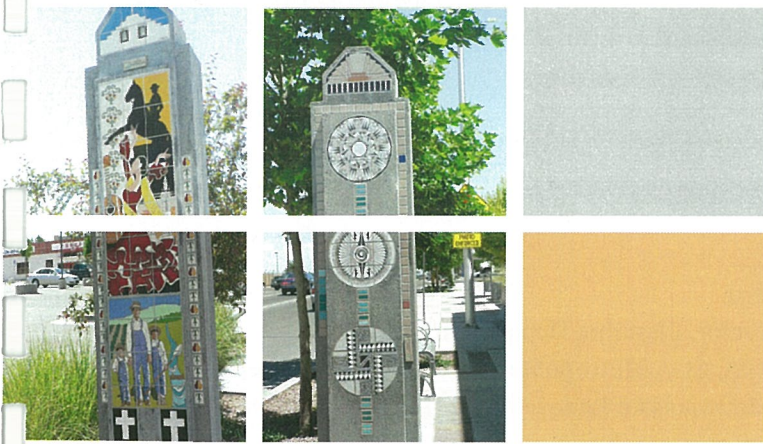


Near Heights MRA Expansion Plan

June 2010



Prepared for:
Albuquerque Metropolitan Redevelopment Agency
City of Albuquerque Planning Department

Prepared by:
Sites Southwest LLC

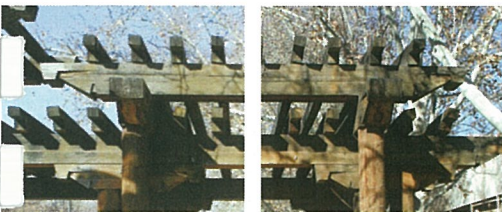
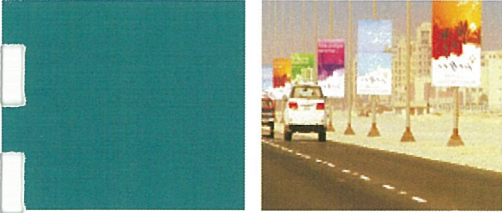


Table of Contents

Final Approved Resolution R-10-49	I
Designation Resolution Approval R-08-29 Enactment #R-2008-051	V
Executive Summary	1
1. Overview	3
A. Introduction	3
B. Project Sponsor	3
C. New Mexico Metropolitan Redevelopment Code	3
D. Summary of Need	4
E. Location of MRA Expansion	6
2. The Planning Process	7
3. Area History and Vision	9
A. Area History	9
B. Vision	10
4. Redevelopment Strategies Opportunities	11
A. Redevelopment Strategies	11
B. Selection of Opportunity Sites	18
5. Proposed Opportunity Sites & Catalytic Projects	21
A. Introduction	21
B. Site and Project Information	21
Opportunity Site #1	23
Opportunity Site #2	31
Opportunity Site #3	39
C. Potential Implementation and Funding Sources	47
6. Existing Conditions	55
A. Physical Characteristics, Zoning and Land Use	55
B. Area Character and Design	61
C. Policy Framework	66
7. Appendices	69
A. Community & Business Priorities	69
B. Market Analysis	71
C. Bibliography	81
D. Alternate Opportunity Site	82
E. Small Business Resource List	87
F. Case Studies of Similar Projects	90

CITY of ALBUQUERQUE
NINETEENTH COUNCIL

COUNCIL BILL NO. R-10-49

ENACTMENT NO. 2010-005

SPONSORED BY: Rey Garduño

RESOLUTION

**APPROVING THE NEAR HEIGHTS EXPANSION METROPOLITAN
REDEVELOPMENT PLAN.**

**WHEREAS, the New Mexico Legislature has passed the Metropolitan
Redevelopment Code (herein "Code"), Sections 3-60A-1 to 3-60A-48 inclusive
NMSA, 1978, as amended, which authorizes the City of Albuquerque, New
Mexico (the "City") to prepare metropolitan redevelopment plans and to
undertake and carry out metropolitan redevelopment projects; and**

**WHEREAS, The City Council, the governing body of the City, (the "City
Council") after notice and public hearing as required by Code, has duly
passed and adopted Council Resolution No. R-08-29 Enactment R-2008-051,
including the recently formed Eastern/Alvarado Metropolitan Redevelopment
Area (R-07-283), making certain findings, among other things, that one or more
blighted areas exist within the corporate limits of the municipality and that the
rehabilitation, conservation, development and redevelopment of and in the
Area designated as the Near Heights Expansion Metropolitan Redevelopment
Area is necessary in the interest of public health, safety, morals and welfare of
the residents of the City; and**

**WHEREAS, the City Council, by Resolution No. R-08-29 Enactment R-2008-
051, has made certain findings which declare the Near Heights Expansion
Metropolitan Redevelopment Area to be blighted, has designated the Area as
appropriate for Metropolitan Redevelopment Projects and has called for the
preparation of a metropolitan redevelopment plan identifying the activities to
be carried out to eliminate the present conditions; and**

[+Bracketed/Underscored Material+] - New
[-Bracketed/Strikethrough Material-] - Deletion

1 **B. The expanded Plan does not require the relocation of any families**
2 **or individuals from their dwellings; therefore, a method for providing**
3 **relocation assistance is not required.**

4 **C. The expanded Plan complements the Albuquerque/Bernalillo**
5 **County Comprehensive Plan and affords maximum opportunity consistent**
6 **with the needs of the community for the rehabilitation and redevelopment of**
7 **the Near Heights Expansion Metropolitan Redevelopment Area by the public**
8 **activities and the private enterprise; and the objectives of the Plan justify the**
9 **proposed activities as public purposes and needs.**

10 **D. The expanded Plan, attached as Exhibit A, and made a part hereof,**
11 **is approved in all respects.**

12 **SECTION 2. The entire Near Heights Expansion Metropolitan**
13 **Redevelopment Area is specifically included for purposes of tax increment**
14 **financing, and the creation of a tax increment district.**

15 **SECTION 3. SEVERABILITY CLAUSE. If any section, paragraph, sentence,**
16 **clause, word or phrase of this resolution is for any reason held to be invalid or**
17 **unenforceable by any court of competent jurisdiction, such decision shall not**
18 **affect the validity of the remaining provisions of this resolution. The Council**
19 **hereby declares that it would have passed this resolution and each section,**
20 **paragraph, sentence, clause, word or phrase thereof irrespective of any**
21 **provisions being declared unconstitutional or otherwise invalid.**

22
23
24
25
26
27
28
29
30
31 **X:\SHARE\Legislation\Nineteen\R-49final.doc**

[+Bracketed/Underscored Material+] - New
[-Bracketed/Strikethrough Material-] - Deletion

Designation Resolution Approval

EXHIBIT A

CITY OF ALBUQUERQUE CITY COUNCIL

RECEIVED
08/08/08 11:22

INTEROFFICE MEMORANDUM

4/14/08

R-2008-051

TO: Martin Chávez, Mayor

FROM: Laura Mason, Director of Council Services

LM

SUBJECT: Transmittal of Legislation

Transmitted herewith is Bill No. R-08-29 Designating The Near Heights Boundary Expansion a Metropolitan Redevelopment Area, Including The Recently Formed Eastern/Alvarado Metropolitan Redevelopment Area (R-07-283); Making Certain Findings and Determinations Pursuant To The Metropolitan Redevelopment Code, and Authorizing and Directing The Metropolitan Redevelopment Agency To Prepare a Metropolitan Plan For The Near Heights Expansion Metropolitan Redevelopment Area (Garduño), which was passed at the Council meeting of April 7, 2008, by a vote of 9 FOR AND 0 AGAINST.

In accordance with the provisions of the City Charter, your action is respectfully requested.

LM:db
Attachment
4/8/08

1 time and place where the Council will hold a public hearing to consider the
2 adoption of this resolution and announcing that any interested party may
3 appear and speak to the issue of the adoption of this resolution; and

4 WHEREAS, the Albuquerque Development Commission held an advertised
5 public meeting on October 17, 2007, took testimony from the public, and
6 recommended to the Council the designation of the Near Heights Metropolitan
7 Redevelopment Expansion Area, as set forth in the Staff Report attached to
8 this resolution as Exhibit B; and

9 WHEREAS, the Land Use Planning and Zoning Committee of the Council
10 and the City Council, at a time and place designated in a public notice, to hear
11 and consider all comments of all interested parties on the issue of the
12 adoption of this resolution; and

13 WHEREAS, the Near Heights Expansion Metropolitan Redevelopment Area
14 expands the Near Heights MRA Plan that was adopted in the year 2000. Due to
15 economic investment along the San Mateo Blvd and Gibson Blvd corridors,
16 along with the relocation of the Lovelace Medical Center facility on Gibson to
17 their new downtown location, a destabilizing impact is noticeable in the area;
18 and

19 WHEREAS, the Near Heights Expansion boundaries include the
20 Eastern/Alvarado MRA site recently approved by City Council on November 5,
21 2007 (R-07-283). The area boundaries begin at the northeast corner of the
22 intersection of Eastern and Palomas, easterly along Eastern to Alvarado;
23 northerly along Alvarado to Ross; westerly along Ross to Palomas; southerly
24 along Palomas to the northeast corner of Eastern and Palomas, being the
25 points of beginning; and

26 WHEREAS, the Council has considered the findings and determinations set
27 forth in Exhibit A attached hereto; the Staff Report attached as Exhibit B; and
28 all comments made at the public hearing concerning the conditions which
29 exist in the proposed Near Heights Metropolitan Redevelopment Expansion
30 Area.

31 BE IT RESOLVED BY THE COUNCIL, THE GOVERNING BODY OF THE CITY OF
32 ALBUQUERQUE:

[+ Bracketed/Underscored Material +] - New
[- Bracketed/Strikethrough Material -] - Deletion

1 community facilities, housing facilities, commercial activities or enterprises,
2 and other public improvements.

3 Section 4. SEVERABILITY CLAUSE. If any section paragraph, sentence,
4 clause, word, or phrase of this resolution is for any reason held to be invalid or
5 unenforceable by any court of competent jurisdiction, such decision shall not
6 affect the validity of the remaining provisions of this resolution. The Council
7 hereby declares that it would have passed this resolution and each section,
8 paragraph, sentence, clause, word or phrase thereof irrespective of any
9 provisions being declared unconstitutional or otherwise invalid.

10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32

[+ Bracketed/Underscored Material +] - New
[- Bracketed/Strikethrough Material -] - Deletion



Executive Summary

Introduction and Overview

The Near Heights Metropolitan Redevelopment Area Expansion Plan is a supplementary document to the Near Heights Metropolitan Redevelopment Area Plan that was adopted by the City of Albuquerque in September 2000. It expands the original boundaries of the 1,010-acre MRA to encompass properties along the San Mateo and Gibson Boulevard commercial corridors, as well as the Willow Village Shopping Center on San Pedro and a 3.7-acre vacant parcel at the corner of Eastern Ave. and Alvarado Street. The expansion area was designated as a metropolitan redevelopment area by City Council in April 2008. Under the Metropolitan Redevelopment Code (3-60A-1:48 NMSA 1978) this designation allows municipal acquisition, ownership, lease and improvement of properties within the area to spur economic development. It also offers other incentives to private developers such as impact fee waivers, bonds, and improvements financed through tax-increment financing.

Planning Process

Using a series of public participation meetings, charrettes, work groups and interviews, the project team identified three likely sites for redevelopment. The community and team analyzed the opportunities and constraints of each site as well as the improvements, goods, and services sought by residents and businesses to come up with three project concepts to generate activity.

History and Vision

Projects took into account the community's vision for the area: a safe, walkable, economically viable area with neighborhood retail and more home ownership opportunities. Residents envision the area as part of the recently designated International District in Albuquerque, promoting a multi-cultural theme marked by gateways, heritage markers, information kiosks, and public art.

Redevelopment Strategies

The redevelopment strategies grew out of the market analysis and community desires. The trade area (zip code 87108) had approximately 38,000 people in 2008. Residents tend to be slightly older, less educated and more racially diverse than the City at-large. Just over half are Hispanic or Latino. In general, residents earn about 74 percent of the median household income in Albuquerque.

Area strengths and opportunities are its residential density, its proximity to employment centers such as Kirtland AFB, Sandia Labs, the Veteran's Hospital, and Gibson Medical Center, providing a customer base for different times of the day. It has moderate weekday traffic flows along San Mateo Blvd. and Gibson Blvd. and is also close to the airport and bus service. Its multi-cultural population and concentration of ethnic restaurants and other businesses suggest the international theme can become a magnet for drawing residents, tourists and employees from other parts of the city. It also has a strong base of community residents and non-profit organizations working for change. Weaknesses to overcome include the area's reputation for being unsafe, vacant buildings and parcels, and the general economic downturn.

The project team came up with five redevelopment strategies for the community and City to pursue:

- Build upon the existing ethnic businesses and population to transform the area into an international, multi-cultural "destination," attracting City residents, employees and tourists.
- Develop neighborhood retail that will draw local residents to San Mateo Blvd. and more housing to increase the number of residents. Data indicate that residents leave the area to purchase groceries, home improvement items, drug store items, clothing, and to eat at full-service restaurants.
- Attract more employees from nearby employment centers by catering to their needs and schedules.

1. Overview



A. Introduction

In 1998 the Albuquerque City Council designated the Near Heights Metropolitan Redevelopment Area. The Metropolitan Redevelopment Agency selected a planning team to complete the Near Heights Metropolitan Redevelopment Area (MRA) Plan, which was adopted in 2000. Since adoption, the Talin Market World Food Fare and accompanying streetscape projects and City-initiated land acquisitions for future projects at Central and Louisiana have been completed. In 2007, The Metropolitan Redevelopment Agency initiated an expansion to the Near Heights MRA boundary. Mayor Chavez and then District 6 City Councilor Heinrich supported the MRA expansion.

The City of Albuquerque Metropolitan Redevelopment Agency solicited proposals for an updated redevelopment plan for the Expanded MRA and selected Sites Southwest to lead the effort. The Expanded Near Heights MRA boundary was approved in April 2008.

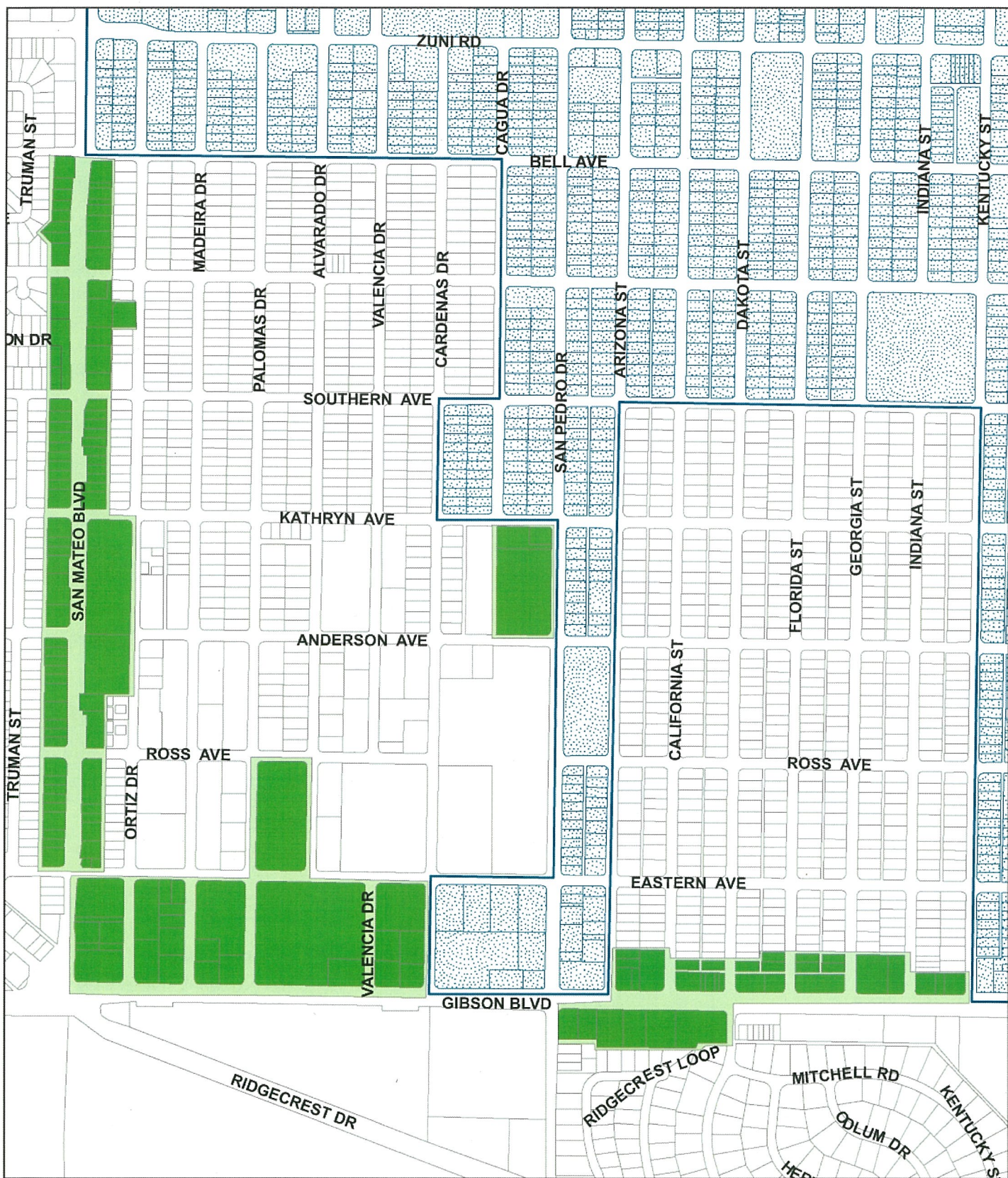
B. Project Sponsor

The City of Albuquerque Metropolitan Redevelopment Agency is primarily responsible for executing projects and programs that lead to revitalization of blighted commercial corridors, enhance small business development and job creation, stabilize low income neighborhoods, and increase affordable housing in the City. The Agency's primary focus is implementation. It focuses on the creative use of City land and financial resources to trigger private and other public investment. It also cultivates partnerships with community-based and nonprofit organizations to develop and implement projects.

The Agency's role in the Near Heights community included identifying it as one in need of commercial and residential revitalization. It subsequently embarked upon an extensive community involvement process that will culminate with the implementation of projects and programs identified within this plan.

C. New Mexico Metropolitan Redevelopment Code

The State of New Mexico has several statutes intended to help municipalities promote economic development, redevelopment, and stability where these are hindered by a variety of factors. The New Mexico Metropolitan Redevelopment Code (§3-60A-1 to 3-60A-48 NMSA 1978) is one such statute. It provides New Mexico cities with the powers to correct conditions in areas or neighborhoods within municipalities that "substantially impair or arrest the sound and orderly development" within the city. These powers can help reverse an area's decline and stagnation; however, the municipality may only exercise these powers within designated Metropolitan Redevelopment Areas (MRAs).

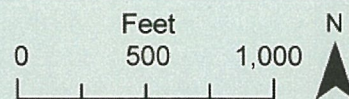


P:\066031\007 Nr Hights MRA Pin Up\Graphics\Maps\MRA Expansion 30x42 (05.14.08).ai

05.14.08



Figure 1. Near Heights MRA



2. The Planning Process



The planning process employed several methods of involving area residents and business owners in the plan. These included:

1) **Public Meetings/ Citizen Advisory Team Meetings:** The redevelopment team held five area-wide meetings, beginning in May 2008, to gather input from residents and business owners about their future vision for the area, shopping patterns, suggestions for redevelopment projects and other area improvements, and comments on the proposed redevelopment projects and overall plan. Originally intended to be split between the Citizen Advisory Team (CAT) and the general public meetings, the distinction disappeared as most participants came to both. Altogether, more than 100 people attended one or more of the meetings.

2) **Business survey and interviews:** The owners or staff of at least 37 businesses in the MR area were interviewed personally by the redevelopment team members to learn the nature and longevity of their business, the current business climate, where their customers came from, and what changes they thought would most improve the business climate in the Near Heights expanded MRA.

3) **Neighborhood Charrette:** Once the community had generated a list of desired businesses and improvements, Sites Southwest held a neighborhood design charrette the evening of October 1, 2008 from 6:30 pm to 9 pm. An initial slide presentation pointed out potential opportunity sites for redevelopment along San Mateo and Gibson Boulevards, including vacant parcels and potential spaces for gateways, streetscapes and crosswalks. Slides of photos from Albuquerque and other cities illustrated various design elements and types of residential and retail development. Participants were then given aerial maps, the list of desired businesses and improvements for the area, and asked to package together potential businesses and design elements into projects for particular opportunity sites. This resulted in four main proposals that were sketched onto the maps.

4) **Special Meetings:** Sites Southwest held two Work Group meetings to flesh out specifics of each project and potential implementation steps, involving their design staff to help develop the ideas graphically. City Redevelopment staff also held a special meeting with area businesses to explain the intent of the plan and answer questions. This meeting focused on detailing the benefits to businesses of an MRA plan, including long-term bonds financing, impact fee waivers, public-private partnerships, State tax credits, and tax-deferred financing. Victor Limery, owner of the Talin International Market, was on hand to describe the benefits his establishment obtained through the existing Near Heights MRA plan and his partnership with the City.

Community residents actively helped with outreach, particularly members of the Southeast Heights Health Coalition and St. Joseph Community Health. The Endorphin Power Company and Wilson Middle School generously offered their facilities for public meetings for the plan.

3. Area History and Vision

A. Area History

The Near Heights area that surrounds the San Mateo Boulevard and Gibson Boulevard MRA of this plan encompasses a number of neighborhoods. The closest are South San Pedro and Elder Homestead to the north and east; Siesta Hills to the southeast; and Parkland Hills to the west. Farther to the northeast are La Mesa and Trumbull Village neighborhoods. Affluence tends to decline east of San Mateo and rise to the west of San Mateo.

La Mesa began to develop before it was incorporated into the city and thus early development there had few controls. The area was annexed into the city in the late 1940s. After the area was annexed, the quality of the earlier developments generally improved, but the area still did not attract as high a quality development as much of the rest of the Heights, mainly because of the poor quality of the earlier developments and because of the incompatibility of the Tesuque Drive-In Theatre in the middle of the area with the residential development around it (City of Albuquerque 1976).

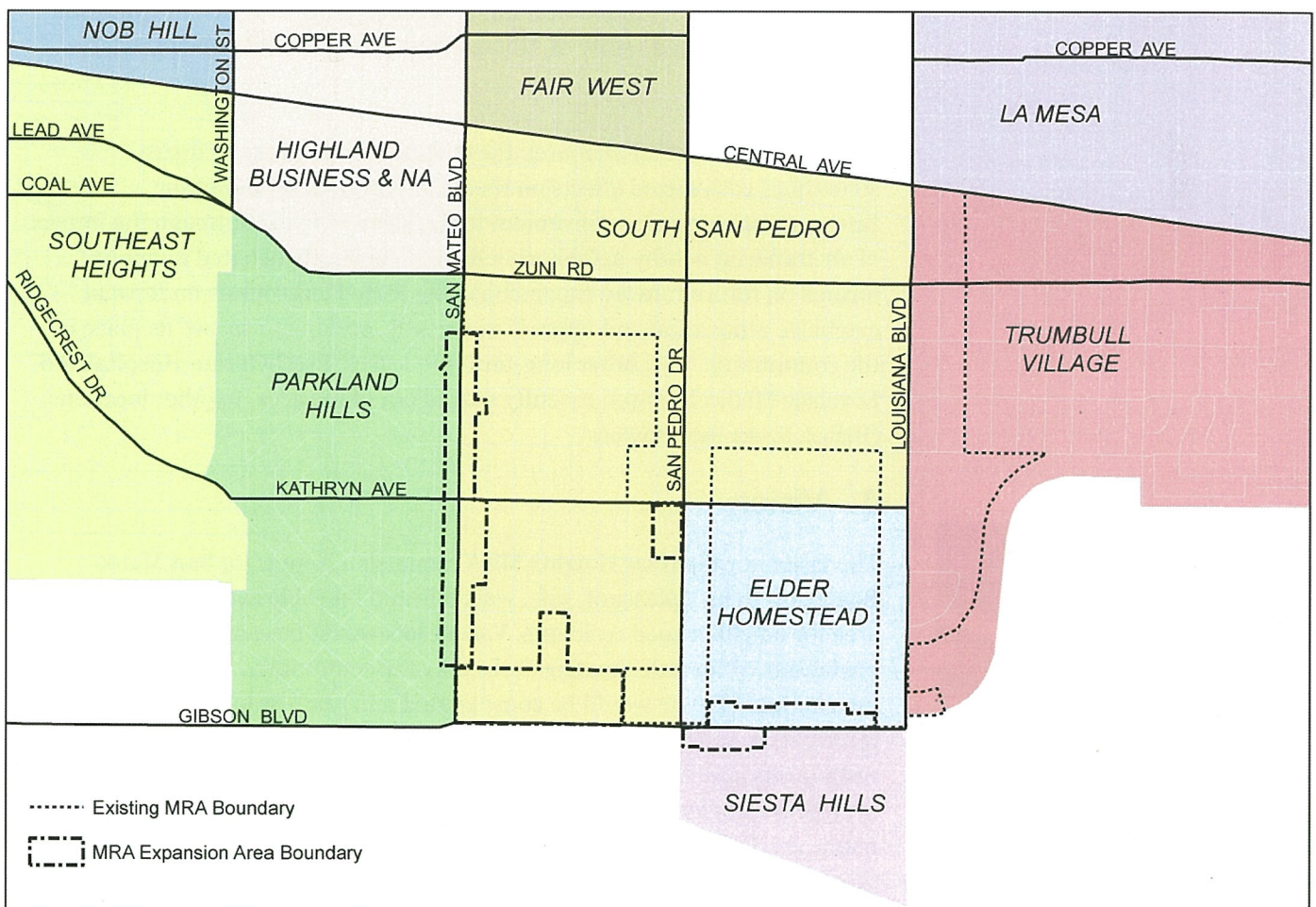
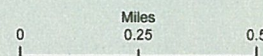


Figure 2. MRA Area Neighborhood Associations



4. Redevelopment Strategies Opportunities

In selecting opportunity sites for potential redevelopment, the team and community considered several criteria. Initially, overall redevelopment strategies for the area were considered; second, the individual characteristics of each site were examined.

A. Redevelopment Strategies

With the community's input, the team devised four redevelopment strategies for the MRA expansion area.

1. **Continue the area's transformation into an international, multicultural "destination" to attract residents, employees and tourists from all over the city, and even beyond by creating future public improvements with an international "ethnic" theme.**
2. **Draw more neighborhood residents to the area by facilitating the retailing of desired products and services in the expanded MRA area.**
3. **Attract more employees from surrounding employment centers such as Kirtland Air Force Base, the Veteran's Administration Hospital, the new tenants at the Gibson Medical Center, and the Kirtland Technology Park mixed-use development to rise west of San Mateo, by catering to their needs.**
4. **Help existing businesses to expand in the area and draw on existing residents' special talents to help them create new businesses in the MRA.**
5. **Tax-Increment Financing to fund further redevelopment in the MR expansion area.**

Each of these strategies would require actions and commitments beyond the scope of this plan. However, because they helped to inform the selection of opportunity sites and projects, they are described in more detail below.

Redevelopment Strategy 1. Continue the area's transformation into an international, multicultural "destination" to attract residents, employees and tourists from all over the city, and even beyond.

The re-characterization of the surrounding area as the "International District" has been in the works for several years. The idea is to replace the area's existing depiction as a crime area in the media and on-line with a more positive image. The Albuquerque District 6 Coalition has been promoting this re-characterization and recently, in cooperation with the Southeast Heights Health Coalition, successfully urged the NM State Legislature and the Albuquerque City Council to adopt legislation to this effect.

Table 7 in Appendix B demonstrates that the residents in the 87108 zip code (between Central Ave. and both sides of Gibson, and from Carlisle to Wyoming) are more racially diverse than residents in the City of Albuquerque generally.

Moreover, in personal surveys of at least 37 businesses in the MRA, 18 or nearly half said they thought establishing a distinct international character would improve business.

Actions to help implement this strategy might include:

- A brochure and/or map promoting all of the ethnic businesses.
- Neighborhood encouragement of more ethnic businesses to establish in the area such as a Chinese bakery or international food court.
- International design themes depicted in gateways, public art, historical interpretation (signage, obelisks, sidewalk markers).
- International celebrations in the area, fiestas, parades. (An international neighborhood celebration was held in September in the parking lot of the Talin Market.)
- An Asian American or other ethnic center located in the area, providing a place for performances, classes, foreign language film screenings, and other multi-cultural events.
- An international theme for housing.
- Alliances with existing networks and resources, such as Sister City programs.

Redevelopment Strategy 2. Draw more neighborhood residents to San Mateo Blvd. and Gibson Blvd. commercial areas by offering desired products and services now unavailable in the expanded MR area.

To a certain extent, the type and number of business in the MRA reflect the incomes and shopping habits of the surrounding residents as well as area employees. They also reflect the impact of the surrounding competition—primarily big box stores and the malls at Uptown and Coronado—as well as competition from on-line retailing. All these businesses are competing for the same consumer dollar. The advantages of patronizing local businesses include more personal service, opportunities to socialize with friends and neighbors, being able to walk instead of drive to a store, and keeping dollars circulating in the community instead of flowing to a far-away corporate headquarters.

Clues to what goods and services may be undersupplied in the area come from the feedback given by the more than 100 residents and business owners who came to the MRA meetings and from analyzing the Retail Marketplace Opportunity Gaps.

Table 1. Retail Opportunity Gap

Retail Stores in Zip Code 87108 Totals	Demand (in dollars)	Supply (Retail Sales) (in dollars)	Opportunity Gap (in dollars)
Supermarkets, Grocery (Ex Conv) Stores-44511	62,197,916	38,813,996	23,383,920
Home Centers-44411	15,801,994	0	15,801,994
Full-Service Restaurants-7221	23,908,435	10,382,307	13,526,128
Pharmacies and Drug Stores-44611	22,986,806	10,709,719	12,277,087
Family Clothing Stores-44814	8,227,623	844,001	7,383,622
Other Motor Vehicle Dealers-4412	6,119,004	2,923,207	3,195,797
Office Supplies and Stationery Stores-45321	2,540,751	0	2,540,751
Women's Clothing Stores-44812	3,456,139	959,531	2,496,608
Convenience Stores-44512	3,112,866	801,549	2,311,317
Nursery and Garden Centers-44422	3,028,881	1,131,683	1,897,198
Shoe Stores-4482	2,968,282	1,324,679	1,643,603
Book Stores-451211	2,008,570	624,888	1,383,682
Department Stores Excl Leased Depts-4521	27,541,943	26,275,062	1,266,881
Other Health and Personal Care Stores-44619	1,672,196	482,311	1,189,885
Gift, Novelty and Souvenir Stores-45322	1,940,969	845,178	1,095,791
Men's Clothing Stores-44811	1,068,000	0	1,068,000
Childrens, Infants Clothing Stores-44813	1,005,752	0	1,005,752
Special Foodservices-7223	4,336,410	3,423,162	913,248
Paint and Wallpaper Stores-44412	843,148	0	843,148
Hardware Stores-44413	3,632,868	2,840,052	792,816
Specialty Food Stores-4452	2,100,776	1,374,326	726,450
Other Clothing Stores-44819	934,787	320,974	613,813
Outdoor Power Equipment Stores-44421	540,604	0	540,604
Musical Instrument and Supplies Stores-45114	742,919	351,127	391,792
Camera and Photographic Equipment Stores-44313	352,043	0	352,043
Clothing Accessories Stores-44815	313,508	0	313,508
Luggage and Leather Goods Stores-44832	206,368	0	206,368
Home Furnishing Stores-4422	4,514,436	4,313,150	201,286
News Dealers and Newsstands-451212	107,388	0	107,388
Radio, Television, Electronics Stores-443112	7,696,939	7,622,545	74,394

Source: Claritas Dec. 2008

The Retail Opportunity Gap table indicates potential local sales opportunities of \$23.4 million in groceries, \$15 million in home items, \$13.5 million in full-service restaurants, \$12 million in pharmaceuticals and drug store items, and \$7 million in family clothing stores based on the gap between what consumers spent last year on these items and actual retail sales in the area. A caveat is that at least one big box or category-killer store exists not far beyond the zip code area that may be meeting some of the demand for these items, even though this doesn't register in the table. Still, these two sources point to some potential unmet needs in the local area that could be catered to by new businesses.

- Technical assistance for navigating City Hall and start-up money is available through the Southwest Team for Entrepreneurial Success (STEPS). The STEPS program in the area is a non-governmental organization based on the Sirolli Institute model that works to create wealth from within communities by nurturing the intelligence and resourcefulness of community members, such as by facilitating home-based businesses.
- There is a recently organized Albuquerque Independent Business Alliance in the City that promotes local businesses and offers seminars, workshops, and other training opportunities.
- The example and leadership set by the Endorphin Power Company, strategically located near the county Metropolitan Assessment and Treatment Services (MATS) facility, in innovatively addressing the recurring problems of substance abuse in the City.
- An energetic and committed group of neighborhood leaders.

There are also challenges in the area that constrain this strategy, including

- Burglaries and break-ins of businesses, particularly over night.
- The perception—and sometimes reality—of safety issues for customers. A lack of adequate lighting in places contributes to this problem.
- The lack of a business organization in the area.
- Vacant, sometimes boarded, storefronts, lots, marginal businesses and nonprofits, weeds and trash.
- Asking prices or rents for property that may be unrealistically high for the area.

Catalyst MR projects might be able to provide expansion space at a lower cost by facilitating development of vacant lots or rehabilitating abandoned and deteriorated buildings. They could help improve safety by improving lighting along major pedestrian corridors. Other components of strategies 2-4 would have to be addressed by the neighborhood and business community, such as obtaining more police presence, starting a business organization that could help address common problems, and making sure City building codes controlling weeds, trash, and other unsightly blight are enforced on vacant and abandoned property.

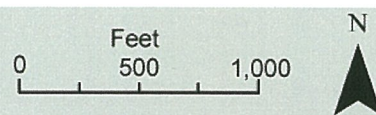
Redevelopment Strategy 5. Tax Increment Financing. This strategy allows the difference in property taxes before and after redevelopment to be channeled back to the MRA to finance more improvements within the district.

The Near Heights MRA can benefit from the Implementation tools of Tax Increment Financing by:

- Once the Plan is approved and a project is identified within the MRA, the Metropolitan Redevelopment Agency shall notify the county assessor and taxation and revenue department of the taxable parcels (lots) within the designated project.



Figure 4. Opportunity Sites



5. Proposed Opportunity Sites & Catalytic Projects

A. Introduction

The following chapter discusses the recommended opportunity sites in greater detail and proposes catalytic projects that might succeed on those sites. In each case, the focus is on developing a unique and distinctive sense of place. In addition, the choice of potential projects was mindful of the following preferences expressed by the community during public meetings:

- Prefer for-sale housing over multi-family rentals
- Favor mixed-use projects with access to transit
- Desire projects to be sensitive to cultural diversity
- Favor projects that promote biking/walking
- Prefer developers who are willing to work with the community

B. Site and Project Information

The discussion of each site and proposed project includes the following information:

- A SWOT analysis, detailing the internal *strengths* and *weaknesses* as well as external *opportunities* and *threats* that may be present.
- A statement of the Vision, Goals and Objectives that describe the desired future for each site and present recommendations to reach it.
- A Redevelopment Concept that describes the recommended economic development in more detail.
- A Design Plan that illustrates the vision for each opportunity site through site plans and other graphics,
- An Implementation Section that recommends specific development projects and, where necessary, changes to existing development policies and regulations.
- Anticipated benefits from the proposed redevelopment.

Opportunity Site #1. Eastern Ave./Alvarado St. Corner

The Eastern Ave./Alvarado St. Corner site is a 3.7-acre tract of land donated to the City by Lovelace Healthcare System. Located a block to the north of Gibson Blvd., the site currently accommodates a black-top parking lot and is surrounded by a black wrought-iron fence.



SWOT Analysis:

Strengths/Weaknesses:

- City already owns and controls the property.
- Site is vacant except for the parking lot.
- Site is only a block north of Gibson Blvd. and sits behind the Siesta Hills Shopping Center.
- On-site infrastructure is available.
- Site is a block away from public transportation to the west on San Mateo Blvd. and to the south on Gibson Blvd.
- Impact fee waiver for commercial development in a MRA area.
- Site is not on one of the major corridors (San Mateo or Gibson), so is less desirable for retail.
- Development on the site may have less impact on the area than development on San Mateo Blvd. or Gibson Blvd.

Opportunities/Threats:

- Large parcel could accommodate mixed use development—housing and a public or private use.
- Residents want space for meeting rooms, computers, family recreation, neighborhood café, small business assistance, commercial kitchen.
- Asian-American community is looking for space to construct an Asian-American Center.
- There are financial incentives available for affordable housing, although the existing residents are not in favor of deteriorated, low income apartments.
- There is potential to attract private or non-profit investment.
- Community would like more parks in the area.
- Non-profits in area need room to expand.
- Current economy is uncertain.
- Public or private investment may not be immediately forthcoming.
- Mixed-use projects are more complex to package financially.

Potential Partners/Tenants

- District 6 Coalition
- St. Joseph's Community Health
- South San Pedro Neighborhood Association
- Southeast Heights Health Coalition
- The Southeast Team for Entrepreneurial Success (STEPS)
- Endorphin Power Company
- First Nations Community Health Source
- The Women's Collective, a Project of St. Joseph's Community Health

Financial Analysis

To give a preliminary sense of financial feasibility and to determine how much public subsidy may be required, the following section presents a financial analysis of a hypothetical redevelopment project for the Eastern Ave./Alvarado St. Corner site.

Table 2. Eastern Ave./Alvarado St. Corner Proposed Building Program

Description	Land Area (SF)	Building Area (SF)
New office space	15,300	15,300
New condominiums	50,331	85,362
Cafe	2,090	2,090
Public Facility	9,522	9,522

• Project Costs

□ Land acquisition

Land was donated to the City so land costs were set at "0" in the pro forma calculations.

□ Site Development Costs

Site development includes demolition and grading, the plaza and patios, common landscaping, and other streetscape elements such as sidewalks, site furnishings, pedestrian lighting, screen walls, specialty paving, shade structures, and bollards. Total site development costs are estimated to be \$835,200.

□ New Building Construction

For this hypothetical project, the following building space would be constructed:

- 15,300 square feet of office space / 76 parking spaces
- 85,362 square feet of for-sale residential space (approximately 77 condominium units) / 115 parking spaces
- 2,090 square feet of café space / 33 parking spaces
- 9,522 square feet of public facility space / 47 parking spaces

□ **Feasibility**

- Break-even commercial rents for the office and restaurant spaces came to a (blended) rate of \$19.94 a square foot. While this is just below the median rent for the Southeast Heights for the first quarter of 2009, it is still high for this area of town. More realistic lease rates might be between \$10 and \$15 a square foot for new office space, which would require additional subsidies. A vacancy rate of 5% is factored in. Square footage costs cover parking construction.
- This part of the project would deliver a cash-on-cash return of 8% and has a cap rate of about 9.6%.
- Debt service expense assumes a 20-year mortgage at 8.0% on a maximum loan-to-value of 75%.

□ **Remaining Costs**

- The remaining costs unaccounted for in the commercial rent or residential sales figures are those for demolition and grading, patio and plaza, landscaping, and streetscape elements. The total for these is an estimated \$828,200.

• **Benefits**

The proposed project for the Eastern Ave./Alvarado St. Corner would further Redevelopment Strategy 4 by helping non-profit organizations and other businesses expand in the area and by drawing on existing residents' special talents to help them create new businesses in the MRA. It also would support Redevelopment Strategy 2 in drawing more residents to the area by providing more home ownership opportunities. The proposed project would bring the following benefits.

- It will provide a lower-cost space for a public use or local non-profit services working with the community.
- It will provide opportunities for home ownership.
- It will add households to the trade area.
- It will increase property values in the MRA, generating Tax Increment Financing (TIF) funds for further improvements in the MRA.

Opportunity Site #1

The proposed multi-use facility development at the NW corner of Eastern Ave. and Alvarado Street could include a public or nonprofit use, housing, meeting rooms, office space, computer access, family recreation, or all of the above. These photographs represent examples of these types of projects.



Fruitvale Village, Oakland, CA - The 15-acre Fruitvale Village replaced a BART parking lot in Oakland, CA with 114,510 SF of office space, 39,707 SF of retail space and 47 one and two-bedroom rental lofts and apartments. Anchor tenants were non-profit organizations such as Head Start, a medical clinic, and a senior center.



**South Valley Economic Development Center
Albuquerque, NM**



Townhomes - South Broadway, Albuquerque, NM



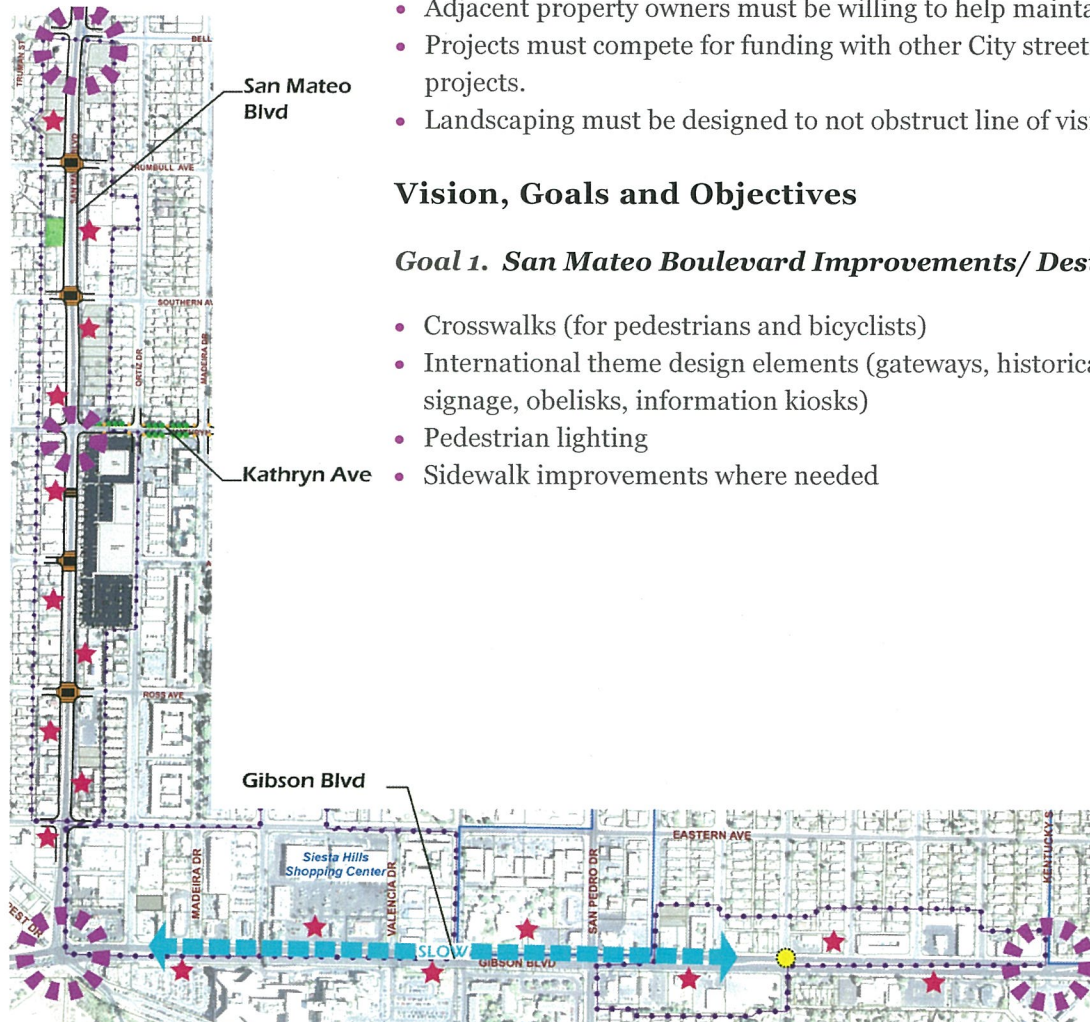
San Diego Science Center - San Diego, CA



Opportunity Site #2. SWOT Analysis

San Mateo Blvd., Kathryn Ave. and Gibson Blvd. International Streetscape Project

The San Mateo Blvd. & Kathryn Ave. International Streetscape Project opportunity site stretches primarily along Kathryn Ave. from San Mateo Blvd. to San Pedro Dr. and along San Mateo Blvd. from Bell Ave. to Gibson Blvd. It also includes a few sites for gateways and markers on Gibson Blvd.



Strengths/Opportunities:

- City controls and can program rights-of-way.
- Site comprises major and minor corridors in area.
- National firm is planning to develop parcels at the southeast corner of San Mateo Blvd. and Kathryn Ave.
- Expanded MRA was recently included in City and State designation of International District.
- International theme and design elements could help create distinctive sense of place.
- Neighborhood has called for more pedestrian lighting within the residential area and creation of an east-west pedestrian/bikeway route.
- A number of residents use the bus service or ride bicycles.

Weaknesses/Threats:

- Need sufficient right-of-way along Kathryn Ave. to implement bike lanes, street trees, and pedestrian lighting.
- Adjacent property owners must be willing to help maintain landscaping.
- Projects must compete for funding with other City streetscape and art projects.
- Landscaping must be designed to not obstruct line of vision for motorists.

Vision, Goals and Objectives

Goal 1. San Mateo Boulevard Improvements/ Design Elements

- Crosswalks (for pedestrians and bicyclists)
- International theme design elements (gateways, historical markers, signage, obelisks, information kiosks)
- Pedestrian lighting
- Sidewalk improvements where needed

Table 4. Opportunity Site #2 Streetscapes Costs

San Mateo Streetscape (Bell to Gibson)		
1	Pedestrian Lighting	\$300,000
2	Gateway kiosks (2)	\$140,000
3	Site Furnishings	\$7,500
4	Heritage Markers	varies with type
	Sub Total	\$447,500
	20% Tax and Contingency	\$89,500
	Total	\$537,000
Kathryn- Marketplace and Streetscape (San Mateo to San Pedro)		
1	Landscape (parkways)	\$210,000
2	Gateway Kiosks (2)	\$140,000
3	Specialty Street Paving	\$305,000
4	Removable Bollards	\$3,000
5	Site Furnishings	\$12,000
6	Pedestrian Lighting	\$170,000
	Sub Total	\$840,000
	20% Tax and Contingency	\$168,000
	Total	\$1,008,000
Gibson Blvd. - Select Elements		
1	Gateways (1 @ Kentucky)	\$75,000
2.	Heritage markers	varies with type
3.	Traffic calming (Dakota)	varies with design
	Sub Total	\$75,000
	20% Tax and Contingency	\$15,000
	Total	\$90,000

Assumptions:

* Demolition, soft costs, not included

** Excludes costs for heritage markers, traffic calming

Benefits

This proposed project furthers Redevelopment Strategy 1 by continuing the area's transformation into an international, multi-cultural "destination" that will attract residents, employees, and tourists from all over the city and even beyond. It also supports Redevelopment Strategy 2 by making it easier and more pleasant for existing residents to walk or bicycle to retail establishments. Additionally,

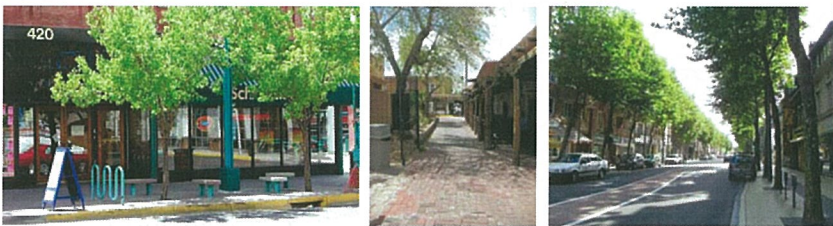
- Adding pedestrian lighting will increase the feeling of safety and security in the area.
- Adding bike lanes and crosswalks will increase the opportunity for multi-modal transportation.
- Street trees and sidewalk improvements will encourage more pedestrian traffic in the area.



Kathryn Ave. Street Improvements (enlargement)



1. Add crosswalks at signals or medians



2. Add street trees for shade and beauty



3. Add street lighting specifically for pedestrians



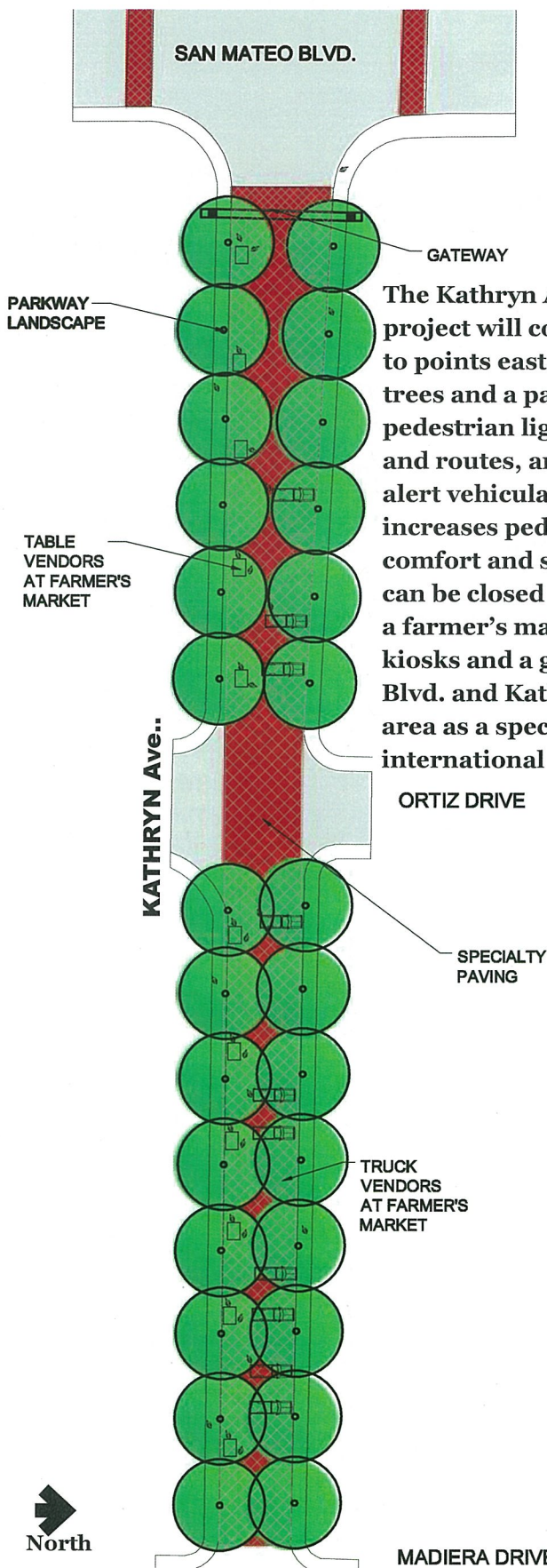
4. Add bike lanes to Kathryn Ave.



5. Design street markers that highlight this International Neighborhood

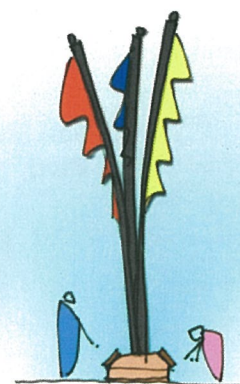
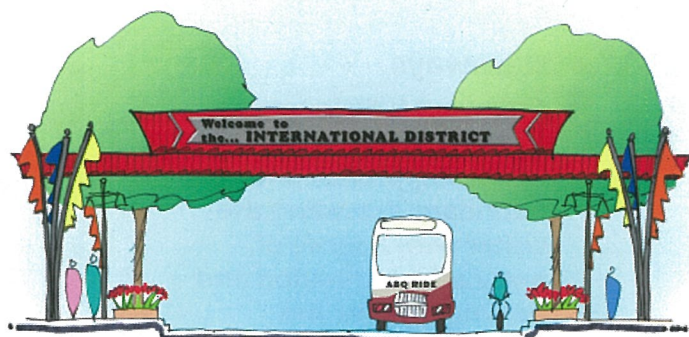
Figure 8. San Mateo Blvd. & Kathryn Ave. Streetscape Project Example Streetscape Elements

Figure 10. Kathryn Avenue Streetscape Concepts

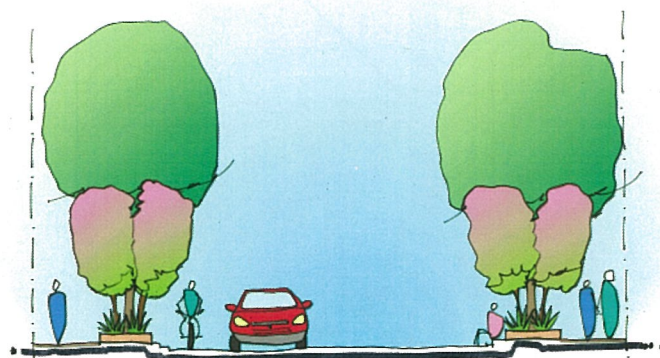
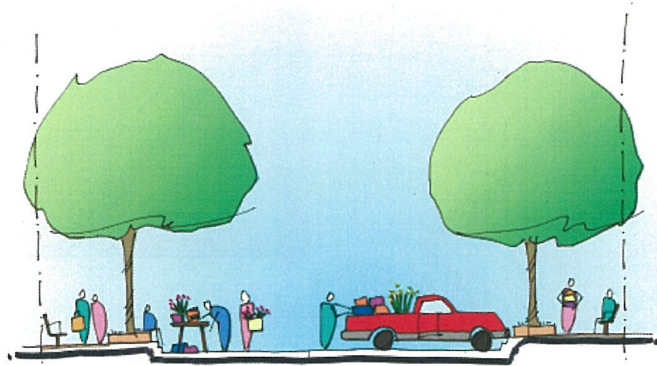


The Kathryn Ave. Streetscape project will connect San Mateo Blvd. to points east. By providing street trees and a parkway landscape, pedestrian lighting, bicycle lanes and routes, and specialty paving to alert vehicular traffic, the project increases pedestrian and cyclist comfort and safety. The streetscape can be closed periodically to host a farmer's market. Informational kiosks and a gateway at San Mateo Blvd. and Kathryn Ave. highlight this area as a special place within the international heritage community.

Gateway at San Mateo & Kathryn



Informational Gateway Kiosks at Kathryn Ave. & San Pedro Dr.

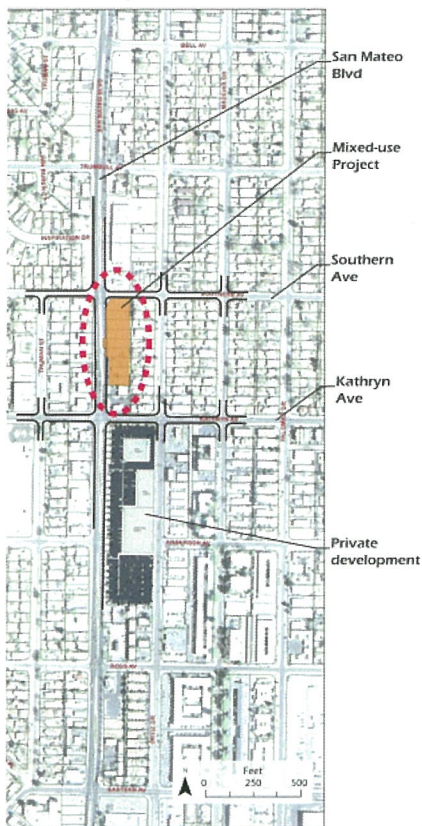


Street Sections

Opportunity Site #3

San Mateo Blvd./ Southern Ave. Mixed-Use Development

*The San Mateo Blvd./
Southern Ave. project
site comprises nine
vacant lots on the east
side of San Mateo Blvd.,
beginning south of
Southern.*



SWOT Analysis:

Strengths/Opportunities:

- Site is vacant and of sufficient size.
- Site appears to have one owner.
- Site has been for sale.
- New development can take advantage of MRA impact fee waivers and other MRA incentives for commercial development.
- Site is along a major arterial.
- Site is near forthcoming private redevelopment site at San Mateo Blvd. and Kathryn Ave. and could potentially draw clientele farther north on San Mateo Blvd.
- Development on the site could help form a continuous street frontage that is more attractive to pedestrians than vacant lots.
- A few existing businesses are interested in expanding in the area.
- Site offers potential to attract private investment.

Weaknesses/Threats:

- Land may be too expensive.
- Lots are shallow.
- Could be land assemblage problems.
- Current zoning may have to change to attract mixed-use development.
- Current economy may not be conducive to starting new businesses or expanding old ones.
- Getting a development loan from the bank may be difficult in current economy.



Financial Analysis

- To give a preliminary sense of financial feasibility and to determine how much public subsidy may be required, the following section presents a financial analysis of a hypothetical redevelopment project for the San Mateo Blvd./Southern Ave. Mixed-Use site.

Table 5. San Mateo Blvd./Southern Ave. Mixed-Use Building Program

Description	Land Area (SF)	Building Area (SF)
New retail space	7,500	7,500
Plaza space	3,750	3,750

- **Project Costs**

- **Land acquisition**

- Land cost is unknown at this time. Cost was set to “0” for calculations.

- **Site Development Costs**

- Site development includes demolition and grading, as well as paving of new parking areas and common landscaping. Total site development costs are estimated to be \$210,000.

- **New Construction**

- A total of 7,500 square feet of retail space would be constructed as part of the project at an estimated construction cost of \$105 per square foot. In addition would be 3,750 square feet of plaza space. The cost of 42 parking spaces is included in total development costs.

- **Services and Fees**

- Fees and contingency costs include permit fees, architectural and engineering fees, and other miscellaneous soft costs. These costs are estimated at 12% of hard costs.

□ **Operating Expenses**

Operating expenses include insurance, maintenance and management fees.

□ **Financing Assumptions**

The debt service expense assumes a 20 year mortgage at 8% interest at a loan-to-value ration of 75%.

□ **Project Feasibility**

This project would require a subsidy for the cost of the land, the site development and landscape/plaza costs in addition to the debt and equity capital it could attract.

Benefits

The proposed project for the San Mateo Blvd./Southern Ave. Mixed-Use Site could further Redevelopment Strategy 2 by providing updated space for retailing of neighborhood-desired products and services and potentially adding more residents to the area. Depending on the products and services offered, it could also attract area employees and help existing businesses to expand, supporting Redevelopment Strategies 3 and 4. In addition, it will bring the following benefits.

- It will improve the appearance of the San Mateo Blvd. corridor, helping eliminate the feeling of emptiness and vacancy with its accompanying weeds and trash.
- Additional residential properties will put more “eyes on the street.”
- It will increase property values in the MRA, generating Tax Increment Financing (TIF) funds for further improvements in the MRA.
- It will support the private development planned for the Southeast corner of Kathryn Ave. and San Mateo Blvd.

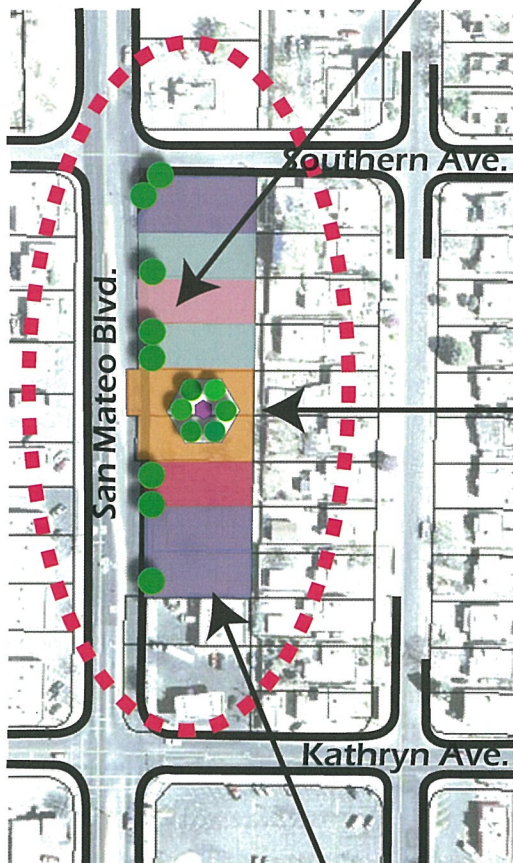


Pedestrian amenities such as shade trees, planters, seating and gathering areas on a spacious sidewalk help create an inviting site.



Businesses distinguished by different colors or architectural features add interest.

Mixed-use Project:



This mixed-use development in a 2-story building provides retail and other commercial outlets at street level with apartments on the upper level.



A strip mall renovation adds new roof lines, differing exterior colors and textures combined with colorful awnings for a new look. A short wall and landscaping help separate a busy road from the development.

Figure 13. Opportunity Site #3 San Mateo Blvd./Southern Avenue Mixed-Use Development

C. Potential Implementation and Funding Sources

A number of funding sources from local, State and Federal agencies have been identified as potential opportunities to finance the implementation of the Near Heights Expansion MRA Redevelopment Plan.

1. Public/Private Partnerships

There are a number of opportunities for partnerships to occur between these various entities. Partnerships hold the highest potential for redevelopment opportunities to occur in the Near Heights expansion area. The City can provide incentives through public financing, land holdings, to serve as incentive/collateral for groups such as the NM Community Development Loan Fund, Accion, Wesst Corp, Small Business Association and private developers.

New Mexico Community Development Loan Fund

The New Mexico Community Development Loan Fund is a private, non-profit organization that provides loans, training and technical assistance to business owners and non-profit organizations. Their services support the efforts of low-income individuals and communities to achieve self-reliance and control over their economic destiny. Loans are available to new and existing small businesses for such needs as equipment, inventory, building renovations and operating capital. They provide loans to non-profits for such needs as bridge financing against awarded private and public contracts, capital improvements and equipment, and loans to non-profits that develop affordable housing.

This program provides loans of up to \$250,000 to municipalities and counties to construct or implement projects necessary to encourage the location or expansion of industry, in order to create jobs, stimulate private investment, promote community revitalization, and expand the local tax base. Eligible uses include infrastructure improvements, rehabilitation or installation of public facilities, site improvements and utilities, and commercial or industrial buildings or structures and other commercial or industrial real property improvements.

Tax Increment Financing Districts

Tax increment financing is created through a local government's property tax assessment. The incremental difference in tax is used to finance the improvement within the district. In NM, tax increment financing is enabled in forms through the Metropolitan Redevelopment Code, Enterprise Zone Act and the Urban Development Law. The City of Albuquerque uses tax increment financing within its designated Metropolitan Redevelopment Areas (MRA).

are restricted to designated Metropolitan Redevelopment Areas, and are available to a wider variety of projects. The public purpose for these projects is to stimulate redevelopment activities in economically distressed areas.

Metropolitan Redevelopment Bonds provide a limited property tax abatement on the net improvements to the project site (i.e., current property taxes on the existing value of the property are not exempted). The maximum property tax abatement period is for seven years. Also, Metropolitan Redevelopment Bonds do not offer gross receipts or compensating tax exemptions on the purchase of equipment for the facility. However, they are a reasonable option for projects that may not generally qualify for Industrial Revenue Bonds.

As with Industrial Revenue Bonds, the City does not provide the financing or credit enhancement for the bonds; the applicant is responsible for finding their own financing, based solely on the rates they can negotiate with the purchasers of the bonds. All financing and legal costs are paid by the applicant.

Transportation and Equity Act for the 21st Century (TEA-21)

Federal TEA-21 Enhancement funds, in excess of \$200 billion, is allocated to integrate transportation projects with environmental and community revitalization goals over a period of six years. TEA-21 funds are applicable beyond highways, road and transit maintenance – funds may also be used for relevant environmental restoration, pollution abatement, historic preservation, trails, bike paths and pedestrian infrastructure including aesthetic enhancements.

2. State Financing Programs

Business Loans

The State of New Mexico has several loan programs to support business expansion and relocation to the state.

- Business Bonds
- Private Activity Bonds for Manufacturing Facilities
- Real Property Business Loan
- Severance Tax Permanent Fund/Participation Interests in Business Loans
- Severance Tax Permanent Fund/Purchases of SBA/FMHA Obligation
- Federal Financing Programs

3. SBA' Section 504 development company debentures

Small businesses can receive long-term capital for fixed assets from SBA-certified local development companies who issue notes backed by SBA. These resources can support up to 40 percent of a project's total costs, up to \$750,000. A private financial institution must provide 50 percent of the project financing, but has first claim on collateral. The remaining 10 percent of funding must be obtained from the developer, a non-federal economic development program, or owner equity.

4. Facade Improvement Loans

These loans/grants were made available in the past through HUD-CDBG funds to business owners to give their buildings a face-lift. All facade improvement funds are administered by Family and Community Services through a community development corporation.

4. Loan Guarantees

1. HUD Section 108 loan guarantees

Under Section 108, state and local governments receiving Cobs can receive federally guaranteed loans, often at lower interest rates, to cover the cost of multi-year development projects too large for single year financing with CDBG funding. City or state applicants can pledge up to five times their annual CDBG grants as collateral. State can also pledge their own CDBG allocation on behalf of their small cities.

2. SBA's Section 7(a) and Low-Doc programs

Under Section 7(a), SBA will guarantee up to 90 percent of private loans of less than \$155,000 to small businesses and up to 85 percent of loans between \$155,000 and \$500,000. The Low-Doc Program offers SBA-backing of 90 percent and a streamlined application, review, and approval process for guarantees of loans of less than \$100,000.

5. Grants

1. HUD's CDBG Grants

The CDBG program, one of the nation's largest Federal grant programs, is administered by the Department of Housing and Urban Development to promote the revitalization of neighborhoods and the expansion of affordable housing and economic opportunities. This includes activities that support the redevelopment of properties in distressed areas if such activity supports the mission of the program. CDBG is a "bricks and mortar" program, with the rehabilitation of affordable housing traditionally being the largest single use of CDBG funds.

3. Low-income Housing Tax Credits (LIHTC)

The LIHTC program offers a ten-year credit for owners of newly constructed or renovated rental housing and sets aside a percentage of the units for low-income individuals for a minimum of 15 years. The amount of the credit varies for new construction and renovation. The project must receive allocation of New Mexico State's annual credit ceiling or use multi-family housing tax-exempt bonds that receive allocation of New Mexico State's bond volume cap. Allocations are made on the basis of the New Mexico State Qualified Allocation Plan.

6. Existing Conditions

The expanded MRA encompasses the primarily commercial street frontages along San Mateo Boulevard from Bell Avenue to Gibson Boulevard and along Gibson Boulevard from San Mateo Boulevard to Kentucky Street. It also picks up the vacant 3.7-acre City-owned parcel bounded by Eastern Avenue, Alvarado Avenue, Ross Avenue, and Palomas Drive and the Willow Village Shopping Center at San Pedro Drive and Kathryn Avenue.

A. Physical Characteristics, Zoning and Land Use

1. Acreage in MRA Expansion

The total size of the new MRA expansion area is approximately 93 acres (including ROWs). This is about six percent of the existing adjacent MRA of 1,010 acres. Land along the San Mateo corridor constitutes nearly 36 acres. Land included along the Gibson Corridor encompasses 52 acres. Finally, the Willow Village Shopping Center on San Pedro is 4.8 acres.

2. Zoning

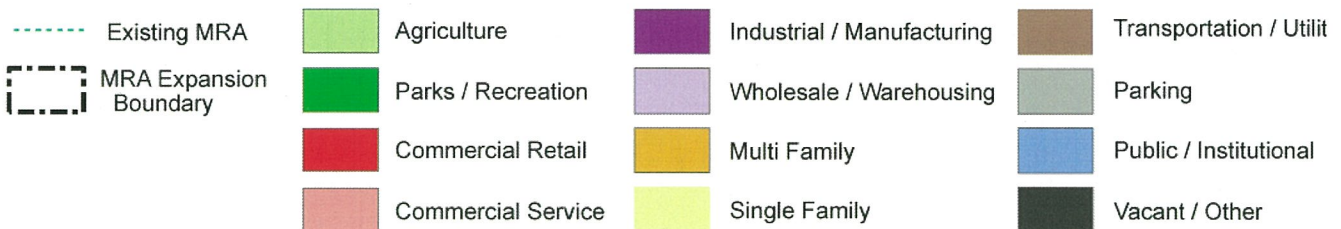
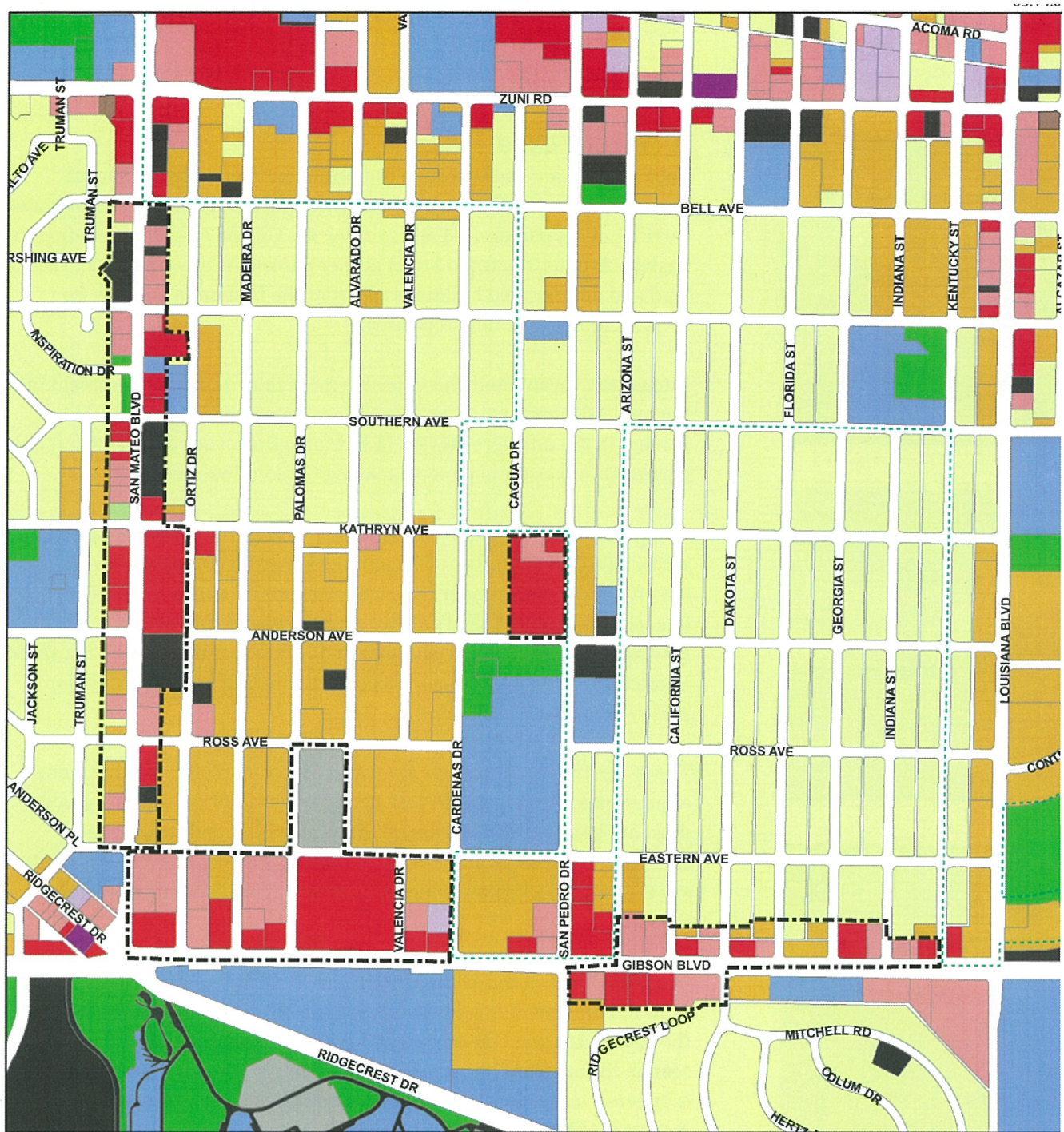
Zoning in the planning area is primarily neighborhood commercial (C-1) along San Mateo except for the large parcel of C-2 (community commercial) at the southeastern corner of San Mateo and Kathryn and two small R-2 (medium-density residential) parcels near the north and south ends. Gibson Blvd., east of San Pedro, is also zoned C-1 neighborhood commercial, while to the west it is zoned primarily C-2, with a few pockets of medium and high density residential. The Eastern/Alvarado site is zoned O-1 (Office), while Willow Village Shopping Center carries a C-1 (neighborhood commercial) designation.

3. MRA and Surrounding Land Use

Land use in the expansion area largely reflects the zoning designations, except for a number of residences that occupy commercially zoned lots along San Mateo. There are retail and service-oriented commercial properties along San Mateo and along the north side of Gibson. The largest size and concentration of vacant lots can be found along San Mateo, particularly on the east side. The vacant 3.7 acres at the Eastern/Alvarado site was formerly a parking lot. Willow Village Shopping Center houses neighborhood retail, services and restaurants.

Examining the internal square of blocks framed by San Mateo, Gibson, Louisiana and Zuni shows that the southwest quadrant of blocks is primarily multi-family apartment buildings (plus Wilson Middle School and the Willow Village shopping center) while single-family homes occupy blocks in the other three quadrants. Single-family neighborhoods lie to the west of San Mateo and to the southwestern side of Gibson. South of Gibson lie the Gibson Medical Center (formerly Lovelace), the Veteran's Administration Medical Center, and Kirtland Air Force Base.





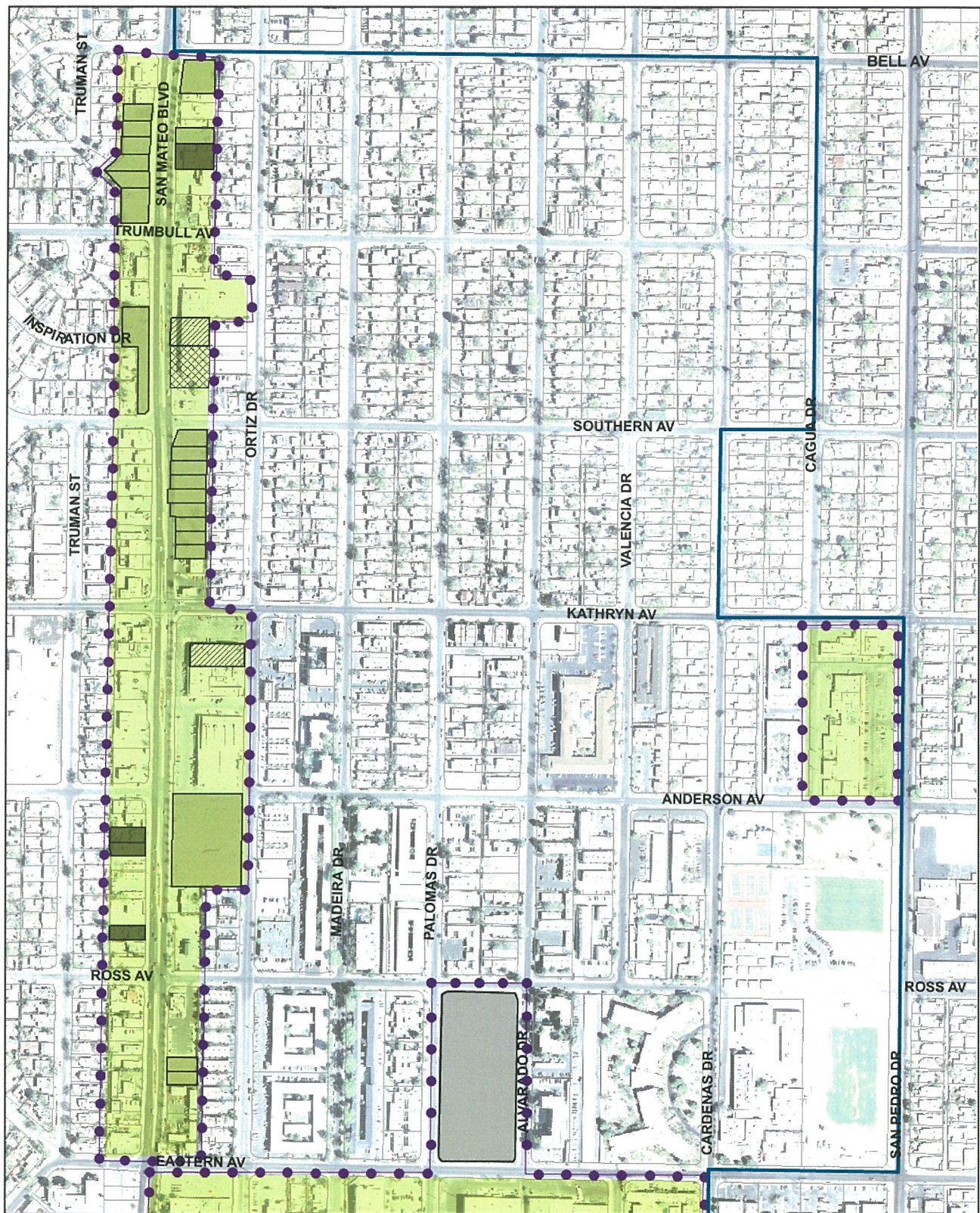
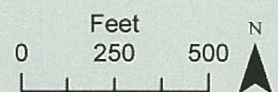


Figure 17. Near Heights MRA Expansion Northern Section



B. Area Character and Design

The purpose of the design analysis is to identify positive design features of the area that provide a model for redevelopment to enhance the existing character of the Near Heights Redevelopment Area. Sites Southwest conducted a photographic inventory of the San Mateo and Gibson corridors to document these characteristics.

Conditions vary within the district, from well-maintained buildings with mature landscaping to vacant buildings and buildings in poor condition. The San Mateo corridor is characterized by small-scale, one-story commercial buildings and strips. The Gibson corridor is characterized by national chains and larger-scale developments. Vacant land in the district is primarily located along San Mateo.

The photographs on the following pages illustrate architectural character, public infrastructure and landscapes. Architectural character includes building styles, color and materials, scale of development and the relationships of buildings to their surroundings. Public infrastructure includes roadways, sidewalks, bus stops and storm water management. Landscape features include plantings, lighting, signage, and parking.

For the purpose of this design analysis, the San Mateo and Gibson corridors are considered separately.



Landscaping Features

- Some attractive landscapes and xeriscapes
- Landscape buffers between sidewalks and businesses
- Free-standing, small-scale signs oriented toward pedestrians and automobiles
- Signage painted directly on the building



Public Infrastructure

- Lack of pedestrian lighting; street lighting is designed to accommodate automobiles with cobra head style fixtures
- Benches at bus stops
- Landscaped medians on eastern end of corridor
- Storm water treatment is drained into inlets on Gibson



Landscaping Features

- Well-maintained landscapes and xeriscapes
- Landscaping strips between the sidewalk and businesses
- Large, internally lit, free-standing signs
- Billboard signs on western end of corridor
- Ample parking, generally in front of buildings along Gibson



2030 Metropolitan Transportation Plan (MTP) for the Albuquerque Metropolitan Planning Area, Mid-Region Council of Governments (2007)

The Metropolitan Transportation Plan is a long-range, regional planning tool developed by the Mid-Region Council of Governments, which includes representatives of the constituent municipalities, school districts, and water management agencies in Bernalillo, Valencia, Sandoval, and Tarrant counties. This MTP includes policy and funding designations for the development of an integrated transportation system that facilitates the efficient movement of people and goods. It evaluates the current transportation system, how the region is likely to grow and what the transportation system should look like in the future. The Albuquerque Metropolitan Planning Area includes the Near Heights Expanded MRA boundary, but the MTP does not include any specific recommendations for the area.

Near Heights Metropolitan Redevelopment Plan (2000)

This redevelopment plan covers Central and Zuni Avenues from San Mateo to Moon as well as a north-south commercial corridor along San Pedro from Gibson to Lomas, encompassing 1,010 acres but excluding the State Fairgrounds. Charged with developing concepts for three projects that would stimulate private investment in this blighted area, the team came up with a commercial corridor project, a motel re-use project, and a housing master plan. It selected opportunity sites for these projects and analyzed constraints and opportunities. It proposed an International Marketplace (now the expanded Talin Market World Food Fare), assisted living for the elderly at the hotel re-use project, and a housing plan that would rehabilitate declining rental properties and expand opportunities for home ownership in the area.

Eastern Alvarado MRA Designation Report and Project Plan (2007)

This was the original designation report and project plan for the 3.7-acre Eastern Ave./Alvarado St. Corner vacant lot donated for redevelopment to the City of Albuquerque by Lovelace Healthcare Systems. The report noted that an over-abundance of multi-family housing in the area had saturated the rental housing market, resulting in many vacant, blighted lots. It documented a need for additional for-sale housing. This plan will be supplanted by the Near Heights Expansion Area MRA Plan, which will incorporate the Eastern Ave./Alvarado St. Corner parcel into its boundary, when adopted.

Near Heights MRA Expansion Area Designation Report (2008)

This report designated the Near Heights Expansion area—primarily the commercial corridors of San Mateo Boulevard, from Bell Ave. to Gibson, and Gibson Boulevard, from San Mateo to Kentucky, and including the large shopping center at San Pedro Drive and Kathryn Ave. It documented the combination of vacant lots, closed businesses, and deteriorated buildings that contribute to blight in the area, qualifying it as a metropolitan redevelopment area.

7. Appendices

A. Community & Business Priorities

1. Community Priorities

The following businesses, services and activities, and spaces were proposed by the community members who attended public meetings and then prioritized according to their desirability.

1. Cyber café for kids
2. Local coffee shop/café
3. Business incubator and job training
4. Asian American Center, Community wellness center, community garden, dance studio and gymnastics
5. Neighborhood identity/theme with themed street lights, art on sidewalks; swimming pool; ice cream shop; mixed-use on San Mateo
6. Economic Development
 - Bakery
 - Farmer's market at Wilson Park
 - Non-chain restaurants with live music
7. Public Infrastructure
 - Open plaza/gathering place
 - Better bike paths (particularly along Kathryn)
 - Music performance space
 - Upgrade to Great Streets standards where possible
 - Projects at intersections with connections for pedestrians, street trees: San Mateo/Kathryn, San Pedro/Kathryn, Louisiana/Kathryn.
 - Bike path on Kathryn to Cesar Chavez Community Center
8. Community Services/Facilities
 - Recreation for kids – summer programs for middle schoolers, skate park
 - Community Services Center – domestic violence, medical services, wellness
 - Family recreation center with picnic tables, skate park, pool, playground, basketball hoops, skateboarding

B. Market Analysis

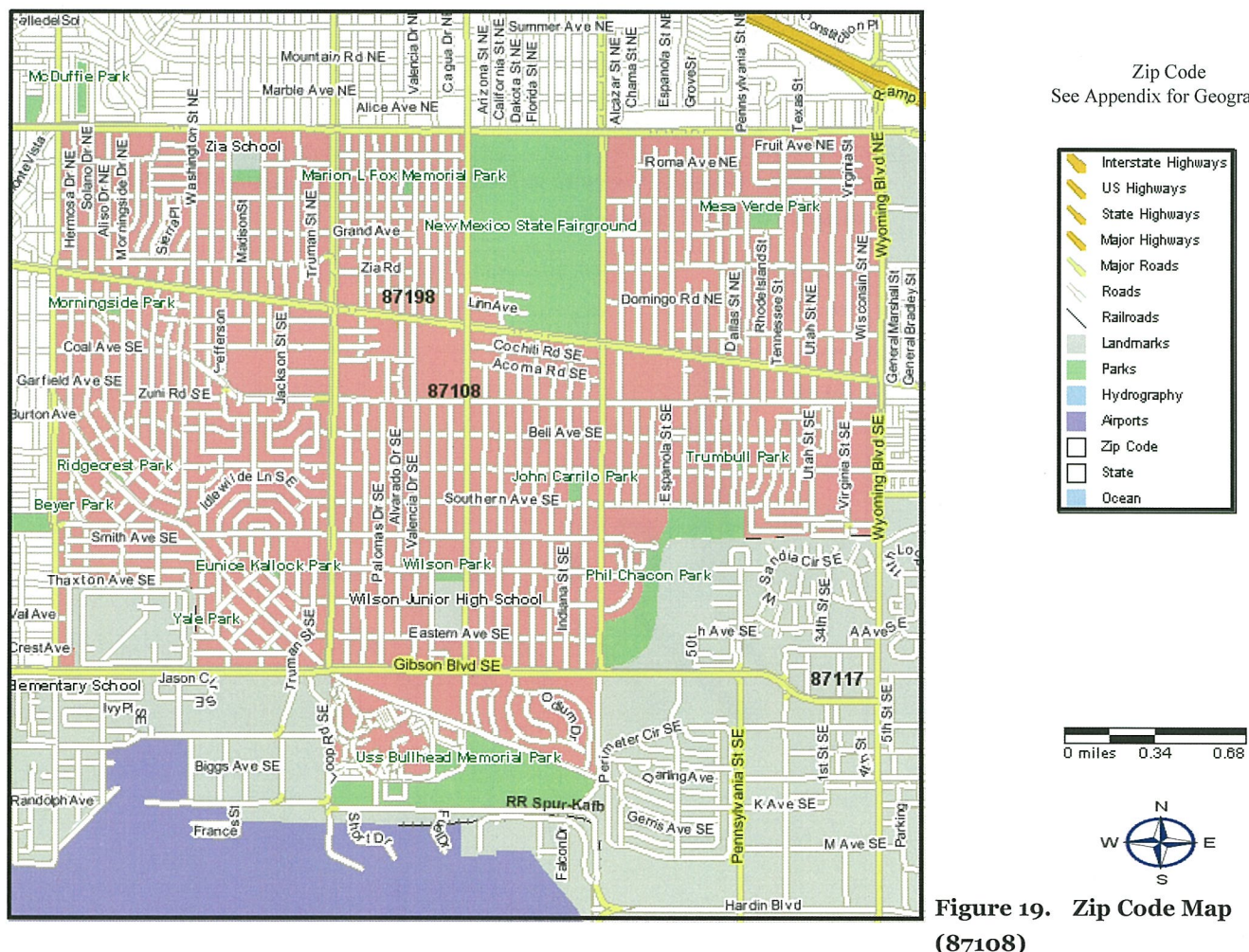
The market analysis looks at the existing and potential demand for goods and services in the area and compares it to the existing supply.

1. Demand Characteristics

As a rule of thumb, customers are likely to walk to commercial/shopping areas within an eighth to a quarter mile from their home (5-10 minute walk) and drive to shopping centers up to three miles away. This is typically considered the primary trade area. There are many exceptions to this—among them, natural or psychological barriers such as rivers or freeways and the stronger pull of regional shopping centers, which draw from a larger area.

There are three primary sources of demand for goods and services in the Near Heights Expansion MRA: 1) nearby residents, 2) employer-based clientele, and 3) regional customers.

This market study examined in most detail the socioeconomic characteristics of the first group—people living in the 87108 zip code, which ranges east to west from Carlisle to Wyoming, and north to south from Lomas Blvd. to both sides of Gibson.



Compared with Albuquerque in general, the trade area is home to a higher percentage of American Indian and Alaskan natives, Black/African Americans, Asians, and those who considered themselves two or more races. The percentage of Native Hawaiian or Pacific Islanders is about the same as in the general Albuquerque population. Regarding ethnicity, just over half of the trade area is Hispanic or Latino (of any race) compared with only 44 percent of Albuquerque residents generally. Not surprisingly, only 59 percent of those living in the trade speak only English at home compared with 72 percent in Albuquerque generally. Those in the trade area are more likely to speak Spanish at home as well as English.

Perhaps the greatest disparity is in incomes. The median household income (an equal number of households earn more than and less than this) in Albuquerque was \$45,358 and the average household income was \$59,558, compared with only \$29,480 and \$40,065 in the trade area. Per capita income in the trade area was only \$18,549 compared with \$25,002 in Albuquerque generally (Claritas, 2008).

Of those residents employed in the civilian workforce, a similar percentage in both the trade area and Albuquerque worked for private businesses. Slightly fewer of the trade area residents worked for local, state or the Federal government while more of them were self-employed.

Many more households rent housing in the trade area (64.9%) than in Albuquerque generally (38.1%). This is consistent with the average household size, which is slightly smaller in the trade area (2.18 compared with 2.36 in Albuquerque).

While rent paid in the trade area ranged from \$100 a month to \$2,000 a month or more, 63 percent of tenants paid between \$350 and \$599 a month. The 2007 median price asked for vacant for-sale houses and condos in the trade area was \$186,641. The 2007 estimated median house or condo value in the trade area was \$160,511, compared with \$107,500 in 2000 (city-data.com).

Employer-based Clientele

A number of large employers in the area create a market for lunch and daytime errands. Kirtland Air Force Base employs 35,690 civilians and 4,860 military personnel, although the market varies somewhat with security concerns at the base. Some 8,400 people work at Sandia National Labs and 1,600 work at the Veteran's Administration complex. Gibson Medical Center employs about 100 in addition to housing doctor's offices and their staff. This likely will increase once the center's operations are in full swing.

Regional Customers

Regional customers were the most difficult to obtain data about as they, by definition, come from all over the region. Specific businesses noted whether or not any of their customers were regional. Businesses that said they drew regional customers included a garden supply store, banks, medical supply, motorcycle repair, used bookstore, and several others.

2. Supply Characteristics

Commercial Space

Commercial uses predominate along both San Mateo and Gibson Boulevards. General characteristics are summarized below:

- Vacant commercial land: 10.4 acres
- Condition of commercial space: Fair to good
- Commercial rents: \$20.25 per square foot (First Quarter 2009)
- Average weekday traffic flows
 - San Mateo Blvd.: (from Gibson to Zuni) 13,400—17,500 in 2008; down from 21,200-23,400 in 2004
 - Gibson Blvd.: (from San Mateo to Louisiana) 26,100—16,300 in 2007; down from 29,200-23,600 in 2004
 - San Pedro Blvd. : (from Gibson to Zuni) 7,100—12,000 in 2008; down from 9,700-12,100 in 2004

Commercial Environment

There tend to be more small local businesses along San Mateo Boulevard and more national franchises along Gibson Boulevard.

San Mateo Commercial Corridor

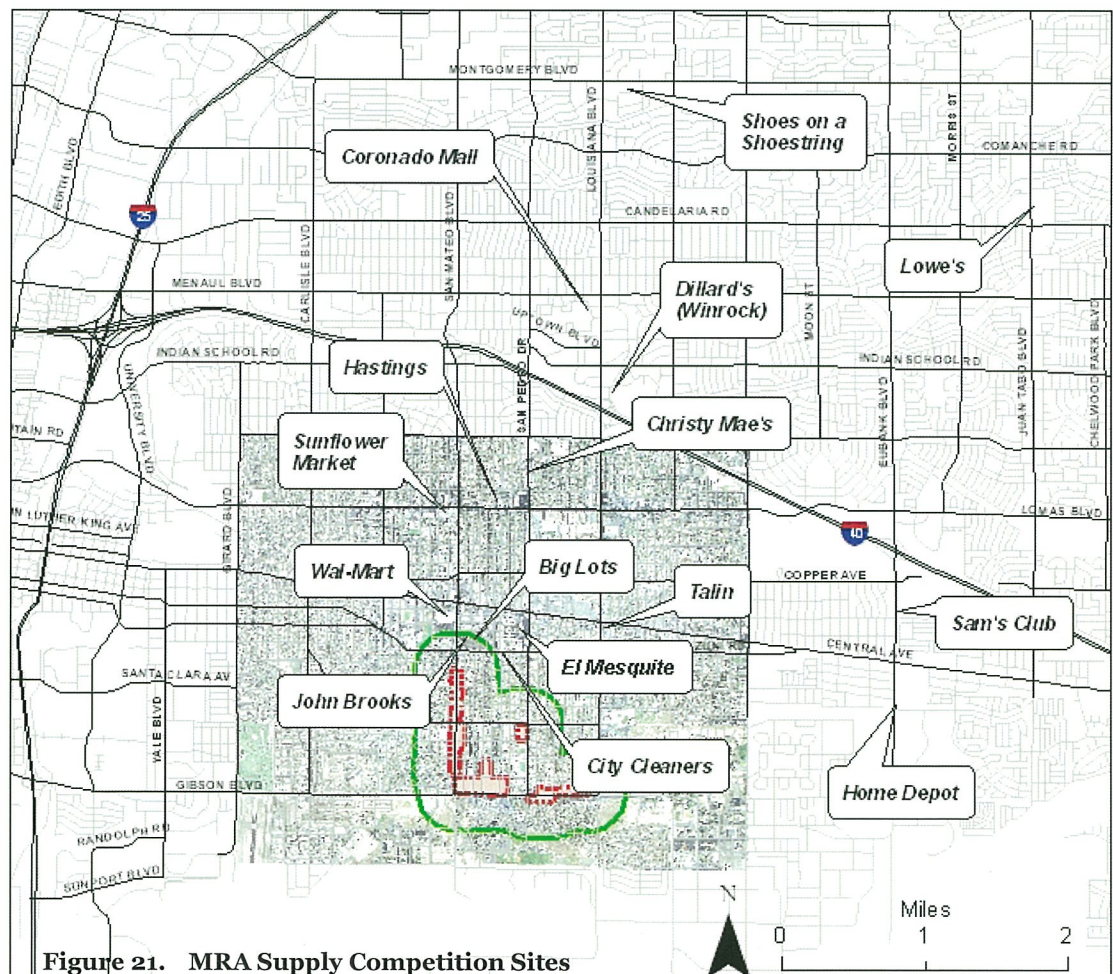
Retail and service businesses predominate along the San Mateo corridor from Gibson Blvd. to Bell Ave. in the MRA expansion area. These include thrift stores, specialty garden supply sales, a woodworking shop, a furniture store, and a used bookstore. Service businesses include hair salons, photography, a dry cleaners, tax services, a laundromat, and several social service places. There are three restaurants which serve Mexican food, Thai food and fast-food tacos, in addition to a small

San Pedro Drive

San Pedro Drive passes by Wilson Middle School, San Pedro Library, and both single and multi-family residential areas as well as the Willow Village Shopping Center. An older shopping center, this center was included at the request of the local residents in hopes of giving the center more tools for revitalization.

Commercial Competition

Neighborhood residents report shopping at nearby stores and restaurants outside the expanded MRA. These “outside” establishments indicate places of commercial competition for the Near Heights MRA Expansion Area (Figure 21). Residents tended to purchase groceries at John Brooks, Sunflower Market, El Mezquite, the Talin and Wal-mart. For hardware and home items, they frequented Home Depot and Lowes. Shoes were purchased from Dillard's, Shoes on a Shoe String, or Mervyns (which recently closed). Videos, DVDs and CDs came from Fair Heights Videos or Hastings, while books came from Page One, at Juan Tabo and Montgomery. The need for general purchases drew them to Wal-mart, Big Lots, Coronado Mall, and Sam's Club. Participants generally felt that the area lacked eating establishments, home medical services, and that the San Pedro library was too small.



3. SWOT Evaluation of Existing Conditions

The following evaluates the strengths, weaknesses, opportunities and threats (SWOT) to the area to provide a framework and guide to potential solutions.

Area Strengths

- Residentially dense (38,092 in 87108 zip code).
- Area employment includes Kirtland Air Force Base, Sandia Labs, the Veteran's Administration Hospital, and new tenants at the Gibson Medical Center.
- Close proximity to the international airport or the Interstate (for businesses that are regional).
- Percentage of ethnic population higher than rest of Albuquerque.
- Area recently renamed the International District, providing a new identity.
- Fairly high numbers of cars travel the Gibson/San Mateo/San Pedro corridors.
- Streetscape construction on San Mateo in 1984 that created a generally walkable area with shade trees (though it also narrowed parking at stores). Easy to cross the street.
- Good bus service with shelters and benches.
- Lots of bicycle riders in neighborhood.
- Strong, motivated neighborhood associations.
- Talin Market and cluster of Asian restaurants, other ethnic businesses, draw people from around the City.
- Cluster of auto businesses on San Mateo and Gibson.
- Proximity to the State Fair.
- Neighborhood leadership in helping people stay sober, off drugs (Endorphin Power Company, Next Steps Club etc.).
- Presence of Southwest Team for Entrepreneurial Success (STEPS) (which follows Sirolli Institute model for economic development).
- Fair number of viable businesses (especially franchises) along Gibson.

C. Bibliography

1. 48th NM State Legislature, *Metropolitan Redevelopment Code*, Article 60A, July 15, 2007.
2. Architectural Research Consultants, Inc., "Filling the Service Gap in the Southeast Heights," prepared for the Albuquerque/Bernalillo County Library System, June 2008.
3. Biebel Charles D., Szoka Pahl, Mary Rose; Taylor, Phyllis. Updated by Phyllis Taylor. Albuquerque's Environmental Story, Educating For a Sustainable Community, The Built Environment - A Sense of Place Near Heights.
4. City of Albuquerque, Development Services Division. *Near Heights Metropolitan Redevelopment Plan*, 2000.
5. City of Albuquerque, Metropolitan Redevelopment Agency. Eastern / Alvarado MRA Designation Report and Project Plan, 2007.
6. City of Albuquerque, Metropolitan Redevelopment Agency. Near Heights MRA Expansion Area Designation Report, 2008.
7. La Mesa Sector Development Plan. 1976, November
8. National Association of Realtors, *Economic Development Case Studies*, February 2005.

Implementation

The redevelopment strategy would be for the City to purchase the site and issue an RFP for a private or non-profit developer to design and develop the site. The City might fund a plaza or park within the development.

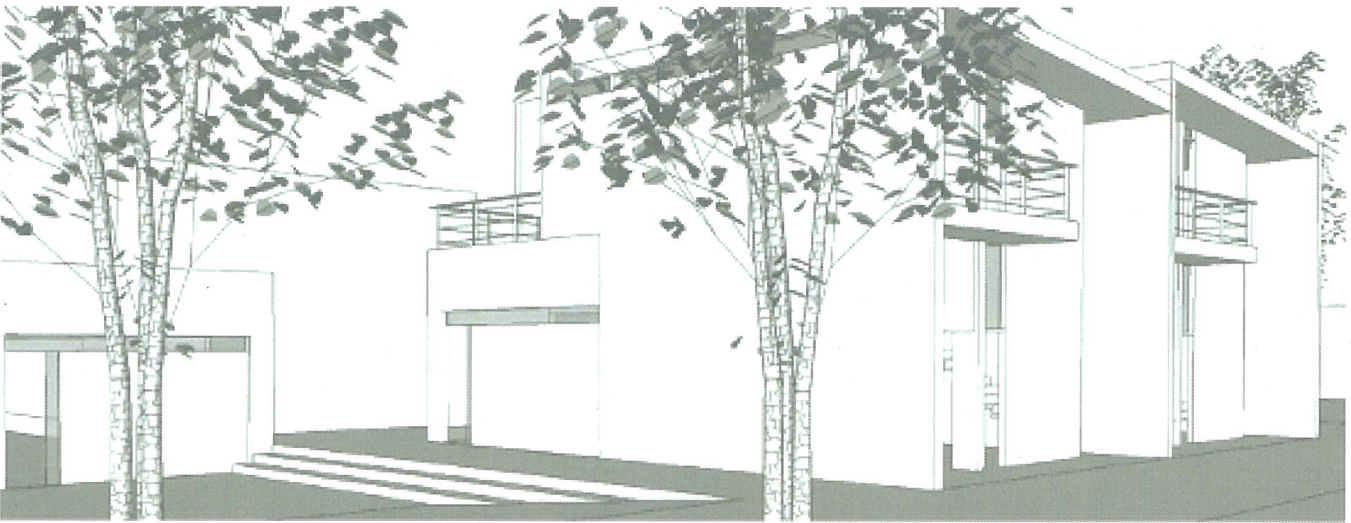
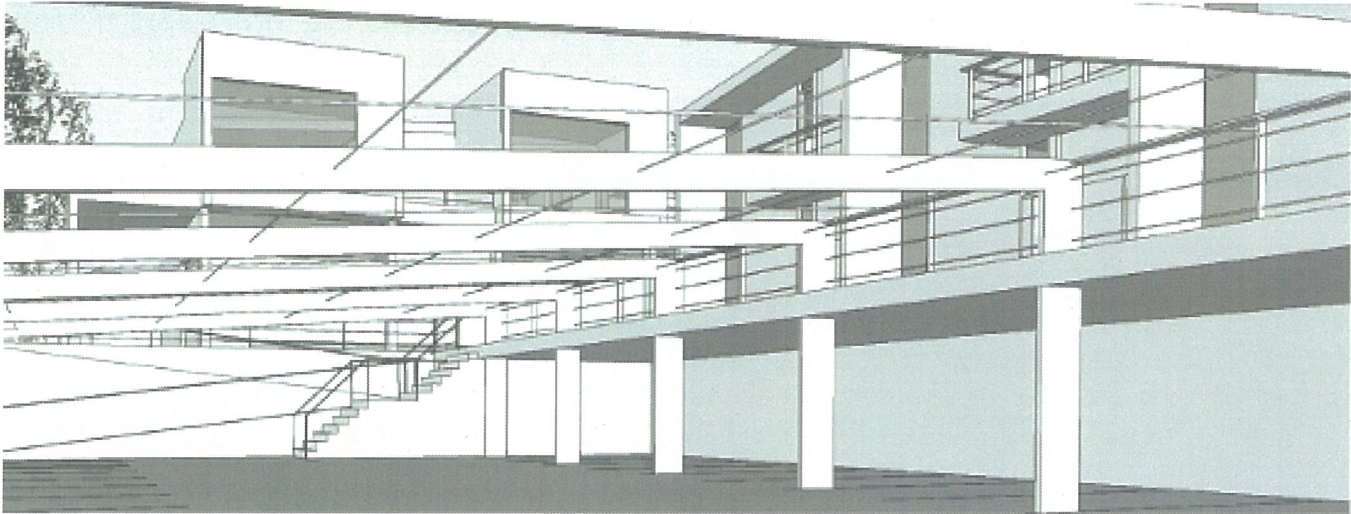
Potential Partners

- Assistant Architecture Professor Kristina Yu, and UNM's School of Architecture Studio 301
- University of New Mexico Associate Professor of Community and Regional Planning Moises Gonzales

Implementation Steps

- Determine owner/ if land is for sale/ price.
- Purchase Property and review UNM architecture and planning work in the area.
- Issue an RFP.

Potential Opportunity Site (Identified by University of New Mexico
School of Architecture Studio Project)



E. Small Business Resource List

Accion

Non-Profit organization that increases access to business credit, makes loans and provides training to assist emerging entrepreneurs.

ACCION New Mexico

20 First Plaza NW, Suite 417

Albuquerque, New Mexico 87102

Phone: 505 243-8844

Toll-Free: 800 508-7624

Web Site: <http://www.accionnewmexico.org/>

E-mail: accion@accionnm.org

Enchantment Land Certified Development Corporation

Private, non-profit corporation that assists communities with their economic development goals by offering competitive long-term loans to finance capital assets

Enchantment Land Certified Development Company

625 Silver Avenue SW, Suite 195

Albuquerque, NM 87102

Phone: 505 843-9232

Toll-Free: 888 282-9232

Fax: 505 764-9153

Web Site: <http://www.elcdc.com/>

New Mexico Community Capital

Provides equity capital and business growth services for small business ventures in rural communities.

New Mexico Community Capital

115 S. Camino del Pueblo

Bernalillo, NM

Phone: 505 924-2820

Toll-Free: 866 222-1552

Fax: 505 213-0333

Web Site: <http://www.elcdc.com/>

E-Mail: info@nmccap.org

University of New Mexico Science and Technology Corporation

Non-Profit corporation formed by and owned entirely by UNM to protect and transfer its faculty inventions to the commercial marketplace.

STC

801 University Blvd., SE Suite 101

Albuquerque, NM 87106

Phone: 505 272-7900

Fax: 505 272-7300

Web Site: <http://stc.unm.edu>

E-Mail: info@stc.unm.edu

WESST Corp

Non-profit corporation that facilitates the start-up and growth of women and minority-owned businesses throughout the state of New Mexico.

WESST Enterprise Center

609 Broadway Blvd., NE

Albuquerque, NM 87102

Phone: 505 246-6900

Fax: 505 243-3035

Toll Free: 1-800-469-3778

Contact: Clare Zurawski, Albuquerque Regional Manager

Web Site: <http://www.wesst.org>

Actions:

1995 RGCDC receives \$50,000 planning grant from the City of Albuquerque to study the economic development needs of the South Valley.

Period Following Approximately \$2.5 million in grants trickled in from federal, state and government organizations including the Housing and Urban Development Department, the New Mexico State Legislature, the Department of Commerce, Bernalillo County, and the U.S. Department of Health and Human Services.

RCRP Receives funding from Hispanic Serving Institutions Assisting Communities grant program to conduct needs analysis surveys in the South Valley Neighborhood:

1. Feasibility Study to access the incubators current and projected demand
2. Marketing Plan identifying customers, regional markets, and competition
3. Community Planning Process to involve the community
4. Community Assessment providing documentation on South Valley resources, i.e. residents skills, the local economy, employment issues, service needs, and potential business opportunities.

RCRP Helped raise \$2.2 million in grants and assisted with business and marketing plans and economic development plans for the SVEDC. RCRP was also instrumental in involving engineers and subcontractors in the community process.

RGCDC Successfully purchased two acres of land to construct the incubator. RCRP's analysis surveys proved helpful in garnering funds for construction.

April 2005 South Valley Economic Development Center opens doors.

Services

1. 2-3 year limit to use
2. Office Space: Low-cost, with flexible leases. Priority on office space is given to businesses that employ South Valley residents; however, all interested tenants are considered.

Amenities include:

- a. Training and networking opportunities

- MR-COG, Mid-Region Council of Governors
- CNM, New Mexico Community College
- Works New Mexico. Their mission is to improve the quality of the work force and to develop individual entrepreneurs.
- SCORE: The Service Corp. for Retired Executives, a national nonprofit organization of current and retired business people who mentor and counsel small businesses.
- LINCS: a federal program that works directly with clientele and offers placement services and work experience. LINCS works with employers like the Albuquerque City Transit System, the District Attorney's Office, Child Support and Health & Human Services Offices, and the Hispanic Cultural Center to provide students with relevant work experience.
- SER: Service Education/Employment and Redevelopment de Albuquerque, focuses on adult education programs, providing adults with training required to get a GED.
- WESST: a nonprofit organization providing quality entrepreneurial services throughout the state of New Mexico.
- La Plazita Institute: La Plazita is an organization that works with at-risk youths to run the Sanchez Farm, a community farm located in the community. La Plazita Gardens is leading the community in their vision of engaging youth and other members of the South Valley to practice innovative farming.

Senator Jeff Bingaman's Office

Activities

1. SVEDC, Rio Grande Growers Association (RGGA), and Mesa del Sol

RGGA was organized and is managed by the SVEDC, which filed articles of incorporation for the organization. The RGGA will be substantially controlled by the SVEDC for its first years of operation, though this control will be handed over to the growers association eventually. By forming an association the group members are able to act as an economy of scale and perform pool-purchasing.

The RGGA formed to benefit from an arrangement proffered by Mesa del Sol development.

South Valley group's projects into a shared information report entitled the Rio Grande Projects Initiative. The Rio Grande Projects Initiative aims to interview program leaders about current projects. The initiative will contain information on 12 South Valley projects including the name of the project lead, where the project will take place, project size, project benefits and needs. This initiative is directed by Tim Nisly of the SVEDC and is available on-line at: www.svedc.org.

"SVEDC works with over 27 businesses, financial, and community organizations to impact the South Valley. 17 small businesses use the SVEDC's services every day."(SVEDC Economic Impact Report, June)

New Mexico State Incubator Program and SVEDC Phase II

New Mexico State Incubator Program

The New Mexico Business Incubator Program, established by the NM State Legislature in 2005 has certified 4 incubators to date:

1. The Enterprise Center
2. The SVEDC
3. Santa Fe Business Incubator
4. The Quality Center for Business

Elizabeth Davis is the Director of the NM Economic Development Department's incubator certification program. (www.goNM.biz)

NM Economic Development Department's Incubator Certification Program recently awarded funding for three groups: The WESST Corp Enterprise Center, The Quality Center for Business at San Juan College in Farmington, and the SVEDC.

The SVEDC will receive \$100,000 to complete Phase II of their construction. SVEDC received the award for their outstanding collaborative efforts with other groups and incubators around New Mexico.

Economic Development Department received \$100,000 for business incubator operating grants and the RFP to award these funds. Maximum grants amounts were set at \$25,000 recently.

SVEDC Phase II

Phase II's projected cost is \$1.25 million dollars to construct two building needed for light manufacturing and childcare services and training. SVEDC is launching a TV channel to the South Valley (SVTV) dedicated to providing educational material such as ESL and GED prep.

"The Santa Fe Business Incubator alone has assisted 51 companies that have generated more than 350 jobs in its 8 years of operation."(Albuquerque Journal, January 13, 2006)

2. Project: Crawford Square, Pittsburgh, Pennsylvania

Program:



Source: National Association of Realtors

Size: 18.5 acres

Retail/Commercial: None

Residential: Garden stack and townhouse units, 1-, 2-, and 3-bedrooms

Housing price mix: ranges from \$350 – \$1,190/month

Percentage of affordable units: Approximately 50% of all unit types are affordable. Affordable units have rents based on 50% or 60% of the HUD table of median income levels. Rents are set at 33% of the 50% or 60% as determined by metropolitan area income levels.

Percentage of market rate units: 50%

Major sources of funding: Sun America Affordable Housing Partners, Urban Redevelopment Authority of Pittsburgh, Pennsylvania Housing Finance Agency (HOME), Local leader consortium, Department of Community Affairs, Local Foundations

Number of construction jobs created: N/A

Number of permanent jobs created: 10, multifamily housing management and maintenance

Role of public money: Federal low income housing tax credits, HOME Funds

History of the area: Located in uptown Pittsburgh, immediately adjacent to downtown, the Lower Hill district once was home to a vibrant community. However, in the 1960s and 1970s, the area was severed from downtown by highway construction and downtown redevelopment. Urban renewal progressed to uptown, but the community organized to halt any further downtown incursions at Crawford Street.

In the 1970s and 1980s several residential plans were considered, but never approved because they were not financially feasible. By the 1990s, the area was considered to be the most dangerous part of the city.

In the late 1980s and early 1990s, the Urban Redevelopment Authority (URA), the owner of most of the land in what would become Crawford Square, contracted with McCormack Baron, a developer in St. Louis with a reputation for successfully transforming similar urban sites. The goal that they later developed with members of the community was to develop a mixed-income neighborhood with the image of a market rate development in which there was no distinction between subsidized and market rate units.

Tools to encourage projects like Crawford Square:

- Organizations like the Urban Redevelopment Authority that have the ability to assemble properties and facilitate their development through financing assistance
- Local lender consortia comprised of banks and businesses that make low interest money available
- Federal low income housing tax credits
- Working collaboratively with the community and local leadership groups

Information gathered from interviews with Ray Gindroz (Principal, Urban Design Associates) and information submitted by McCormack Baron (Developer) as well as:

Jones, Tom, et. al. Good Neighbors: Affordable Family Housing. McGraw-Hill New York 1995. pp. 168-171. (National Association of Realtors 2005).

Process and Challenges: When BART released plans for the new structure in the early 1990's the Unity Council organized a public campaign to oppose the plan and worked with governmental agencies, BART and other non-profit groups, eventually creating the Fruitvale Development Corporation to support their real estate development efforts. Land assembly was one of the most challenging aspects of the project; eventually, a complicated land swap between the City of Oakland and BART provided the land necessary for the project.

A critical aspect of the project was that the anchor tenants for the development were to be non-profits that could meet two main requirements: the ability to pay rent and the ability to create foot traffic, which was not easy to find. The council decided to include housing in the mix and limited retail tenants to those would not compete directly with those on International Boulevard.

Another important consideration is that each component of the project was to be financially self-sufficient, including the child care center, office, retail, and housing.

Key Features:

Transit-based mixed-use revitalization project

Large pedestrian plaza that connects all the facilities within the Village to the BART, a bus intermodal transit center and an attended bicycle parking facility

Fruitvale Village has been recognized as a model for transit-based development and for the partnerships that were created to overcome the barriers posed by expense and the complexity of the project.