



ALBUQUERQUE DEVELOPMENT COMMISSION

MINUTES

Thursday, February 19, 2015
600 2nd St NW, Albuquerque, NM 87104

COMMISSION MEMBERS PRESENT:

Sherman McCorkle, Chair
Grayson Lee Trussell, Vice Chair
John Mechenbier
Paul Silverman
Jim Strozier

COMMISSION MEMBERS EXCUSED:

CITY STAFF PRESENT:

Rebecca Velarde – MR Manager, Planning Department
John Rivera – MR Sr. Planner, Planning Department
Chris Hyer – MR Sr. Planner, Planning Department
Joan Black – Development Coordinator, Planning Department
Ernie Gomez – Recording Administrative Assistant

1. Call to order

CHAIR MCCORKLE called to order a quorum at 2:05 p.m.

2. Changes and/or Additions to the Agenda

There were none.

3. Approval of Minutes for January 15, 2015 Meeting

NOW, THEREFORE, BE IT RESOLVED THAT the Albuquerque Development Commission (ADC) voted to approve the minutes for the January 15, 2015 meeting.

MOVED BY COMMISSIONER SILVERMAN
SECONDED BY COMMISSIONER MECHENBIER

4. Announcements / Public Comments

MR. BOB WALTON with Albuquerque Economic Development (AED) commented he has helped local existing businesses grow and educates them on state statutory incentives and financing. He has been working with New Mexico Food Distributors (NMFD) for 13 years and strongly supports that the commission approve the \$125,000 Local Economic Development Act (LEDA) award to NMFD for the 10,000 square foot freezer expansion construction reimbursement.

5. Metropolitan Redevelopment Manager's Report

- Rail Yards: The Metropolitan Redevelopment Agency (MRA) Manager provided an update that the City and Samitaur Constructs are working together to start the archaeology and environmental remediation processes. She stated remediation required by the Voluntary Remediation Program (VRP) will occur throughout the development process.
- The Anthea: The MRA agreed to fund public improvements near the Anthea redevelopment, including streetscapes and sidewalks, but the MRA is still in the design phase.
- De Anza Motor Lodge: The Ad Hoc Selection Committee (AHSC) is currently evaluating proposals in response to the Request for Proposals (RFP).
- Entertainment Hub: The AHSC is currently evaluating proposals in response to the RFP.
- El Vado: The MRA is meeting frequently with Palindrome to explore alternative options in financing to continue moving forward.
- 4th & Coal: The MRA and Zocalo Mercado have been exchanging draft development agreements.
- Sawmill: The City will be transferring a piece of property to the Sawmill Community Land Trust for the organization to complete a community garden at Mill Pond Road.

6. Old Business

a. Imperial Building

MR GABE RIVERA provided an update that fiber optics and two old diesel tanks were found that slowed construction by about two weeks for relocation and removal. He stated items and previous construction materials have been removed. He said drilling has begun for the 40 foot deep ager, and the construction team has put in pilasters and begun shoring on the northeast corner.

MR MCCORKLE asked if underground objects found are uncommon for a downtown block.

MR GABE RIVERA responded that it is not uncommon for a block this old.

MR SILVERMAN stated the tanks found were not broken.

MR GABE RIVERA said the wires found were also not damaged.

MR SILVERMAN asked who owned the fiber optics.

MR GABE RIVERA answered Level 3 Communications and City Fiber Link. He added New Mexico Gas Company has relocated their utilities into the alley and will be cohabitating these utilities with the fiber optics. He stated a traffic light footing was found, and after a meeting with the Department of Municipal Development (DMD), the City may remove it. He stated the project should be completed in early 2016.

MR MECHENBIER asked if a survey identified the traffic light.

MR SILVERMAN stated a survey would not have discovered the traffic light as it was not within the boundaries of the survey.

MR MCCORKLE asked who covers the cost of the traffic light.

MR GABE RIVERA stated the developer is still determining the answer.

MR SILVERMAN added the City is responsible for relocating City utilities, and the tank is a function of the development agreement.

MR MECHENBIER stated he thinks the utility companies should be responsible for correcting their errors.

MR GABE RIVERA responded the New Mexico Gas Company is paying for the trench and the fiber optics companies are sharing the cost for relocation.

b. Central & Alcazar

MR GABE RIVERA provided an update to the ADC on the Grand Central Development (GCD). He stated Mr. Victor Limary received first and second letters of default. He stated Mr. Limary asked for an extension on the timeline demanded in the second letter of default so his bank could process the loan request. He further said the City responded to this extension request and asked for information from the bank before the City made its decision on the extension request.

MR MCCORKLE asked if there was communication with Mr. Limary between December 5th and January 30th.

MR GABE RIVERA answered email conversations were exchanged. He added that Mr. Limary understands that the MRA will not provide the extension unless the City receives the requested items.

MR MCCORKLE asked if there is a timeline after February 12th.

MS REBECCA VELARDE stated the second default notice outlined a timeline when action items needed to occur, and if Mr. Limary did not perform, the City would claw back the land. She stated the City responded to Mr. Limary's extension request and stated the City will consider the extension if the bank gives the City a letter stating that the deal is still alive.

MR MCCORKLE asked what the bank letter has to state.

MS REBECCA VELARDE responded that the letter merely needed to state that the bank was still considering closing on the deal as proposed by Mr. Limary. She stated Mr. Limary would still need to close by the first week in March or the City will start the claw back provisions.

MR MCCORKLE asked if affirmation is not received from the bank by March 1st than the MRA will give Mr. Limary a final notice.

MS REBECCA VELARDE answered if the City does not receive the bank confirmation by tomorrow they will start the reversionary process, but if the City does receive the confirmation, Mr. Limary has until the 1st week in March to close on his financing.

MR SILVERMAN stated the Grand Central Development was a tough deal. He stated that he had concerns about the site plan and wondered if the rents are high enough to justify new construction.

7. New Business

a. New Mexico Food Distributors, Inc. (LEDA Project 15-1)

MS DEIRDRE FIRTH introduced the President of NMFD, Mr. Dennis Carpenter.

MR DENNIS CARPENTER presented that NMFD is a home grown business that started off with restaurants and then got into the food manufacturing business in 1987. He stated they have grown and will need the additional freezer space to keep up with demand. He stated that with the proposed addition he will be creating more jobs and bring more income into New Mexico.

MR SILVERMAN stated he was not sure he saw any estimates that once the facility is complete what sales will be done outside New Mexico.

MR DENNIS CARPENTER answered right now his sales are at 8% outside of New Mexico, and they are projecting sales to be at 18% out of New Mexico by the end of next year. However, he further stated his goal is for sales outside of New Mexico to be at 36% to 38%.

MR SILVERMAN inquired into the NMFD distribution system.

MR DENNIS CARPENTER replied NMFD is in three distribution centers currently, and with the expansion, four additional distribution centers will be stocked.

MR SILVERMAN commented freight rates are a huge advantage to Albuquerque because trucks are coming in full and leaving empty.

MR DENNIS CARPENTER concurred and stated he did get great rates.

MR MECHENBIER asked if Mr. Carpenter is the general contractor and inquired into his hard and indirect costs.

MR DENNIS CAPRENTER answered he has been in construction for 37 years and he will do 60% of the work and about 40% will be contracted out.

MR MECHENBIER asked has the construction commenced.

MR DENNIS CARPENTER answered he is waiting for final approval first.

MS DEIRDRE FIRTH updated the ADC on project details for NMFD. She stated the project assistance is in the amount of \$125,000.00 of LEDA funds, which is financing a portion of the construction cost. She stated the financial assistance provided is in return for NMFD creating jobs and committing to operate and maintain their facility in Albuquerque for ten years. She added that the City showed through their fiscal impact analysis the tax benefits generated by NMFD will meet or exceed the amount of assistance within ten years.

MR SILVERMAN commented that NMFD has a long history in New Mexico and are proven operators.

MR STROZIER concurred with Mr. Silverman and stated he is excited to support a local business in their expansion and is really happy that NMFD is exporting New Mexico food and culture to the world.

MR MECHENBIER stated he also concurs and inquired into the distribution of the funding.

MS DEIRDRE FIRTH responded that the funding is provided on a reimbursement bases. She said the reimbursement is a 60/40 split.

NOW, THEREFORE, BE IT RESOLVED THAT the ADC voted to approve reimbursement of construction costs up to \$125,000.00 to NMFD for additional freezer space with the following findings:

1. LEDA 15-1 is a qualifying entity as defined by the State's Local Economic Development Act and the City's enabling legislation (F/S O-04-10);
2. LEDA 15-1 would make positive contributions to the local economy and community;
3. Subject to final development of an acceptable Security Agreement, LEDA 15-1 would comply with the adopted City plans and policies, and meet community economic development priorities and objectives; and
4. Subject to final development of an acceptable Security Agreement, LEDA 15-1 would adequately meet the evaluation criteria established by the City, including the requirement that the City will recoup its investment within ten years.

MOVED BY COMMISSIONER SILVERMAN
SECONDED BY COMMISSIONER MECHINBIER

- 8. Adjourn to April 16, 2015**
The meeting was adjourned at 2:44 p.m.