

August 16, 2021

City of Albuquerque
Planning Department
600 Second Street NW
Albuquerque, New Mexico 87102

RE: Project #: 2021-005442, Case #: SI-2021-00569

To Whom it May Concern:

The purpose of this letter is to authorize Consensus Planning to act as our agent for matters related to the above referenced application related to the approval of a Major Amendment to a Site Plan – EPC. The property is located on Eagle Ranch Road NW and legally described as follows:

Tract A-2-A-A Plat of Tracts A-2-A-A and B-1-A the Plaza at Paseo del Norte
Containing 7.0867 Acres.

Please feel free to contact me if you have any questions.

Sincerely,


Rick Davis
Managing Member

Sedona West, LLC



Memorandum

To: Silvia Bolivar, EPC Case Planner

From: Jim Strozier, Consensus Planning, Inc. 

Date: August 16, 2021

Re: Project #: 2021-005442, Case #: SI-2021-00569

The purpose of this memorandum is to provide supporting evidence that the proposed change of use associate with the above referenced Site Plan Major Amendment – EPC is supported by the following:

1. Highest and Best Use

As demonstrated by the appraisal report prepared June 21, 2021, by Conner Marshall, MAI, Senior Valuation Services Director, Certified General Real Estate Appraiser State of New Mexico License #03356-GD with Colliers International Valuation and Advisory Services:

The report concludes that “Legal, physical, and market considerations have been analyzed to evaluate the highest and best use of the property. This analysis is presented to evaluate the type of use that will generate the greatest level of future benefits possible from the property. Based on the previous discussion, **the highest and best use of the subject property as-proposed is concluded to be development of a market-rate multifamily residential property.**”

2. Market Analysis – Multi-Family

Northmarq, Multi-family Market Report Q1 2021 states the following:

- Job Creation is Strong and driving the need for additional multi-family housing;
- A shortage of available properties to exchange into after a sale may be one factor that restricts transaction activity;
- Longer term, developers will speed up the pace of new construction to meet renter demand;
- The vacancy rate for area apartment properties held steady at 3.3 percent for the third consecutive quarter; and
- Multifamily vacancy has been consistently low in the Albuquerque multifamily market, a trend that reflects the steady pace of renter demand and the limited supply of new units.

3. Market Analysis – Office

The CBRE Q2 2020 Albuquerque Office MarketView provides the following observations:

- The West Mesa sub-area had a vacancy rate of 43%;
- There is over 550,000 square feet of available office space in the West Mesa sub-area;
- Rents needed to support new construction for class B product is \$28.00 to \$30.00; and
- Current asking rents in the West Mesa sub-area are at \$18.75.

Based on the above evidence as provided by qualified real estate firms and professionals, the existing office park use is not viable within the West Mesa sub-area and existing rents do not come close to what would be required to justify new construction; there is a real need for addition multi-family residential; and the highest and best use for the property is multi-family residential.

c: Rick Davis, Sedona West, LLC
Anthony Santi, Dekker/Perich/Sabatini

Rick Davis
R. Davis Companies
8220 B Louisiana, NE
Albuquerque, NM 87113

RE: Sedona West Office Development

Dear Rick,

As per your request, the following is my evaluation of the Office Market in Albuquerque in general and more specifically the Office Market on the West side of Albuquerque and the Sedona West project.

Albuquerque Office Market:

As per the Colliers International's second quarter 2020, and CBRE's first half 2020, Office Reports show that the Albuquerque Office Market vacancy rate over the last 10 years has fluctuated between 15.5% and 22%. This high vacancy rate can be contributed to many factors, the first being the great Recession of 2008 that had a prolonged impact on the office market. The second contributing factor is the lack of population growth within the State of New Mexico with only a 2.8% increase over the 2010 census.

The Office Market thrives on population and economic growth and over the last 10 years we have had neither.

Albuquerque Westside Market.

The Westside submarket is made up of two submarkets that compete. According to Colliers International Report, the West Mesa consists of 525,000 square feet and has a 49.37% vacancy rate and the Rio Ranch submarket consist of 661,000 square feet with a vacancy rate of 17.74%. These two submarkets have over 376,000 square feet available for users in the market.

The quoted average rental rates for these two submarkets are \$16.45/sf for West Mesa and \$19.14/sf for Rio Ranch on a full-service basis. Lease rates are being held down due to the abundance of office space on the westside of Albuquerque.

Finally, the Westside Submarket suffers from a lack of demand. There are very few large office users that have located on the Westside. The river continues to be a barrier for office users to migrate to the west side.

Conclusion:

At this time, I do not think it would be good to start an office project on the Westside of Albuquerque due to three factors. i) high vacancy rates: there is just too much product on the market for a new project to compete, ii) low lease rate: in my opinion lease rates need to be at \$28.00 to \$30.00/sf to support the costs of new construction, and iii) poor

demand: the Westside has not built up any strong demand for office product. These three factors will make it very difficult for a new office project to be on the Westside of Albuquerque.

Should you have any questions with this evaluation, please feel free to call.

Sincerely,

A handwritten signature in black ink, appearing to read "D Hill", written in a cursive style.

Dave Hill, CCIM, SIOR

Attachments:

Colliers International Second Quarter 2020 Office Report
CBRE First Half 2020 Office Report



ARIZONA
TEXAS
NEW MEXICO
OKLAHOMA

8/17/2021

Jim Strozier
Consensus Planning, Inc

Anthony Santi
Dekker/Perich/Sabatini

Rick Davis
Tierra West LLC

Re: Sedona West Apartments – EPC Hearing Traffic Information

All,

This memo is provided to serve as an aid in the Environmental Planning Commission hearing process for the Sedona West Apartments development located on Eagle Ranch Rd.

A traffic impact study, subject to the requirements listed in the City of Albuquerque's Design Process Manual (DPM), is being conducted by Lee Engineering for the Sedona West Apartments. This study will review current roadway operations and the development's impact to the roadway and surrounding traffic infrastructure. A draft of the study is anticipated to be provided to the city in September 2021.

Without completion of the full traffic study, conclusions and impacts cannot be provided. However, the following documents available preliminary information for the development and previous land use zoning trip generations:

EAGLE RANCH ROAD

The Mid-Region Council of Governments periodically publishes a Travel Demand Model used for planning purposes through out the Metropolitan Planning Area. This system documents available traffic data such as vehicle counts and average daily traffic volumes. Additionally, planning level calculations are provided such as volume-to-capacity ratios calculated using traffic count data and the classification and lane assignments of the roadway.

Eagle Ranch Rd is classified as a Minor Arterial by MRCOG. Review of the roadway's features indicate the roadway was originally constructed to function as a minor arterial and accommodate traffic volumes for the surrounding land uses. Original land uses surrounding Eagle Ranch Rd from Paradise to Irving include residential land use on the west side of Eagle Ranch and commercial/retail land use on the east side of Eagle Ranch.

On the Sedona West Development Site’s frontage, Eagle Ranch road is reported to have a volume-to-capacity ratio of 0.0-0.25 for both the AM and PM periods. (Source: taqa.mrcog-nm.gov/taqa) This indicates that Eagle Ranch Rd currently operates at less than 25% of its overall capacity.

Outside of the development’s immediate vicinity, Eagle Ranch Rd between Paradise and Paseo Del Norte is reported to have a volume-to-capacity ratio of 0.5-0.75 in the AM period and 0.75-1.0 in the PM period. This indicates that the roadway operates at approximately 50% to 75% of its overall capacity in the AM period and 75% to 100% of its capacity in the PM period. By reviewing volume-to-capacity ratios of Paradise Rd, it is observed that this increase in capacity utilization is likely caused by traffic from Paradise Blvd traveling to Paseo Del Norte. As shown in the MRCOG TAQA system, Paradise Blvd operates with volume-to-capacity ratios in excess of 1 (overcapacity conditions).

TRIP GENERATIONS

Since its originally platting, the Sedona West parcel has been zoned for several different land uses. Previous developers have submitted site plans and land utilizations to the city. These included: Retail/Commercial development and Office development land uses. The currently proposed land use is Residential land use.

The tables below present trip generations based on the Institute of Transportation Engineer’s Trip Generation Manual 10th Edition. Square footages for each planned development were obtained from site plans submitted to the city.

Table 1: Original Land Use - Retail Shopping Center.

Use	Units		TRIP GENERATION	PEAK HOUR TRIPS			
			Weekday	AM Peak		PM Peak	
			Trips	In	Out	In	Out
ITE 820 - Shopping Center	70.8	1,000 sq. ft. FGA	4754	147	126	220	220

Table 2: Currently Approved/Zoned Land Use - Small Office Building Complex

Use	Units		TRIP GENERATION	PEAK HOUR TRIPS			
			Weekday	AM Peak		PM Peak	
			Trips	In	Out	In	Out
ITE 712 - Small Office Building	71.8	1,000 sq. ft. FGA	1162	140	94	123	145

Table 3: Proposed Land Use/Zoning - Apartments.

Use	Units		TRIP GENERATION	PEAK HOUR TRIPS			
			Weekday	AM Peak		PM Peak	
			Trips	In	Out	In	Out
ITE 220 - Multifamily Housing (Low-Rise)	20	Units	146	4	9	9	6
ITE 222 - Multifamily Housing (Mid-Rise)	198	Units	1077	17	46	49	32
Total	218	Units	1223	21	55	58	38


The following table presents a comparison of the previous, current, and proposed land use trip generations:

Table 4: Land Use Trip Generation Comparison

Use	Units		TRIP GENERATION	PEAK HOUR TRIPS			
			Weekday	AM Peak		PM Peak	
			Trips	In	Out	In	Out
Original Land Use - Retail Shopping Center	70.8	1,000 sq. ft. FGA	4754	147	126	220	220
Current Approved/Zoned Land Use - Small Office Building Complex	71.8	1,000 sq. ft. FGA	1162	140	94	123	145
Proposed Land Use/Zoning - Apartments	218	Units	1223	21	55	58	38

From the above tables, it is shown that the proposed land use is a reduction in potential peak hour traffic generations when compared to previous land uses.

Sincerely,



 Digitally signed by Jonathon Kruse

 Reason: I am the author of this document

 Date: 2021-08-17 08:51:12

Jonathon Kruse, PE PTOE