public and private projects (collectively, the “Project”) designed to revitalize the downtown core of Albuquerque as a regional specialty-retail, entertainment, and visitor center. The Railroad Plan recognized that, at the time of its adoption, Downtown Albuquerque had experienced healthy growth in office construction, but that retail, hotel and entertainment activities lagged behind office development. The Railroad Plan proposes the coordinated development of the following Project elements to remedy the imbalance in the Downtown’s mix of activities:

- A specialty retail and entertainment center comprised of retail shops, restaurants, food and flower markets utilizing indoor and outdoor spaces and encouraging a variety of entertainment, such as small community-based music groups and entertainment for children;

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- An attractive new urban park, providing relief from the intense urban activity nearby as well as space for entertainment and civic events, such as arts and crafts shows;
 - A new museum; and
 - Parking facilities sufficient to support the Project facilities and other nearby downtown developments.

The intent of the Railroad Plan is to diversify the economic base of the City's downtown and provide a magnet to draw people downtown for shopping and entertainment, especially during evenings and weekends. It is believed that these developments will have the effect of promoting Albuquerque as a center of regional economic activity, improving the City's attractiveness to tourism, and providing an atmosphere in which more downtown and near-downtown residential development will occur.

II. ANALYSIS

The MRA staff considered the one proposal submitted in accordance with the public notice, that was deemed in the public interest, and that met the objectives of the Railroad Plan. Specifically, the MRA evaluated the proposal based on: if the type of development, redevelopment or use proposed met the intent of the Railroad Plan and the City's current regulatory requirements for the site (50 points); the ability of the proposer to implement the plan within a reasonable time period (25 points); and the financial offer to the City for the real property (25 points). A recent appraisal for the real property completed by Godfrey Appraisal Services on April 22, 2016 concluded the value of the subject site was \$470,000.00.

Dos Vientos, LLC ("Dos Vientos") submitted a sealed bid to the City of Albuquerque MRA on February 28, 2017. The proposed development includes a proposed future retail site fronting Lomas Boulevard with parking and a neon sign display in the rear. The parking and neon sign display will be professionally-landscaped to make it feel more like a public park. The proposed acquisition and development of the site will allow Dos Vientos to connect its Glorieta Brewery property to the south of the site with Lomas Boulevard. Specific details of the proposed development as provided by Dos Vientos include:

- The context of the subject site is that it is adjacent to an active rail line, which provides an opportunity for connectivity for additional redevelopment.
- Dos Vientos' acquisition of the subject site will allow connectivity to the Glorieta Brewery property that is directly adjacent to the south of the subject site.
- Dos Vientos anticipates the planned development as a whole will be catalytic for the Railroad Area with a focus on downtown lifestyles for families and people of all ages, for arts and culture, and for tourism and hospitality.
- The proposal supports the character of Albuquerque as an artful and playful place for residents and visitors alike. Further, the diverse experiences available at the planned

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- development as a whole support an activated urban destination during all day parts, especially weekends and evenings.
- Dos Vientos is proposing a retail liner building on the subject site, which will support good urban design standards by creating a defined streetscape along Lomas Boulevard.
 - The vision for behind the retail building is a collection of vintage New Mexico and Route 66 signage art nestled in a professionally-designed landscaped parking lot that feels more like a public park than a parking lot – a “Neon Park.”
 - The proposal provides an opportunity to create a memorable gateway connecting Lomas Boulevard to the core of downtown.

Analysis of Applicant’s Justification Against Evaluation Criteria

A. *Evaluation Criterion 1: Meets Intent of Railroad Plan and City Regulatory Requirements (50 Points)*. Dos Vientos asserts that its proposal is in the public interest, meets the objectives of the Railroad Plan and meets the City’s current regulatory requirements based on the following:

- Proposal addresses blight by improving the condition of the site through introducing more landscaping and design elements along Lomas Boulevard.
- Proposal shifts site to a “highest and best use” by adding a retail structure and iconic signage that will contribute additional commercial activity and vibrancy to the area.
- Proposal will improve the standards of maintenance and care and thus improve the climate for surrounding blight and deterioration.
- Proposal improves accessibility by adding additional off-road and pedestrian circulation connecting Lomas Boulevard to the historic Glorieta Brewery area to the south.
- Proposal is well aligned with the Railroad Plan by contributing many amenities outlined in the plan, including retail shops and indoor and outdoor spaces.
- The vision for the development at the site will contribute positively to an activated district during evenings and weekends.
- The proposed development follows the current regulatory requirements under M-1 zoning. Permissive uses include a parking lot under M-1 A10 and retail sales are supported under IP zone A22.

Staff Analysis

Generally, the proposal is in the public interest, meets the spirit of the Railroad Plan and meets the City’s current regulatory requirements.

This proposal speaks to the Railroad Plan by:

- **Introducing retail (page 4 of the Railroad Plan);**

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- **Utilizing the area behind the retail both for a parking facility and entertainment events (pages 4 and 5);**
 - **Displaying a collection of vintage New Mexico and Route 66 signage art in the parking facility (the Railroad Plan contemplates an urban park and a museum on pages 4 and 5);**
 - **Diversifying the economic base for Downtown Albuquerque (page 5); and**
 - **For the planned development as a whole, serving as a draw for people to come to Downtown Albuquerque for shopping and entertainment, especially evenings and weekends (page 5).**

After review of the proposal, MRA staff believes the proposal meets City regulatory requirements.

It is staff recommendation to award (40 points) to the proposal of the Dos Vientos, LLC for this evaluation criterion.

B. Evaluation Criterion 2: Ability to Implement Proposal within Reasonable Time Period (25 Points). Dos Vientos states the following:

- Dos Vientos has already made substantial investments south of the site.
- Dos Vientos has extensive experience in commercial real estate development.
- Dos Vientos has extensive experience in design and construction of commercial buildings.
- Dos Vientos has substantial access to private capital and private commercial financing.
- The only practical limitations on timing of implementation of the proposal will be uptake of tenants in leaseholds within the Glorieta Brewery property adjacent to the site.

Staff Analysis

Based on Dos Vientos' investment in the adjacent area, financial ability and commercial real estate development experience, MRA staff believes Dos Vientos has the ability to implement the plan within a reasonable time period. MRA staff recommends 25 points.

C. Evaluation Criterion 3: Financial Offer to the City for the Real Property (25 Points). Dos Vientos states the following:

- The proposed offer for the subject site "As Is," was \$470,000.00.

Staff Analysis

The Dos Vientos' offer matches the value given by the City's appraisal for the site; the appraisal is dated August 19, 2016 and was produced by Godfrey Appraisal Services. MRA staff recommends 25 points.

RECOMMENDATION - RFP-1-2017 March 28, 2017

MRA staff recommends selection of Dos Vientos and acceptance of the offer for the real property. Based on staff analysis, the proposal received 90 points out of 100 points. The recommended findings for the selection are as follows:

1. Pursuant to the Railroad Metropolitan Redevelopment Plan ("Railroad Plan"), the Metropolitan Redevelopment Agency for the City of Albuquerque ("MRA") has determined that there is a need to redevelop the vacant property located at 102 Lomas Boulevard NE (the "Subject Site"), consisting of approximately 0.59 acres, located within the Railroad Plan, in order to:
 - a. Remove blight and be a catalyst for other development in the Railroad Metropolitan Redevelopment Area and adjacent Downtown Metropolitan Redevelopment Area; and
 - b. Meet the objectives described in the Railroad Plan.
2. As provided in the New Mexico State Redevelopment Code and Part 4 of the City of Albuquerque Ordinances, the MRA issued a Request for Proposals #1-2017 on February 2, 2017, soliciting redevelopment proposals for the property.
3. The MRA received one (1) proposal in response to RFP #1-2017.
4. Pursuant to Section 14-8-4-7 C of the Albuquerque City Ordinances, the Metropolitan Redevelopment Agency ("MRA") has the authority to accept proposals for the sale and/or redevelopment of land by the MRA.
5. The MRA reviewed all materials and documents provided by the responding developer. The MRA determined that the proposal, submitted by Dos Vientos, LLC ("Dos Vientos"), was in the public interest and was suitable for consideration.
6. The MRA, after its consideration of all the materials and documentation before it, gives approval to proceed with the sale of the Subject Site to Dos Vientos for \$470,000. The MRA determined that the Subject Site responds to the goals of the MRA by:
 - a. Eliminating blight;
 - b. Catalyzing economic development; and

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- c. **Diversifying the economic base.**
 - 7. Dos Vientos' plan receives 40 of 50 points for the evaluation criterion of meeting the intent of the Railroad Plan and the City's current regulatory requirements for the site as the plan:**
 - a. **Introduces retail (page 4 of the Railroad Plan);**
 - b. **Utilizes the area behind the proposed retail both for a parking facility and entertainment events (pages 4 and 5);**
 - c. **Contemplates the display of a collection of vintage New Mexico and Route 66 signage art in the parking facility (the Railroad Plan contemplates an urban park and a museum on pages 4 and 5);**
 - d. **Diversifies the economic base for Downtown Albuquerque (page 5);**
 - e. **For the planned development as a whole, serves as a draw for people to come to Downtown Albuquerque for shopping and entertainment, especially evenings and weekends (page 5).**
 - f. **Meets the City's current regulatory requirements for the Subject Site.**
 - 8. Dos Vientos' plan receives 25 of 25 points for the evaluation criterion of the ability of Dos Vientos to implement the plan within a reasonable time period as Dos Vientos has already made extensive investment in the adjacent area, has stated they have the financial ability to proceed and has commercial real estate development experience.**
 - 9. Dos Vientos' plan receives 25 of 25 points for the evaluation criterion of the financial offer to the City for the Subject Site as Dos Vientos has offered the current appraised value of \$470,000 for the Subject Site.**
 - 10. The MRA recommends that the market rate offer proposed by Dos Vientos be accepted for the sale of the Subject Site, following the notice of decision and appeal period for its review and comments.**
 - 11. The proposal submitted by Dos Vientos is the starting point for negotiations between Dos Vientos and the MRA. The Director of the MRA has maximum flexibility to negotiate an 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 negotiations may necessitate additional provisions or provisions different from the proposal to be included in the agreement. The MRA, however, will not enter into an agreement with Dos Vientos that includes substantial changes to key components of the**

proposal which change the fundamental nature of the proposal without first seeking City Council approval.

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