



AGENDA

ECONOMIC DEVELOPMENT
ADVISORY COMMITTEE
APRIL 07, 2021 AT 11:00 AM
ATTEND VIRTUALLY

SPECIAL PROCEDURES FOR ECONOMIC DEVELOPMENT ADVISORY COMMITTEE MEETING

Attendance: In response to the State's declaration of a Public Health Emergency, the Mayor's Proclamation of Emergency, and the ban on public gatherings in excess of those permitted in the current Public Health Order, the Economic Development Advisory Committee meeting will be conducted virtually.

Viewing: Members of the public may join the Zoom meeting by internet or phone, as follows:

Internet: To join the Zoom meeting on the internet using a computer, laptop, smartphone, or tablet, use the following link: <https://santafenm-gov.zoom.us/j/98781766916?pwd=c2VKcW1TRnlGeGR3K2FNTDhd6WWd5QT09>.

Passcode: 808247

Attendees should use the "Raise Hand" function to be recognized by the Chair to speak at the appropriate time.

Phone: To join the Zoom meeting using a phone, use the following phone numbers and Webinar ID: **US: 1 (346) 248-7799 - Webinar ID: 987 8176 6916 - Passcode: 808247**

Phone attendees should press *9 to use the "Raise Hand" function to be recognized by the Chair to speak at the appropriate time.

The agenda and packet for the meeting will be posted at <https://santafe.primegov.com/public/portal>.

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **APPROVAL OF AGENDA**
4. **APPROVAL OF CONSENT AGENDA**
5. **APPROVAL OF MINUTES**



AGENDA

ECONOMIC DEVELOPMENT
ADVISORY COMMITTEE
APRIL 07, 2021 AT 11:00 AM
ATTEND VIRTUALLY

- a. March 10, 2021
6. **ACTION ITEMS: CONSENT**
7. **ACTION ITEMS: DISCUSSION**
8. **PRESENTATION**
 - a. Midtown Progress Report: RFEI / Solicitation Next Steps. (Rich Brown, Director, Community & Economic Development Department, rdbrown@santafenm.gov, 505-955-6625, Andrea Salazar, Assistant City Attorney, asalazar@santafenm.gov, 505-955-6303 and Daniel Hernandez, Project Director at Proyecto LLC, daniel@proyecto.is, 917-930-0106).
9. **PUBLIC COMMENT**
10. **MATTERS FROM STAFF**
11. **MATTERS FROM THE COMMITTEE**
12. **MATTERS FROM THE CHAIR**
13. **NEXT MEETING:**
May, 12, 2021
14. **ADJOURN**

Persons with disabilities in need of accommodations, contact the City Clerk's office at 955-6521, five (5) working days prior to meeting date.

**ECONOMIC DEVELOPMENT ADVISORY COMMITTEE
WEDNESDAY, MARCH 10, 2021, 11:00 AM
ATTENDED VIRTUALLY**

1. CALL TO ORDER

The meeting of the Economic Development Advisory Committee was called to order by Councilor JoAnn Vigil Coppler, Chair, at 11:00 am on Wednesday, March 10, 2021 and was attended virtually.

2. ROLL CALL

COMMITTEE MEMBERS PRESENT

Councilor JoAnn Vigil Coppler, Chair
Melessia Coleman
Meghan McGarrity
Ryan Cordova
John Fiens
Ryan Gallagher
Robert Lurcott
Johanna Nelson

COMMITTEE MEMBERS ABSENT

Kate Kennedy, Excused
Victoria Murphy, Excused

OTHERS PRESENT

Rich Brown, Director, Community and Economic Development
Fabian Trujillo, Office of Economic Development
Liz Camacho, Office of Economic Development
Janice Krich, Office of Economic Development
Sean Moody, Asset Development
Lauren Lucero, Asset Development

Chair Vigil Coppler welcomed Mr. Gallagher to the Board.

3. APPROVAL OF AGENDA

MOTION A motion was made by Mr. Fiens, seconded by Mr. Lurcott, to approve the agenda as presented.

VOTE The motion passed on a roll call vote as follows:

Chair Vigil Coppler, yes; Ms. Coleman, yes; Ms. McGarrity, yes; Mr. Cordova, yes; Mr. Fiens, yes; Mr. Gallagher, yes; Mr. Lurcott, yes; Ms. Nelson, yes.

4. APPROVAL OF CONSENT AGENDA

There was no consent agenda.

**5. APPROVAL OF MINUTES
FEBRUARY 17, 2021**

MOTION A motion was made by Mr. Cordova, seconded by Mr. Fiens, to approve the minutes as presented.

VOTE The motion passed on a roll call vote as follows:

Chair Councilor Vigil Coppler, yes; Ms. Coleman, yes; Ms. McGarrity, yes; Mr. Cordova, yes; Mr. Fiens, yes; Mr. Gallagher, yes; Mr. Lurcott, yes; Ms. Nelson, yes.

6. ACTION ITEMS: CONSENT

There was no consent calendar

7. ACTION ITEMS: DISCUSSION

**A. POTENTIAL APPROACHES TO CREATING AN ECONOMIC
DEVELOPMENT STRATEGIC PLAN**

Chair Vigil Coppler stated that the Board very recently received out agenda packet. There was a lot of good information included. It is not her intent to go over all the items. She would like to discuss with staff the process of developing a strategic plan. The Economic Development Department is terribly loaded with work. This is a huge project. Today is the first step. We will talk about what staff foresees and how the Committee wants to move forward.

Mr. Brown said there were two documents in the packet. The first is about economic recovery and the second is the framework and approach to strategic planning. We wanted to bring you up to speed. This will begin in earnest with the budget process. We can start today. This will be a six to nine month process. We are going into a new normal in the new fiscal year. We will begin with economic recovery.

Mr. Brown reviewed the economy recovery document in the meeting packet and asked for Committee input.

Ms. Coleman asked if the Committee had input on the business licensing process and if there were plans to address the cumbersome process we have now.

Mr. Brown said we have business licensing and regulations within our department. We are in the process of automation.

Chair Vigil Coppler said this Committee can provide input on anything. Don't hesitate to bring up concerns or ideas.

Ms. Coleman said this is a general information question. In her circle of local business owners she hears it is a very cumbersome process.

Mr. Brown said he agreed. There are many steps in the process. We are trying to make it a bit more automated.

Mr. Lurcott said item 4 on the list of seven seems different from the others. It is more pragmatic. Is there a program underway.

Mr. Brown said it is on-going. These seven steps came from the Council of Mayors Think Tank. It won't happen overnight, but this is putting on notice regarding codes and penalties.

Ms. McGarrity said regarding the "no dollar left behind" includes grant opportunities. There are so many grants available that to decide what is the best fit if a large task. How does your team decide on which areas to apply for.

Mr. Brown agreed that she was correct and we have Federal money opportunities. We look at what fits into our priorities and what the Federal government is focusing on for funding so we can structure our applications accordingly. There is something else that will effect our grant opportunities. Recently the definition of metropolitan has been changed from a population of 100,000 to 500,000. That means that Santa Fe will be designated as micropolitan. That does not help us.

Ms. McGarrity said when she served on the Midtown team she never was able to understand why we could not change the zoning relative to the Link Overlay. Why is that not possible.

Mr. Brown explained that the campus is listed as a residential parcel. The school that was there had full run of the property. To change to commercial, R2 to C2, takes a lot of work. It is not an administrative change. It could take up to nine months.

Mr. Trujillo said the Link Overlay is designated for commercial properties. The

City owns the Midtown property so it is off the books for taxes. It requires an Ordinance change with the approval of the Governing Body. It would be best to think about the Master Plan so we know what is going in there.

Ms. Nelson asked in terms of the City's Economic Development Plan, is the most current the 2017 Plan.

Mr. Brown said yes.

Ms. Nelson asked if there was a timeline associated with the creation of a strategic plan.

Mr. Brown said we will be starting with the period from April 1st to the end of the fiscal year. It is based on the pandemic timeline. We need to work on changing the mind set of businesses regarding taking out a loan. The risk to applying for only grants is that they are short term and do not allow for long term planning.

Ms. Nelson said there are some wonderful ideas here.

Mr. Brown stated that they are hoping to have more information for all of you by the April meeting.

Mr. Fiens asked if the City had funding for this type of planning.

Mr. Brown said the City does not have resources currently. We are tracking Federal grants for that purpose.

Mr. Fiens said looking at the seven bullets, the idea document is addressing needs and resources. He hopes support for the ecosystem is in the mix. There is a lot of work around ecosystems and closed loop economies at this time.

Mr. Brown said we will reach out to our partners on this. Staff cannot do it by ourselves.

Mr. Fiens said capacity is a concern for him with how much you are doing. You are positive, thoughtful and a "go to guy". When you prove you can take on a lot the reward is more work. He is concerned about the Departments capacity. He encourages you to be ruthless in looking at your capacity in terms of what you know you can really do and what will actually move the meter. With the budget coming up he recommends that you get a full time grant writer in your Department. We need a proven, experiences grant writer. They would pay for themselves. That is one example of how to think about the budget and capacity.

Mr. Brown said if you recall, he expected an earthquake in January and brought on Sean Moody. He also said the Economic Development Department needed a grant

writer. The City Departments were all talking about needing grant writers. We were going to fund a grant writing workshop then the pandemic hit. He tips his hat to you.

Mr. Fiens said he was an advocate for modeling after successful cities. We need someone to look at the winners of the recession and find ideas. It is impressive that you got eighty inquires about business licenses. This is a time when young people may leave. We could lose them. Brain drain. He has a dream that we would be at the nexus point where we could incentivize people to stay.

Chair Vigil Coppler said regarding the business license comment, she is a MAC user and that does not work with the system at all. Is there any appetite to have this work on both platforms.

Mr. Brown said with the pandemic most of the world moved to lap tops. He will ask and get her an answer as to why it is not interfacing.

Chair Vigil Coppler said in the event we could be more customer friendly that would be great. The idea of hiring grant writers is a good one. Is that in your budget.

Mr. Brown said it is something we are talking about as Departments.

Ms. Nelson said if brain drain is one of the points that is going to be addressed she does not see clear identification of "Sense of Place" being utilized. She is sure you are all aware of opportunities in New Mexico like Grant Plant that you can contract with.

Mr. Brown said we are getting so many inquiries from people who want to help us in enticing people to stay. We are seeing boomerangs coming back. We are trying to figure out how to address that. We want to target people before they leave. There is a lot of remote hiring going as well now that so many people are working from home. They can work from home for large companies located outside New Mexico.

Ms. Nelson said inclusiveness and entry points can be used as incentives or enticements. There is a subset of women business owners where daycare is a huge issue.

Mr. Brown said part of the focus will be on child care issues.

Mr. Gallagher said it would be great if we could keep people here after graduation. For him, he had a hard time finding out what the step by step process for things like getting a business license. It would be helpful for young people to have somewhere to contact for someone to reach out to them as to what is necessary for opening a business in Santa Fe.

Mr. Brown stated that he and Liz will reach out to Mr. Gallagher regarding a boomerang program we are starting. Also Liz publishes a newsletter on line on a

monthly basis that included resources and happening in business in New Mexico.

Mr. Fiens said thank you Rich for making a point about remote hiring. We need to make sure these people know how to write a resume and a cover letter to apply for remote employment. He would be happy to volunteer in those efforts.

Mr. Cordova said the Santa Fe Community College houses the SBDC. That is what they do. They help young people. Maybe teaming with them would be beneficial.

Chair Vigil Coppler commented that the Community College is a valuable resource that we need to use more often.

Ms. McGarrity said the State SBDC is housed at the Community College.

Mr. Brown encouraged the Committee to look at Liz's newsletter.

Chair Vigil Coppler thanked Mr. Brown and his staff for the presentation. We have had a creative discussion and good ideas today. The information you have Rich, is great. She trusts that you will come back with a calendar showing a timeline to the end result. It will be a living, breathing document. The first thing we need to do is get started and see what Mr. Brown can fit into the budget. Let us know how we can support you Rich.

Mr. Brown said we are putting money in the budget for next fiscal year for the strategic plan.

Mr. Brown reviewed the highlights of the Strategic Plan document in the packet.

Chair Vigil Coppler thanked Mr. Brown for the information. The process helps us know where to start. This was a well rounded presentation. It gives us something to work with to help you achieve your and the City's goals.

8. PRESENTATION

None.

9. PUBLIC COMMENT

None.

10. MATTERS FROM STAFF

Mr. Brown welcomed Mr. Gallagher to the Committee and introduced his staff. He announced that Fabian Trujillo will be retiring on March 26th.

Mr. Brown thanked Mr. Trujillo for all he had done. Your institutional knowledge has been tremendously helpful. Bravo. We will see what your next chapter will be.

Mr. Trujillo said it had been a pleasure serving with the City and to work with all of you and this Committee. He is excited about new possibilities. He has over twenty years of experience with economic development. He has just started his own economic development consulting business and in three months he will be a real estate agent. Who knows what else.

11. MATTERS FROM THE COMMITTEE

Mr. Fiens congratulated Mr. Trujillo for leaving an awesome legacy for our community.

12. MATTERS FROM THE CHAIR

Chair Vigil Coppler said Fabian you are an institution here. She is very much appreciative of the work you have done since she has been Chair. She is sad to see you go. Your institutional knowledge cannot be replaced. You can retire knowing you gave your very best. She is happy to continue working with you on the HOA.

13. NEXT MEETING

Chair Vigil Coppler said the next meeting would be on April 14th, but that is a budget hearing. She will work with Mr. Brown on that and they will let everyone know.

Mr. Brown said he failed to introduce Elizabeth Martin. She has been the stenographer for this Committee for many years. She is back with us and will be doing the minutes going forward.

Chair Vigil Coppler said welcome back.

Mr. Fiens also welcomed Ms. Martin back.

Mr. Fiens said he appreciated Mr. Trujillo's service. Thank you so much. It has been an honor to work with you. He wishes him all the best.

14. ADJOURN

There being no further business before the Committee the meeting adjourned at 12:30 pm.

Councilor JoAnn Vigil Coppler, Chair

Elizabeth Martin, Stenographer

Councilor JoAnn Vigil Coppler, Chair



Elizabeth Martin, Stenographer

City of Santa Fe, New Mexico

memo

Date: March 26, 2021

To: Governing Body – March 31, 2021

From: Rich Brown, Director of Community and Economic Development *RB*

CC: Jarel LaPan Hill, City Manager *JLH*

Subject: Action Memo for Moving Forward with the Midtown Development

ITEM & ISSUE:

The Exclusive Negotiation Agreement between KDC/Cienda Partners and the City of Santa Fe has been terminated. The City could move forward with another master developer, select projects or tenants, or cancel the Request for Expression of Interest (RFEI). The Evaluation Committee reviewed and scored the remaining proposals, and I contacted all the Master Developers who submitted proposals. For the reasons described below, and as the Procurement Manager for RFEI, I am canceling the RFEI. The City Manager and I have consulted on this decision and are in agreement.

Attached is a detailed technical memo, which addresses detailed analysis for the determination.. In brief, I recommend the City immediately start the zoning, planning, demolition, and remediation process for the Midtown Campus to increase the land value of the property, retain control over the process, and begin immediate, alternative processes that will bring high caliber projects to the campus to meet the community's goals for development.

The City has received legislative funding for the Midtown Campus and we have both a team of staff and contractors who can move forward quickly with zoning and development planning for approvals and get this development project moving forward more rapidly than if we linked up with another master developer in the near term. The timeframe for the City conducting zoning and development planning is 16-18 months, beginning immediately. Staff and contractors, as directed by Resolutions 2017-78 and 2018-54, will move this project forward as addressed in the attached technical memo. During this period, the Governing Body will be asked to approve any new large contracts and amendments, revised budgets, planning, zoning, and financial structures to move this process forward.

What follows is an Action Plan with 9 elements designed to provide a work program moving forward and a timetable for accomplishing these critical tasks.

ACTION PLAN

1. CITY AS MASTER DEVELOPER

The City will take on the role of preparing Midtown for planning and development. This lets us move faster and with more control by the Governing Body and more input from the people of Santa Fe. For that reason, we're canceling the RFEI. We will continue to be in contact with the previous respondents and others who have contacted us who have expressed interest as we move forward with zoning and development planning. We're taking back control of our own Midtown destiny, and will move to implement a series of initiatives to move the overall project forward.

2. SITE REZONING (Development Framework Plan)

The City will contract with an outside consultant who will become the applicant for a rezoning. We have a number of options that we are exploring and will be issuing a solicitation to local firms for planning and zoning services. This work can begin within the next three months (FY22). As with any zone change, it will need to go through the planning and approval process.

- Project Owner: City Land Use Staff, Strategic Economics/Opticos, Local Planning Firm (contracted applicant)
- Timeline: Contracting (3 months); Zoning Entitlements (approx 12 months)
- Governing Body Review and Approval:
 - Zoning and Planning Contractor
- Estimate Costs: TBD – Due by May 15

3. PLAN FOR INFRASTRUCTURE (Main Roads & Utilities)

As part of the rezoning/master plan application, the City will move forward with infrastructure planning and site development. This work will include items such as: clearing grounds, mitigating site conditions, planning phased development of main utility lines (electric, water, sewer, gas, data fiber) and primary road(s). These are the issues that we identified over the last year as needing to be addressed to add value to the site and make it ready for overall development.

- Project Owner: Project Manager, Public Works, Public Utilities Staff and Strategic Economics/Opticos team (current contractor)
- Timeline: Up to 16 months
- Governing Body Review and Approval:
 - Budgets and contracts for undertaking horizontal development
 - Property disposition terms and agreements
 - Public engagement is pursuant to the Resolution 2018-54 passed by the Governing Body in August 2018
 - Development framework plans
 - Regulatory land use and zoning
 - Public financing structures and funds allocation
- Estimate Costs: TBD – Due by June 30th

4. REUSE EXISTING BUILDINGS FOR COMMUNITY PURPOSES

➤ **Buildings of interest: Library Complex, Arts Center, Performing Arts Center**

City Staff will undertake the work of identifying early projects and programs that we can pursue to begin development at Midtown. The most immediate opportunities involve the Library Complex, Arts Buildings and the Performing Arts Center. Note, there will be some continuous use, but keeping in mind that there would be no build-outs, no new uses until zoning and development planning approvals have been obtained.

- Project Owner: Project Manager, Public Works Staff
- Timeline: Current and up to 6 months
- Governing Body Review and Approval:
 - Memorandum of Understanding with users (lessees)
- Estimate Costs: TBD – Due by June 30th

5. PREPARE SITE AND BUILDINGS FOR REUSE AND REDEVELOPMENT

City Staff will immediately identify buildings to be kept and put into productive use and buildings that need to be torn down so development can take place. The \$1 million allocation just made by the State to the City for Midtown site preparation will be of enormous help in moving forward rapidly on this step.

1. Demolish substandard buildings
2. Remediate negative site conditions
3. Establish vacate terms in temporary leases based on incremental development phasing

- Project Owner: Midtown Project Manager, Public Works Staff, STT Teams
- Timeline: Current and up to 9 months
- Governing Body Review and Approval:
 - Building Demolition contracts
 - Site remediation contracts
 - Renewal Leases for new uses
- Estimate Costs: TBD – Due by July 30

6. GARSON STUDIOS COMPLEX

City Staff will move forward immediately to look for productive and financially advantageous ways to promote the Garson Study Complex. First step is to meet with our State Film Office partners, then our Film Industry and Education partners (including high profile, national production companies). One opportunity that has emerged over the last year is a proposal to use the Garson Studios to access and establish a new model for a Premiere Film and Multimedia Studios and Film School.

- Project Owner: Project Manager, STT Teams

- Timeline: Currently under lease, but up to 9 months
- Governing Body Review and Approval:
 - Film Production Lease with long term contractor
 - Memorandum of Understanding with educational institution
- Estimate Costs: TBD – Due by August 30

7. IDENTIFY PARCELS FOR MIXED INCOME AND AFFORDABLE HOUSING DEVELOPMENT

City Staff will work with local developers and non-profits to identify immediate opportunities for a project that would take Midtown parcels that could be developed as affordable housing, mixed income and mixed use projects.

- Project Owner: Project Manager, STT Teams, Strategic Economics/Opticos (current contractor)
- Timeline: identify parcels up to 6 months as part of development planning process
- Governing Body Review and Approval:
 - MOU with developers
- Estimate Costs: TBD – Due by August 30

8. ACCESS AND ESTABLISH A PUBLIC FINANCING MECHANISM

City Staff will work immediately to explore the advisability of establishing some form of a public finance structure(s), such as Metropolitan Redevelopment Act, Tax Increment District, or other public finance instrument or organization.

- Project Owner: Project Manager, STT Teams and Strategic Economics (current contractor)
- Timeline: Up to 9 months
- Governing Body Review and Approval:
 - Metropolitan Redevelopment District Resolution
 - If MRD path, Resolution for 'Blighted Site' designation
 - Various bond, Tax Increment Financing, Opportunity Fund approvals
- Estimate Costs: TBD – Due by July 30

9. PUBLIC ENGAGEMENT FOR DEVELOPMENT PLANNING

City Staff will build on existing Midtown Planning Guidelines to engage the public in the zoning and planning processes. This process (under way) will identify and inform key development policies, programs, and land uses.

- Project Owner: Project Manager, STT Teams, UNM DPAC Team (current contractor)
- Timeline: Currently underway, align with zoning and land use, completed end of Q4 2021
- Governing Body Review and Approval:

Action Memo for Moving Forward with the Midtown Development

- Any new Memorandum of Understanding with public engagement contractor
- Estimate Costs: No new costs

Attachment: Midtown Incremental Development technical details memo

MIDTOWN

Date: 31MAR2021
To: Governing Body of the City of Santa Fe
From: Daniel Hernandez, Proyecto, Midtown Project Manager
Via: Richard Brown, Director, Economic and Community Development
Jarel LaPan Hill, City Manager, City of Santa Fe
Subject: **Midtown Moving Forward**
Zoning, Master Planning Development and Investment
Next Steps

PURPOSE

The purpose of this document is to describe viable and clear next steps for moving forward with the redevelopment of the Midtown Site.

PUBLIC GOALS

AS the City moves forward, the primary objective is for the City to diligently manage the process for ensuring that the City is better positioned to maximize opportunities for achieving shared public goals at the Midtown Property:

- **Development Goals:** land uses that create a dynamic live, work, learn, play environment.
- **Economic Goals:** public investment to create land value that reduces or eliminates the City's financial operating obligation and provides the opportunity to incorporate community development benefits into the reuse and redevelopment.
- **Community Goals:** public engagement that serves as the underpinning for achieving a broad spectrum of housing, economic, and other community and sustainable development objectives.

CORE STRATEGIES

1. **Cancel the RFEI Solicitation**
 - a. Ensure Governing Body has clear stewardship and oversight
2. **Initiate City-Driven Infrastructure Development**
 - a. Engage the Public
 - b. Rezone Midtown and Create the Development Framework
 - c. Initiate early state projects
 - Reuse Buildings and Redevelop Parcels
 - Create a Premiere Garson Studios

Note: Please refer to Exhibit: Next Steps for more detailed information. Following is a brief summary of Next Steps.

Why. Development challenges were highlighted during the RFEI's Exclusive Negotiation Agreement period. Moving forward with another master developer would continue and potentially exacerbate these challenges. In particular, the existing scope of work from the RFEI hinders private sector investment and limits City's ability to achieve shared public goals. In direct response to these development challenges, City staff established focused Strategic Tactics Teams (STTs) to develop action-oriented, informed, tactics to achieve specific outcomes. The key tactics and related next steps and outcomes are described below.

What. The City will move forward as the zoning, infrastructure and master planning developer (horizontal development). This development typically refers to zoning, clearing grounds, mitigating site conditions, planning phased development of main utility lines (electric, water, sewer, gas, data fiber) and primary road(s). Undertaking these initial horizontal development investments positions a site for vertical development (building).

When. The City will take this horizontal development next steps over the next 16-18 months. And be completed prior to disposing of the property. Completing horizontal development prior to disposition creates higher levels of certainty and reduces risks for developers and development, while also increasing land value.

Who. Key City Directors and Staff and a focused consultant team will organize to undertake and complete a series of horizontal development tactics. In addition, they will continue to meet with the multi-disciplinary, inter-departmental Midtown Steering Committee. Key City Staff include:

- Richard Brown – Director, Economic and Community Development
- Eli Isaacson – Director, Land Use
- Regina Wheeler – Director, Public Works
- Alexandra Housing – Director, Affordable Housing
- Mary McCoy – Director, Finance
- Brad Fluetsch – Finance
- Sam Burnett – Public Works

Recognizing that City Directors and Staff require additional capacity and support, the following consultant team, some of which are currently part of the Midtown Project Team, will continue the work with a clear focus on horizontal development tactics:

- Daniel Hernandez – Proyecto, Midtown Redevelopment Project Manager
- Dena Belzer – Strategic Economics, Midtown Financing Analyst
- Stefan Pellegrini – Opticos, Midtown Development Framework Planner
 - Note: Opticos team includes engineers experienced in sustainable infrastructure
- Michaele Pride – UNM Design & Planning Assistance Center (DPAC), Midtown Public Engagement Manager
 - DPAC team includes community-based organizations experienced in community engagement

The horizontal development tactics will require additional consultants on the team (contracts approved by Governing Body) that will be locally-based companies with Santa Fe and New Mexico experience, including:

- Planning and Zoning Consultant - Applicant entity for rezoning
- Infrastructure Engineering
- Mechanical, Electrical, Plumbing (MEP) and Structural Engineering
- Site Assessment Consultants

Future Governing Body Approvals. During the horizontal development process, the Governing Body will be asked to review and approve the following:

- Budgets and contracts for undertaking horizontal development
- Property disposition terms and agreements
- Public engagement is pursuant to the Resolution 2018-54 passed by the Governing Body in August 2018
- Development framework plans
- Regulatory land use and zoning
- Public financing structures and funds allocation

EXHIBIT: NEXT STEPS

CANCEL THE RFEI

The primary benefits of canceling the RFEI are to:

- Removes legal barriers for issuing more specialized solicitations on zoned parcels and pre-identified sites for specific land uses and with clearer delineation of developer responsibilities regarding infrastructure and other horizontal development tasks.
 - Use the next phase of public engagement to ensure that future solicitations achieve community and sustainable development objectives informed.
 - Positions the City to lead negotiations and achieve public development, economic, and community development goals for the Midtown Property.
- A. The horizontal development tasks are activities that the City may have led and/or funded (partially or fully) in a master development strategy, which would have been negotiated during the Exclusive Negotiation Agreement (ENA) period. Cancelling the RFEI provides the opportunity for faster, more specific outcomes than restarting with a different master developer and ENA process and gives the City much greater control over project delivery, especially with regard to aligning future development with community goals for the Midtown Property.
- B. The RFEI scope of work no longer matches the types of initial horizontal development activities that the City must undertake to overcome redevelopment challenges and prepare the site for development. These redevelopment challenges will continue to confront future prospects for disposition and development to achieve public goals if not addressed upfront. For example:
- *Site Due Diligence.* RFEI required respondents to perform various site due diligence activities. By canceling the RFEI, the City is positioned to address due diligence and thereby increase land value, reduce risk, and increase development certainty. ***Governing Body approves budgets and contracts for undertaking horizontal development.***
 - *Land Disposition – Land Valuation.* RFEI provided for the negotiation of disposition to occur during the ENA period between the City and master developer. Through phased disposition managed by the City, incremental development provides the City with more control over the phasing and types of disposition and land valuation negotiations based on the level of investment that the public sector has taken to prepare the site for development. ***Governing Body approves final disposition terms and agreements.***
 - ***Community Outreach & Engagement.*** RFEI requires the selected respondent to coordinate with the City to in public engagement activities. The City has contracted with the University of New Mexico (UNM) Design and Planning Assistance Center (DPAC) to undertake a dynamic, unbiased, people-oriented, value-driven approach to public engagement. These services would have been more complex if they also included a master developer. Public interests around land uses and other community and sustainable development objectives are included the next phase of the public engagement process. ***Governing Body adopted Resolution 2018-54 in August 2018, regarding public engagement.***

- *Development Plan and Schedule.* RFEI requires the selected respondent to coordinate a development plan. After it cancels the RFEI, the City will create a development plan for implementation by developers. The development plan will be a framework to provide for developers to conduct standard financial analysis, designing, financing, and implementing specific incremental development plans in response to future solicitations that the City will issue. **Governing Body approves the Development plans.**
- *Development Approvals.* RFEI requires selected respondent to obtain all regulatory development zoning approvals and construction permits. After cancelling the RFEI, the City will proceed with coordinating an application process for land use approvals as part of the development framework planning process. Construction permits will be the responsibility of developers for specific projects in an incremental development strategy. **Governing Body approves regulatory land use and zoning approvals are approved by the Governing Body.**
- *Development Financing.* The RFEI requires the selected respondent to develop financing structures for securing finance for horizontal and vertical development and for financing proposed projects, but it also permits the developer to use the City’s public financing tools. As such, the horizontal development tasks are activities that the City may have led and/or funded (partially or fully) in a master development strategy. After canceling the RFEI, the City will proceed with horizontal activities with the goal of increased land value, reduced risks, and increased development certainty. Land economic analysis is included in the City’s consulting team scope of work to evaluate levels of investment and return that may be expected to achieve public development, economic, and community goals. **Public financing structures and appropriations are approved by the Governing Body.**
- *Other Scope of Work Items.* The RFEI requires the selected respondent to undertake other standard activities related to the development of projects. These activities will be included in future solicitations’ scopes of work.
 - Design and Construction
 - Property and Asset Management
 - Business Enterprise
 - Inclusionary Zoning
 - Coordination and Coordination with Public Agencies
 - Taxes
 - Insurance

COST BENEFIT ANALYSIS

- To be created to illustrate variables
- Compares pros/cons to demonstrate why City-driven horizontal development strategy achieve higher level of objectives
- To be completed for presentation to Governing Body by April 2021

VARIABLES	PRIVATE MASTER DEVELOPER	CITY HORIZONTAL DEVELOPER
Time		
Money		
Risk		
Limitations / Flexibility		
Public Goals		

INITIATE CITY-DRIVEN ZONING, INFRASTRUCTURE AND MASTER PLANNING DEVELOPMENT

1. **Increase Land Value**
Reduce Investment Risk / Increase Development Certainty
2. **Engage the Public**
Identify and Inform key development policies, programs, and land uses
3. **Proceed with Early Projects**
Reuse Buildings and Redevelop Sites

1. Create Land Value

Reduce Investment Risk / Increase Development Certainty

A. Re-Zone, Development Framework, Infrastructure Plan

I. Land Use and Zoning

Lead: Eli Isaacson (Director, Land Use)

Zoning Application: Local Planning Firm (procured through solicitation)

Advisor: Opticos (consultant currently on project team)

- Rezone and utilize a broad range of allowable uses in the C2 zone and the LINC Overlay to encourage a vibrant, mixed-use environment.
- Establish specific development standards to ensure predictable and flexible build-out, informed during the ENA and Charrette process, and the consultant team.
- Align rezoning and public engagement process.
- Rezone site to C2 to allow access to the Midtown Overlay zoning incentives for the type of development that achieves community development objectives, such as affordable housing, green infrastructure and building, and other sustainable development goals.
- Assess appropriate district area to maximize potential of public financing structures, e.g. Metropolitan Redevelopment Act (MRA), Tax Increment Financing (TIF) This district will encompass an area larger than just the Midtown site, including the LINC district, to facilitate better development and financing strategies in this key part of the City.

II. Development Framework Planning

Lead: Eli Isaacson (Director, Land Use)

Consultant: Opticos (consultant currently on project team)

Advisor: Local Planning Firm (procured through solicitation)

- Develop a site capacity study with a development program.
- Identify and prioritize access points for increased connectivity and circulation with a focus on pedestrian and bike access.

- Create development phasing strategies that provide for incremental disposition and development within a cohesive framework.
- Integrate stormwater management and other sustainable site strategies.

II. Utility, Stormwater, and Main Spine Infrastructure Planning

Lead Project Manager: Sam Burnett (coordinate City utility, water, public works departments to ensure Director level involvement)

Consultant: Opticos sub-consulting engineers (sub-consultants currently on project team)

Consultant: Local/ Regional Engineering firm (procured through solicitation, as necessary)

- Use existing infrastructure for early disposition and development.
- Assess and Identify future infrastructure needs to support incremental development, including phases, cost estimates, and funding sources.

B. Prepare Site for Reuse and Redevelopment

Lead: Regina Wheeler (Director, Public Works)

Project Manager: Sam Burnett (Public Works)

Demolition/ Construction: Local firm(s) (procured through solicitation)

- I. Demolish substandard buildings
- II. Remediate negative site conditions
- III. Establish vacate terms in temporary leases based on incremental development phasing

C. Structure Public Finance Instruments

Lead: Mary McCoy, Brad Fluetsch (Director, Finance)

Co-Lead: Richard Brown (Director, Economic Development)

Consultant: Strategic Economics (consultant currently on project team)

- I. Determine and establish most effective public finance structure(s), such as Metropolitan Redevelopment Act, Tax Increment District, other.

2. Engage the Public

Identify and Inform key development policies, programs, and land uses

A. Move beyond Midtown Planning Guidelines to engage the public in zoning and planning process.

Lead: Alexandra Ladd, (Director, Affordable Housing)

Consultant: University of New Mexico, Design & Planning Assistance Center with Santa Fe Art Institute, Little Globe (consultant team under contract)

Advisor: Proyecto (consultant on project team)

- I. Engage the public in land use and development objectives discussions that will inform zoning and the development framework
 - a. Implement the Midtown Public Engagement Plan to inform and engage people in process, progress, and meaningful input.
 - b. Post and update engagement calendar of events on the Midtown District website and the Culture Connects website managed by the City’s public engagement process – UNM Design & Planning Assistance Center (DPAC).
 - c. Create the **Midtown Sustainable and Community Development Plan** identifying outcomes of the engagement process, including key development policies, programs, and land uses focused on equitable and sustainable development.

- B. Continue to issue public reports and presentations in the spirit of facilitating a “Community of Learning”:**
Lead: Richard Brown, (Director, Economic Development)
Consultant: Proyecto (consultant on project team)
 - I. Progress Reports – monthly to City Council and included in City Council meeting packages. Reports are posted on the Midtown District website for public access.
 - II. Project Presentations – monthly at City Council hearings. Presentations are posted on the Midtown District website for public access.

3. Proceed with Early Projects

Reuse Buildings and Redevelop Sites

- A. Initiate Reuse of Existing Buildings to achieve development goals:**
 - i. Inspect existing building identified for reuse to establish baseline required structural, mechanical, electrical, plumbing, and code improvements and costs. (Baseline to be negotiated as part of disposition terms.)

 - ii. Premiere Film and Multi-Media Studios and Film School
 - Garson Studios

 - iii. Public Purpose Buildings:
 - Arts Center
 - Library Complex
 - Performing Arts Theater

- B. Initiate Early Phase Development to achieve sustainable and community development goals:**
 - a. Mixed-Income and Affordable Housing Development (mixed-use if feasible)

ESTIMATED COSTS:

- To be completed and presented to Governing Body by end of April, 2021

Zoning, Infrastructure and Master Planning Development Costs (estimated and rounded)

* Project Consultant Team (currently on project team)	\$X
Development Framework Plan (Opticos + sub-consultant engineers)	
Public Finance and Economic Analysis	
Development Project Management	
Planning Firm (zoning application)	\$X
Infrastructure Assessments	\$50,000
Building Assessments	\$250,000
Environmental Site Assessments	\$16,000
Site Remediation	\$X
Demolition	\$X
Rehabilitation (baseline improvements)	\$X
Site Survey	\$25,000
TOTAL	\$X

* Amount represents additional costs to complete horizontal development activities. However, it should be noted that much work undertaken during the RFEI and ENA will be applied to the horizontal development scope of work.

SCHEDULE

- 16 month highly graphic schedule for zoning, infrastructure and master planning development
- Will illustrate achievements and outcomes
- To be completed by end of April 2021

MIDTOWN

SANTA FE



How did we get here?

2021

January: Master Developer withdrew from the City's RFEI solicitation process

February: City Staff coordinates a multi-disciplinary, inter-departmental approach to moving the Midtown development planning phase forward for phased development

March: City Staff and consulting team present a series of next steps – **Midtown Moving Forward** toward initial development focused on community development objectives

What do we do now?

Act with local knowledge and experience:

Position the site to reduce development risk, uncertainties, and challenges

Position the City to lead and maximize community development benefits

Position development so that it can happen in smaller, incremental phases

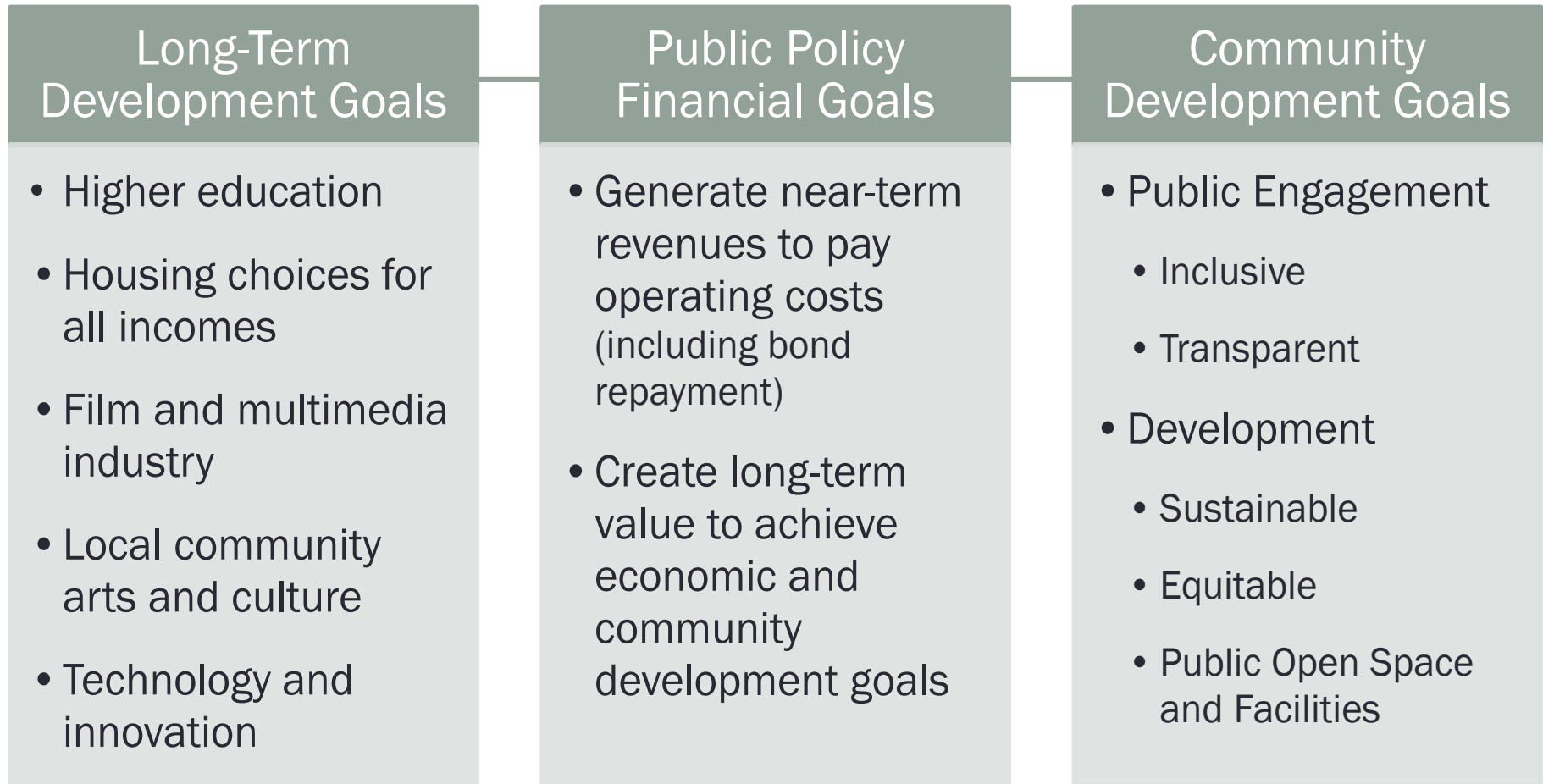
Work with local knowledge and experience:

Open-up the opportunities for stronger participation with local planners, developers and businesses

Focus the public engagement process on zoning, land use and development planning

Increase City staff capacity by establishing an internal Midtown Project Manager

Midtown Planning Guidelines - Goals



Based on the Midtown Planning Guidelines approved by the Governing Body in 2018

Relationship between achieving Midtown Goals and Incremental Investment Decisions

Goals	As-is sale (immediate)	Minimal investment (6-12 months)	Incremental disposition/ increased investment (up to 5 years)	
Community	Higher Ed			
	Mixed-Income Housing			
	Film & Multi-media			
	Arts & Culture			
Financial	Offset/reduce costs	?		
	Long-term value			
Process	Inclusive & Transparent			
	Green & Sustainable			
	Public Spaces			
	Equitable			

Least likely

Moderately likely

Most likely

What are next steps?

What?

Rezone the property

Create a Comprehensive Planning Framework and Infrastructure Plan

Prepare Site for Early Development

Why?

Reuse Existing Buildings for Community Purposes

Expand Garson Studios into a Premiere Studio and Film School Complex

Identify Parcels for Affordable and Mixed-Income Housing

Proceed with future incremental development phases and solicitations – master developers and/or project developers to be determined by the City

MIDTOWN SANTA FE

VISIT THESE WEBSITES

www.MidtownDistrictSantaFe.com

<https://www.cultureconnects.site/>