



Agenda

**Regular Meeting of the
Economic Development
Advisory Committee
April 2, 2025 at 11:00 AM
Councilors' Conference Room,
City Hall
200 Lincoln Avenue**

Procedures for Economic Development Advisory Committee Meeting

The agenda and packet for the meeting will be posted at
<https://santafenm.portal.civicclerk.com/>.

1. Call to Order
 2. Roll Call
 3. Approval of Agenda
 4. Approval of Consent Agenda
 5. Approval of Minutes
 - a. Approval of the March 5, Economic Development Advisory Committee (EDAC)
 6. Action Items: Consent Agenda
 7. Action Items: Discussion Agenda
 - a. CONSIDERATION OF Bill NO. 2025-9. ADOPTION OF ORDINANCE NO. 2025____.
(Councilor Michael Garcia, Councilor Amanda Chavez, Councilor Alma Castro, and Councilor Pilar Faulkner)
A Bill Amending Section 11-14.5 of the Economic Development Fund Ordinance to Change the Sunset Date for Depositing Certain Land Sale Revenues in the Affordable Housing Trust Fund from December 31, 2025, to December 31, 2030. (Johanna Nelson, Director of Office of Economic Development and Interim Director of Office of Affordable Housing; jcnelson@santafenm.gov)
- Committee Review**
Governing Body (Introduced): 02/26/2025
Governing Body (Public Comment): 03/12/2025
Economic Development Advisory Committee: 04/02/2025
Quality of Life Committee: 04/23/2025
Finance Committee: 04/28/2025
Governing Body: 05/14/2025
- b. CONSIDERATION OF RESOLUTION NO. 2025-____. (Mayor Alan Webber, Councilor Jamie Cassutt, Councilor Amanda Chavez)

A Resolution Making a Finding of Necessity and Designating an Area Comprised of a Majority of the Midtown Local Innovation Corridor Overlay District as a Metropolitan Redevelopment Area. (Daniel Hernandez, Director of Metropolitan Development Agency; dahernandez@santafenm.gov and Carly Vendetti, Asset Development Manager, Metropolitan Development Agency; cavenditti@santafenm.gov)

Committee Review:

Governing Body (Introduced): 03/26/2025

Economic Development Advisory Committee: 04/02/2025

Quality of Life Committee: 04/02/2025

Public Works and Utilities Committee: 04/21/2025

Finance Committee: 04/28/2025

Governing Body: 04/30/2025

8. Presentations

- a. New Mexico MainStreet's Approach to Economic Development (Amy M. Barnhart, Revitalization Specialist, ambconsultingnm@gmail.com; Lucas Pedraza, Project Coordinator, lucas.pedraza@edd.nm.gov)
- b. Introduction to Economic Development Action Plan (Jung Kim, Research Director, Ernst & Young, jung.kim1@ey.com; Tony DeLisi, Managing Director, Ernst & Young, Tony.DeLisi@ey.com)

9. Public Comment

10. Matters from Staff

11. Matters from the Committee

12. Matters from the Chair

13. Next Meeting:

- a. May 7, 11:00 AM - 1:00 PM

14. Adjourn

Closed captions are provided for this meeting. Persons with disabilities in need of additional accommodations, contact the City Clerk's office at 505-955-6521, five (5) working days prior to meeting date.



CITY OF SANTA FE

Memorandum

Date: February 21, 2025

To: Governing Body, Finance Committee, Quality of Life Committee, Public Works and Utilities Committee

From: Johanna Nelson, Director of Office of Economic Development and Interim Director of Office of Affordable Housing *JN*

RE: Amending Ordinance No. 2021-10 to Extend Sunset from 2025 to 2030

EXECUTIVE SUMMARY:

This bill amends SFCC 1987, Section 11-14.5, to extend the specified sunset date of December 31, 2025, to December 31, 2030, with regards to depositing half of certain land sale revenues into the Affordable Housing Trust Fund (AHTF).

BACKGROUND AND CONTEXT

Ordinance No. 2021-10 dedicated 50% of unrestricted revenue from the sale of City-owned land to the Affordable Housing Trust Fund (“AHTF”). This AHTF funding strengthens the City's ability to address Santa Fe's critical affordable housing needs. However, this dedication also results in a corresponding reduction in revenue for the Economic Development Fund.

Affordable housing has been a persistent challenge in Santa Fe for decades. Recognizing this, the City established the AHTF following the state of New Mexico's passage of the New Mexico Affordable Housing Act, which provided an exemption to the state's Anti-Donation Clause. Codified in SFCC 26-3, the AHTF enables public resources to be used for the following activities:

- The preservation, rehabilitation, operation, and construction of affordable housing units and emergency shelters.
- Financial assistance for income-qualified individuals through rental, mortgage, and down payment assistance programs.

Despite these efforts, the City continues to face significant barriers in ensuring a steady and reliable funding source for the AHTF.

KEY ISSUE

The current revenue streams for the AHTF are limited and inconsistent. Historically, the fund has relied on development fees, the payoff of City-held affordability and fee waiver liens, and land sales in Tierra Contenta. These sources, however, are closely tied to fluctuations in the real estate and development markets, making them unpredictable and difficult to sustain.

While the dedication of certain resources to the Affordable Housing Trust Fund reduces revenue for the Economic Development Fund, it would prioritize housing affordability—a foundational issue that impacts economic growth, workforce stability, and overall quality of life in Santa Fe.




CITY OF SANTA FE

Memorandum

ATTACHMENTS:

Bill

Fiscal Impact Report

Signature:  [Johanna Nelson \(Feb 21, 2025 17:07 MST\)](#)

Email: jcnelson@santafenm.gov

_Amending Economic Development Fund Ordinance to Extend Sunset from 2025 to 2030 (Memo)

Final Audit Report


2025-02-22

Created:	2025-02-22
By:	PALMER ANDERSON (pcanderson@santafenm.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAAV3z441cklbvZUMM3UK91osvLT3iS9iyh

"_Amending Economic Development Fund Ordinance to Extend Sunset from 2025 to 2030 (Memo)" History

 Document created by PALMER ANDERSON (pcanderson@santafenm.gov)


2025-02-22 - 0:05:47 AM GMT- IP address: 63.232.20.2

 Document emailed to Johanna Nelson (jcnelson@santafenm.gov) for signature

2025-02-22 - 0:06:45 AM GMT

 Email viewed by Johanna Nelson (jcnelson@santafenm.gov)

2025-02-22 - 0:07:01 AM GMT- IP address: 174.240.20.215

 Document e-signed by Johanna Nelson (jcnelson@santafenm.gov)

Signature Date: 2025-02-22 - 0:07:30 AM GMT - Time Source: server- IP address: 174.240.20.215

 Agreement completed.

2025-02-22 - 0:07:30 AM GMT

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CITY OF SANTA FE, NEW MEXICO

BILL NO. 2025-9

INTRODUCED BY:

Councilor Michael Garcia

Councilor Amanda Chavez

Councilor Alma Castro

Councilor Pilar Faulkner

A BILL

**AMENDING SECTION 11-14.5 OF THE ECONOMIC DEVELOPMENT FUND
ORDINANCE TO CHANGE THE SUNSET DATE FOR DEPOSITING CERTAIN LAND
SALE REVENUES IN THE AFFORDABLE HOUSING TRUST FUND FROM
DECEMBER 31, 2025, TO DECEMBER 31, 2030.**

BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF SANTA FE:

Section 1. Section 11-14.5 of SFCC 1987 (being Ord. No. 2021-10, § 1, as amended) is amended to read:

11-14.5 – Dedication and partial sunset.

A. An amount of the general fund equal to a minimum of one-quarter of one percent (0.25%) of the city's share of the state gross receipts tax shall be allocated annually to the economic development fund beginning in the fiscal year 2000/01 budget. This allocation shall be increased by one-quarter of one percent (0.25%) each subsequent year until an allocation of one percent (1%) is attained in FY 2003/04. Thereafter, the allocation shall be maintained at one percent (1%) unless increased by other annual allocations the governing

1 body approves contingent upon sufficient appropriations and authorization by the
2 governing body.

3 B. Between January 1, 2021 and December 31, [~~2025~~] 2030, half of all net proceeds from the
4 sale of city-owned land and buildings shall be deposited into the economic development
5 fund and half shall be deposited in the affordable housing trust fund, as set forth in section
6 26-3 SFCC 1987, and all net proceeds from the lease of city-owned land and buildings
7 shall be deposited into the economic development fund. Thereafter, all net proceeds from
8 any sale or lease of city-owned land and buildings shall be deposited into the economic
9 development fund. These deposits shall be subject to the following provisions:

10 (1) Railyard property. Proceeds from the sale or lease of property on the railyard
11 property are exempted from the provisions of this section and shall not be
12 deposited in the economic development fund.

13 (2) Santa Fe Estates. Proceeds from the sale or the lease of the Santa Fe Estates are
14 exempted from the provisions of this section and are subject to appropriation by
15 the governing body.

16 (3) Tierra Contenta. Only the share of revenues from the sale of property in Tierra
17 Contenta which had been designated to reimburse CIP funds used for the original
18 purchase of Tierra Contenta shall be deposited in to the economic development
19 fund (less funds already allocated for a new southside library in the amount of five
20 hundred thousand dollars (\$500,000.00). These funds shall be reserved for capital
21 projects and their related expenses for projects authorized in subsection 11-14.5A
22 SFCC 1987.

23 (4) Existing agreements. Agreements, ordinances and resolutions in force at the time
24 of adoption of this section which stipulate other uses for the proceeds of specific
25 transactions will exempt those transactions from the provisions of this section.

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- (5) Enterprise funds. Proceeds from the sale or lease of property belonging to or associated with enterprise funds are exempt from the provisions of this section.
- (6) Airport Industrial Park. Net proceeds from the sale or lease of property in the Airport Industrial Park or other airport property, after all costs to build out all phases of the park have been recovered, shall go to the support of the Santa Fe regional airport.
- (7) Other. Agreements for the sale or lease of city property which may be subject to other restrictions as to revenue designations or uses are not subject to the provisions of this section. Any such agreement must cite this subsection of this section in the agreement in order to qualify for this exemption.

PASSED, APPROVED, and ADOPTED this _____ day of _____, 2025.

APPROVED AS TO FORM:



ERIN K. McSHERRY, CITY ATTORNEY

FISCAL IMPACT REPORT

General Information:

(Check) Bill: X Resolution: _____

Short Title(s): Amending Section 11-14.5 of SFCC 1987 to Extend the Sunset Period

Sponsor(s): Councilor Michael Garcia, Councilor Amanda Chavez, Councilor Pilar Faulkner

Reviewing Department(s): Office of Economic Development, Office of Affordable Housing

Staff Completing FIR: Johanna Nelson Date: 1/17/25 Phone: 505-699-7003

Reviewed by City Attorney:  Date: Feb 21, 2025

Reviewed by Finance Director:  Date: Feb 21, 2025

Summary:

The proposed Bill would amend the Economic Development (ED) Fund ordinance, Section 11-14.5, SFCC 1987, to extend the sunset date from December 31, 2025, to December 31, 2030. In 2018, Ordinance No. 2018-4 amended Section 11-14.5 establishing a window of time during which fifty percent (50%) of the net proceeds of certain City-owned land sales are deposited into the Affordable Housing Trust Fund (AHTF), while the other fifty percent (50%) remains dedicated to the Economic Development fund. Proceeds generated from the following sales of City-owned land are restricted or exempted from deposit into the ED fund or AHTF: Railyard Property, Santa Fe Estates, Tierra Contenta, any existing agreements from 2000 and earlier, other Enterprise Funds, and the Airport Industrial Park.

Departments Affected:

The Community Development Department, which includes the Office of Affordable Housing and the Office of Economic Development, and the Finance Department.

Consequences of Not Enacting Legislation:

If this bill is not adopted, the City will not extend the sunset date currently set in code, and after December 31, 2025, one hundred percent (100%) of the proceeds from the sale of certain City-owned land would be deposited into the ED Fund.

Conflict, Duplication, Companionship, or Relationship to Other Legislation:

This bill extends the sunset date previously established in Ordinance No. 2018-4.

Performance and Administrative Implications:

If the bill is adopted, proceeds from non-exempt City-owned land sales would continue be deposited into the ED Fund and AHTF until December 31, 2030.

Fiscal Implications:

If the Bill is adopted, fifty percent (50%) of proceeds of non-exempt sales of City-owned land would continue to be directed into the AHTF and the ED Fund respectively, as is currently described in Section 11-14.5.

Fiscal Impact

_____ Check here if no fiscal impact

Expenditures

Expenditure Type	FYE 2025	FYE 2026	FYE 2027	Require BAR (Y/N)	Recurring (R) or Non-recurring (NR)	Fund	3-Year Total Cost
<u>Personnel and Benefits*</u>	\$ _____	\$ _____	\$ _____	_____	_____	_____	
<u>Capital Outlay</u>	\$ _____	\$ _____	\$ _____	_____	_____	_____	
<u>Contractual/</u>	\$ _____	\$ _____	\$ _____				
<u>Professional Services</u>							
<u>Operating</u>	\$ _____	\$ _____	\$ _____		_____	_____	\$ _____
<u>Total:</u>	\$ _____	\$ _____	\$ _____				\$ _____

Expenditure Narrative:

The net impact on City expenditures would be zero. Fifty percent (50%) of the expenditures coming from certain land sales would be dedicated to use on AHTF purposes, instead of one hundred percent (100%) being dedicated to the ED Fund.

Revenue

Revenue Type	FYE 2025	FYE 2026	FYE 2027	Recurring (R) or Non-recurring (NR)	Fund
General Fund	\$ _____	\$ _____	\$ _____	_____	_____
Special Revenue	\$ _____	\$ _____	\$ _____	_____	_____
CIP	\$ _____	\$ _____	\$ _____	_____	_____
Enterprise	\$ _____	\$ _____	\$ _____	_____	_____
Internal Service	\$ _____	\$ _____	\$ _____	_____	_____
Trust and Agency	\$ _____	\$ _____	\$ _____	_____	_____
Federal	\$ _____	\$ _____	\$ _____	_____	_____
Other	\$ _____	\$ _____	\$ _____	_____	_____
Total	\$ _____	\$ _____	\$ _____		

Revenue Narrative:

The net impact on City revenues is zero; the increase to the AHTF would be offset by a decrease to the ED Fund.

Signature:

Email:



CITY OF SANTA FE

Memorandum

Date: March 21, 2025

To: Governing Body, Economic Development Advisory Committee, Quality of Life Committee, Finance Committee

From: Daniel Hernandez, Director of Metropolitan Development Agency ^{DH}
Carly Venditti, Asset Development Manager, Metropolitan Development Agency ^{CV}

Via: Mark Scott, City Manager ^{MS}
Johanna Nelson, Office of Economic Development Director and Interim Director of Affordable Housing ^{JN}

RE: Making a Finding of Necessity in the Midtown LINC Overlay District and Approving the Designation of a Metropolitan Redevelopment Area

EXECUTIVE SUMMARY:

The proposed resolution makes a finding of necessity and designates the Midtown Local Innovation Corridor Overlay District (the Midtown “LINC”), other than a small residential portion, as a "Metropolitan Redevelopment Area," as consistent with SFCC 1987, Section 7-2.8 and NMSA 1978, Section 3-60A-8.

BACKGROUND:

For a “finding of necessity”, as described in SFCC 1987, Section 7-2.8, the Governing Body must adopt a resolution concluding that one or more particular areas of the City meet the criteria described in code: 1) the area is either a slum or blighted and 2) rehabilitation, conservation, slum clearance, redevelopment or development, or a combination thereof in the area is necessary in the interest of the public health, safety, morals, or welfare of the residents of the city. In this particular case, the Midtown LINC, as described in Section 14-5.5(5)(D)(2) and further defined in Attachment B of the Resolution, is the area of interest. The area of interest also includes the deteriorated sixty-four (64) acre, City-owned parcel known as the “Midtown Site”, which has been slated for redevelopment pursuant to the Midtown Master Plan approved in December 2022 through Resolution No. 2022-68.

As is described in the *Midtown Metropolitan Development Plan: Designation Report* (“Report”) (attached as Attachment A of the Resolution), the Midtown LINC consists of diverse tracts of land characterized by multiple designation criteria, demonstrating that the Midtown LINC area is inconsistent with the land use goals described in SFCC 1987, Section 14-1.3, “General Purposes”.



CITY OF SANTA FE

Memorandum

The goals described under Section 14-1.3 establish that the use of land in Santa Fe as an MRA should “create conditions favorable to the health, safety, convenience, prosperity, and general welfare of the residents of Santa Fe by coordinating streets within proposed subdivisions with existing or planned streets or other features of the general plan; providing parks and trails, providing sewer, water and other infrastructure; providing adequate open space for traffic, recreation, drainage, light and air; and providing for appropriate distribution of population and traffic.” Specifically of note, the Report identifies conditions such as faulty platting, defective and inadequate street layout, as well as deteriorating structures and infrastructure, that negatively impact economic development, redevelopment, and diverse uses, including housing, in the proposed designated area.

The Midtown LINC also lies within two designated census tracts, 11.03 and 10.02, which are “qualified opportunity” zones, as defined by 26 USCA, Section 1400Z-1. This section of United States Code creates an economic development tool that allows people to invest in distressed areas, the purpose of which is to spur economic development and job creation in distressed communities by providing tax benefits to investors.

ATTACHMENTS:

Resolution
FIR

1 **CITY OF SANTA FE, NEW MEXICO**

2 **RESOLUTION NO. 2025-__**

3 **INTRODUCED BY:**

4
5 Mayor Alan Webber

6 Councilor Jamie Cassutt

7 Councilor Amanda Chavez

8
9
10 **A RESOLUTION**

11 **MAKING A FINDING OF NECESSITY AND DESIGNATING AN AREA COMPRISED**
12 **OF A MAJORITY OF THE MIDTOWN LOCAL INNOVATION CORRIDOR OVERLAY**
13 **DISTRICT AS A METROPOLITAN REDEVELOPMENT AREA.**

14 **WHEREAS**, the New Mexico Legislature adopted a Metropolitan Redevelopment Code
15 to, among other things, provide strategies for municipalities to finance redevelopment projects; and

16 **WHEREAS**, SFCC 1987, Section 7-2.3 provides that the City of Santa Fe (“City”) can
17 declare and designate a metropolitan development area as “appropriate for a metropolitan
18 development project”; and

19 **WHEREAS**, SFCC 1987, Section 7-2.8, provides that, in order to designate an area as a
20 metropolitan redevelopment area, the City must first adopt a resolution establishing the following
21 two criteria: 1) the area is either a slum or blighted; and 2) rehabilitation, conservation, slum
22 clearance, redevelopment or development, or a combination thereof in the area is necessary in the
23 interest of the public health, safety, morals, or welfare of the residents of the city; and

24 **WHEREAS**, the Midtown Local Innovation Corridor Overlay District (the “LINC”)
25 consists of diverse tracts of land which, according to a study commissioned by the City, the

1 *Midtown Metropolitan Development Plan: Designation Report*, Attachment A, is characterized by
2 deteriorated or deteriorating structures, defective or inadequate street layout, faulty lot layout,
3 deterioration of sites or other implements, a lack of adequate housing facilities, obsolete or
4 impractical platting, and a significant number of vacant or struggling commercial businesses, all of
5 which are inconsistent with the described goals in SFCC 1987, Section 14-1.3 of the land-use code,
6 to “create conditions favorable to the health, safety, convenience, prosperity and general welfare of
7 the residents of Santa Fe by coordinating streets within proposed subdivisions with existing or
8 planned streets or other features of the general plan; providing parks and trails; providing sewer,
9 water and other infrastructure; providing adequate open space for traffic, recreation, drainage, light
10 and air; and providing for the appropriate distribution of population and traffic”; and

11 **WHEREAS**, the LINC lies within two designated census tracts, 11.03 and 10.02, which
12 as defined in 26 USCA § 1400Z-1, are “qualified opportunity zones”: distressed areas, identified
13 by the federal government as needing targeted investment in economic development; and

14 **WHEREAS**, the purpose of identifying opportunity zones was to spur economic
15 development and job creation in distressed communities by providing tax benefits to investors; and

16 **WHEREAS**, the economically challenging conditions in these census tracts have impaired
17 the sound growth, development, and economic well-being of the City, creating an economic and
18 social burden detrimental to the public health, safety, and welfare of the City; and

19 **WHEREAS**, the LINC includes a multi-unit residential property, more specifically
20 described as the area covered by Lot 3B1, as recorded in instrument number 1171143, Book 482,
21 Page 35, of the Santa Fe County Clerk (“Multi-Unit Residential Property”); and

22 **WHEREAS**, as the only residential property in the LINC, the Multi-Unit Residential
23 Property’s interests and needs are distinct from the rest of the LINC.

24 **NOW, THEREFORE, BE IT RESOLVED THAT THE GOVERNING BODY OF**
25 **THE CITY OF SANTA FE** finds that a blighted area exists in the LINC, depicted in Attachment

1 B, and the rehabilitation, conservation, and redevelopment of the area is necessary and is in the
2 interest of the public health, safety, and welfare of the residents of the City of Santa Fe.

3 **BE IT FURTHER RESOLVED** that the area within the LINC, defined by SFCC 1987,
4 Section 14-5.5D (2), other than the Multi-Unit Residential Property, is designated a Metropolitan
5 Redevelopment Area, pursuant to SFCC 1987, Section 7-2.8, and NMSA 1978, Section 3-60A-8.

6 PASSED, APPROVED, and ADOPTED this _____ day of _____, 2025.

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ALAN WEBBER, MAYOR

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13 ATTEST:

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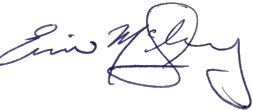
ANDRÉA SALAZAR, CITY CLERK

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19 APPROVED AS TO FORM:

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ERIN K. McSHERRY, CITY ATTORNEY

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Legislation/2025/Resolutions/Midtown Redevelopment Area Designation



MIDTOWN METROPOLITAN
REDEVELOPMENT PLAN

DESIGNATION REPORT

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INTRODUCTION

The Santa Fe Midtown Metropolitan Redevelopment Area (MRA) is a bold step toward revitalizing the heart of Santa Fe. Building on years of community-driven planning, this initiative will transform the Midtown District into a hub for arts, culture, economic growth, and mixed-income housing.

By designating the district as an MRA, Santa Fe can unlock key funding sources, attract private investment, and improve public infrastructure—creating new jobs, enhancing walkability, and expanding housing options. This strategic action was included in the Midtown Community Development Plan and aligns with the Midtown Master Plan to ensure mixed-use, sustainable redevelopment. With strategic public-private partnerships and financial tools like tax incentives and infrastructure investments, the MRA will move Midtown into motion, fostering an inclusive, thriving district for all Santa Fe residents.

BACKGROUND

The Midtown Site, located in the geographic center of Santa Fe, and the broader St. Michael's Drive / Cerrillos Road corridor, are full of possibilities. The Midtown Redevelopment Plans, which included the Midtown Master Plan and the Midtown Community Development Plan, were unanimously approved by the City of Santa Fe Governing Body in November 2022 and January 2023. This marked a significant milestone for realizing the community and economic development potential of both the city-owned 64-acre Midtown Site and the broader Midtown District.

The redevelopment plans for the Midtown Site capitalized on the groundbreaking planning and rezoning work that was approved in October 2016, known as the Midtown Local Innovation Corridor (LINC) Overlay District. Additionally, the Midtown District was designated a federal Opportunity Zone in 2017 to spur economic development by providing

tax benefits to investors and encouraging long-term investments in low-income neighborhoods.

These efforts stand on the shoulders of the 2012 RE:Mike project. This process re-envisioned the St. Michael's Drive commercial corridor. It established community priorities for redesigning and rebuilding the public right of way to create safe pedestrian and bike-friendly streets along a mixed-use corridor that incentivized housing affordability and transit-oriented development.

These critical public acts serve as the foundation for taking the next step toward implementing the Midtown District vision, goals, and plans. The district will be a center for arts and cultural innovation, create economic growth and job opportunities, improve socioeconomic equality, and present opportunities for mixed-income housing.

THE SANTA FE METROPOLITAN REDEVELOPMENT AGENCY

Establishing the Santa Fe Metropolitan Redevelopment Agency brought real estate acumen and an entrepreneurial approach to redevelopment in the City of Santa Fe. The MRA works with community and real estate experts to promote the triple-bottom-line, mission-driven development strategies focused on the economic, social, and environmental health of neighborhoods and districts and the people who live, work, play, and learn there.

LEGAL FRAMEWORK

The New Mexico Metropolitan Redevelopment Code (§3-60A-1 to 3-60A48 NMSA 1978) provides municipalities in New Mexico with the power to correct conditions in areas or neighborhoods 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 use these powers within designated Metropolitan Redevelopment Areas (MRAs) with adopted redevelopment plans.

MRA AREA DESIGNATION CRITERIA

The designation of the Midtown Metropolitan Redevelopment Area is based on existing conditions that hinder redevelopment and economic growth within the area. Under state and local law, the designation of an MRA requires a finding of blight as defined in Section 3-60A-4 of the New Mexico Metropolitan Redevelopment Code. This designation is a necessary step to unlock redevelopment tools and incentives that can revitalize Midtown and attract investment.

A blighted area is defined as one that meets one or more of the following conditions:

- ✓ *A substantial number of deteriorated or deteriorating structures negatively impact the area's livability and economic potential.*
- ✓ *A defective or inadequate street layout that limits accessibility, walkability, and connectivity.*
- ✓ *Faulty lot layout that reduces the usefulness, accessibility, or redevelopment potential of properties.*
- ✓ *Deterioration of sites or other improvements, making the area less viable for new development.*
- ✓ *A lack of adequate housing facilities or conditions that prevent the provision of needed housing accommodations.*
- ✓ *Obsolete or impractical planning and platting, leading to underutilized land and inefficient land use.*
- ✓ *A significant number of vacant or struggling commercial businesses, reducing economic activity and job opportunities.*

- ✓ *Low levels of commercial or industrial activity, contributing to economic stagnation and disinvestment.*

A combination of these or other conditions impair economic growth and the overall well-being of the city.

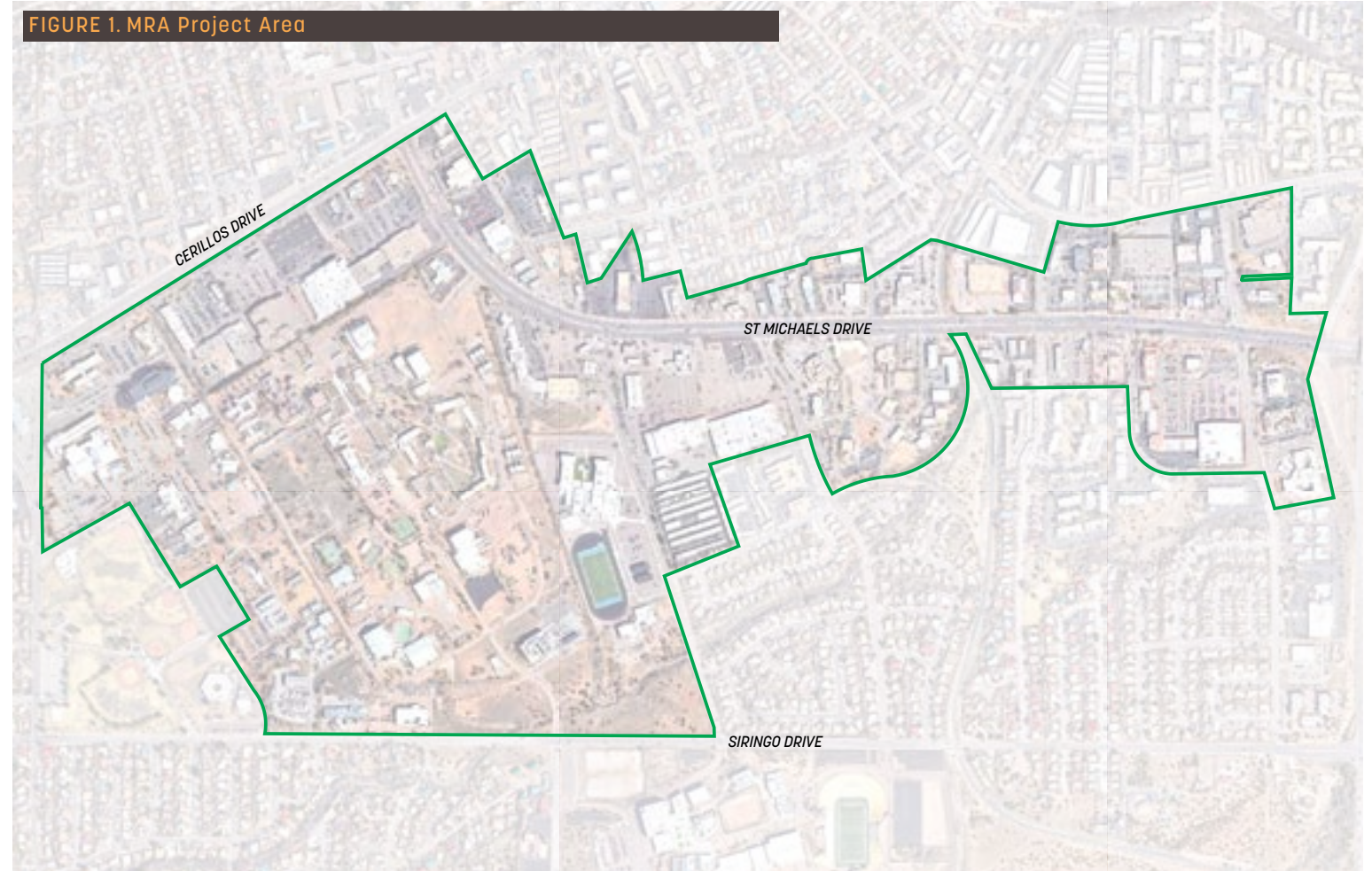
The Midtown MRA Designation Report is being conducted to formally assess these conditions and justify the use of redevelopment tools such as public-private partnerships, financial incentives, infrastructure investment, and zoning adjustments. By identifying the Midtown as an MRA, the City of Santa Fe increases its ability to implement the Midtown Redevelopment plans and facilitate redevelopment projects in the district.

PROJECT BOUNDARY

The Midtown MRA Plan area follows the boundary of the Midtown Local Innovation Corridor (Midtown LINC) Overlay District, which was adopted in 2016 (Ord. 2016-39). The Midtown LINC Overlay District was originally created to strengthen the built environment, foster economic growth, and enhance connectivity within Santa Fe's geographic and demographic center. It aimed to bridge the gap between two major employment hubs—the city-owned Midtown site to the west and Christus St. Vincent Regional Medical Center to the east—by incentivizing mixed-use, pedestrian-oriented redevelopment.

The boundary selection for the LINC district was strategic and deliberate. It excludes established residential neighborhoods to minimize disruption while incorporating 372.8 acres of primarily commercial, industrial, and institutional properties along St. Michael's Drive and Cerrillos Road, as well as the former Santa Fe University of Art and Design (SFUAD) campus. The intent was to free underutilized land for multi-family residential and complementary non-residential uses while maintaining zoning flexibility. Additionally, the boundary allows for higher-density development, improved multimodal

FIGURE 1. MRA Project Area



transit options, and walkable public spaces, reinforcing Santa Fe's broader urban planning goals.

The Midtown MRA Designation Area aligns with the LINC Overlay boundary with one minor omission of a residential property. There is no residential property within the Midtown MRA Designation Area. The Study Area encompasses 182 parcels, including the 64-acre city-owned Midtown Redevelopment

Site. Its commercial zoning layout creates a natural corridor for business growth and redevelopment while ensuring buffers for existing residential areas. The geographic scope of the MRA extends to West San Mateo Lane to the north, St. Francis Drive to the east, Siringo Road to the south, and Camino Carlos Rey and St. Michael's Drive to the west, positioning it as a key mixed-use redevelopment corridor for Santa Fe's future.

EXISTING CONDITIONS ASSESSMENT

This section provides an in-depth analysis of physical, economic, and social conditions in the study area to address the criteria identified in the New Mexico Metropolitan Redevelopment Code. The assessment includes a policy review to identify existing planning efforts, community goals, and policies that guide and govern this area.

A. POLICY REVIEW

The following section outlines existing planning initiatives, policies, reports, and documents related to the Midtown MRA site. They are listed chronologically by the following categories: Midtown District Plans, Midtown Site Plans, and citywide/Santa Fe plans.

Over the years, multiple efforts have aimed to activate and revitalize this area, but with limited success. Many of these plans and policies were developed with the goal of redeveloping and reinvigorating the MRA area; however, they have yet to achieve significant, lasting impact.

At the conclusion of each discussed plan, policy, or initiative, we provide a summary outlining how it addresses the MRA designation criteria or key takeaways if it does not. This is essential, as many previous planning efforts have already identified and attempted to address the same challenges highlighted in this designation report. Additionally, key takeaways from these past initiatives will help support the justification for the MRA designation.

RE:MIKE (2012)

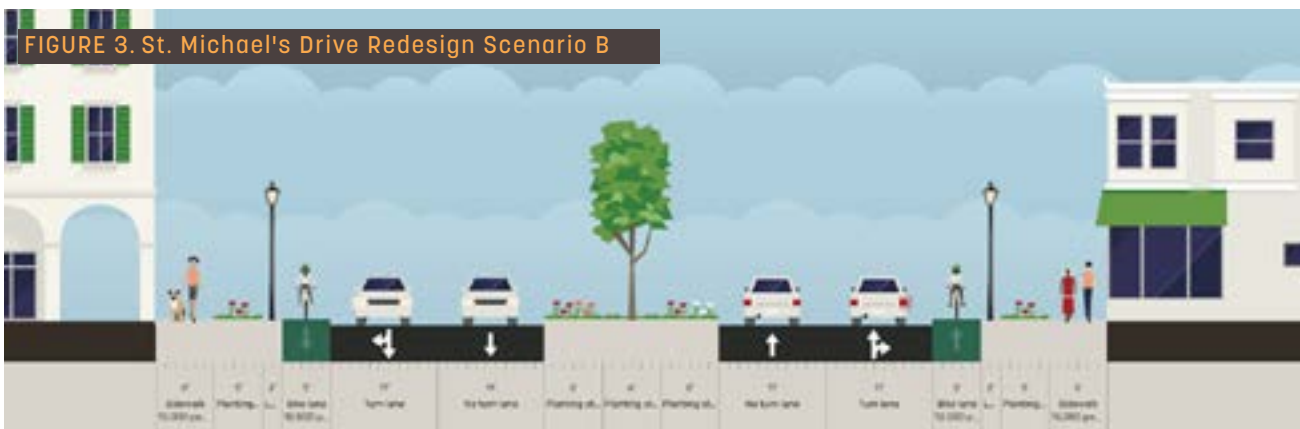
The RE:MIKE Report outlines efforts to reimagine and revitalize the St. Michael's Drive Corridor in Santa Fe, aiming to transform it into a more vibrant, pedestrian-friendly, and economically

diverse area. This initiative is a public-private partnership involving the City of Santa Fe, local businesses, educational institutions, and community organizations. It builds on previous studies and planning efforts, incorporating extensive data collection and urban prototyping.

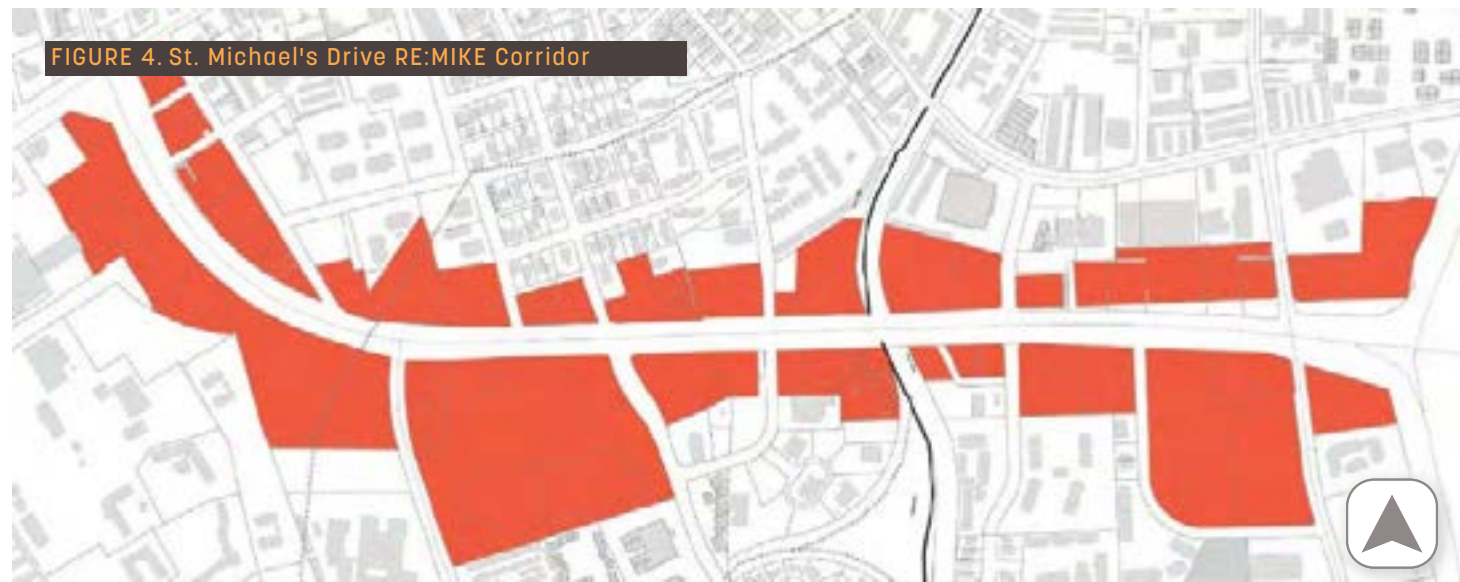
The RE:MIKE initiative began in 2012 with a large-scale urban prototyping festival that engaged the public in shaping the future of the corridor. The event revealed strong community support for walkability, bicycle accessibility, safety improvements, zoning changes, and mixed-use development. The study identified key challenges, such as aging infrastructure, high traffic speeds, a lack of identity, and unsafe intersections.

Following the festival, the report proposed specific action items, including investigating city ownership of St. Michael's Drive, implementing zoning changes to encourage mixed-use development, fostering business engagement, adding green space through fixed and mobile parklets, developing a pop-up business ordinance, and improving the area's overall identity. There was also a focus on transportation safety enhancements, investment in public spaces, and the promotion of small businesses and cultural identity.

The recommendations aim to balance economic growth, sustainability, and livability, setting the stage for future redevelopment efforts that align with community values. While there was broad public support, improvements from RE:MIKE have not been implemented. These recommendations would contribute significantly to creating a mixed-use commercial corridor.



Design scenarios for St. Michael's Drive, based on Santa Fe arterial design standards (Streetmix)



ADDRESSING MRA CRITERIA

- ✓ **Deteriorated or Aging Infrastructure:** Many commercial properties along St. Michael's Drive feature large, aging buildings that are underutilized or in various states of decline. The corridor's suburban-style development pattern, dominated by vast parking lots, creates a fragmented urban fabric, discouraging walkability and vibrant economic activity.
- ✓ **Defective and Inadequate Street Layout:** St. Michael's Drive was originally built as a bypass highway in the 1950s, but as Santa Fe has grown, it has become an essential corridor for retail, transportation, and other business activity. However, it still retains its highway-like design, with seven lanes of traffic, dangerous intersections, and limited pedestrian access. This design increases the risk of collisions as drivers pull in and out of shopping centers. The area lacks effective multimodal transportation options, further isolating surrounding neighborhoods.
- ✓ **Faulty Lot Layout and Inefficient Land Use:** The corridor's strip mall development pattern and excessive parking requirements have created underutilized parcels with limited connection with surrounding neighborhoods. This inefficient land use makes it difficult to redevelop sites into more compact, mixed-use developments that would better serve the community and create much needed housing choices in the center of the city.
- ✓ **Deterioration of Public Spaces and Site Improvements:** Public spaces in the area lack investment, making them uninviting and underutilized. Surveys conducted as part of the RE:MIKE initiative show that residents view St. Michael's Drive as an area with "no identity" and "a place they avoid walking or spending time in" due to its car-centric nature and lack of engaging public amenities.
- ✓ **Decline of Commercial and Business Activity:** While St. Michael's Drive is a central commercial district, the dominance of large retail centers with

little pedestrian access has discouraged economic diversification.

- ✓ **Lack of Adequate Housing Facilities:** The corridor lacks a sufficient mix of housing types, particularly affordable and workforce housing.

OVERLAY DISTRICT: MIDTOWN LINC ZONING OVERLAY (2016)

The Midtown LINC Overlay District was established through Ordinance #2016-39, which was adopted by the City of Santa Fe in 2016. The district was created to enhance connectivity and development in Santa Fe's midtown area, linking key employment centers such as Santa Fe University of Art and Design and Christus St. Vincent Regional Medical Center.

The overlay is a framework for revitalizing Santa Fe's midtown area, transforming underutilized spaces along western St. Michael's Drive into a vibrant, economically diverse district. The initiative encourages mixed-use development, improved urban design, and pedestrian-friendly infrastructure.

The district promotes multi-family residential development alongside complementary commercial uses, creating a dynamic, street-oriented environment. Updated zoning regulations increase development capacity while maintaining buffers for existing neighborhoods. Planned urban enhancements focus on pedestrian and bicycle accessibility, traffic calming measures, and expanded public spaces to improve mobility and safety.

To encourage investment, the city offers fee incentives for qualifying projects, waiving certain development and utility fees. Design standards prioritize four-story mixed-use buildings, street-facing architecture, and enhanced landscaping to foster a more cohesive urban fabric. Additional requirements for signage, bicycle parking, and green infrastructure ensure that new development contributes to a more connected and livable midtown. The Midtown LINC Overlay aligns with Santa Fe's broader goals for sustainable growth while preserving the city's unique character.

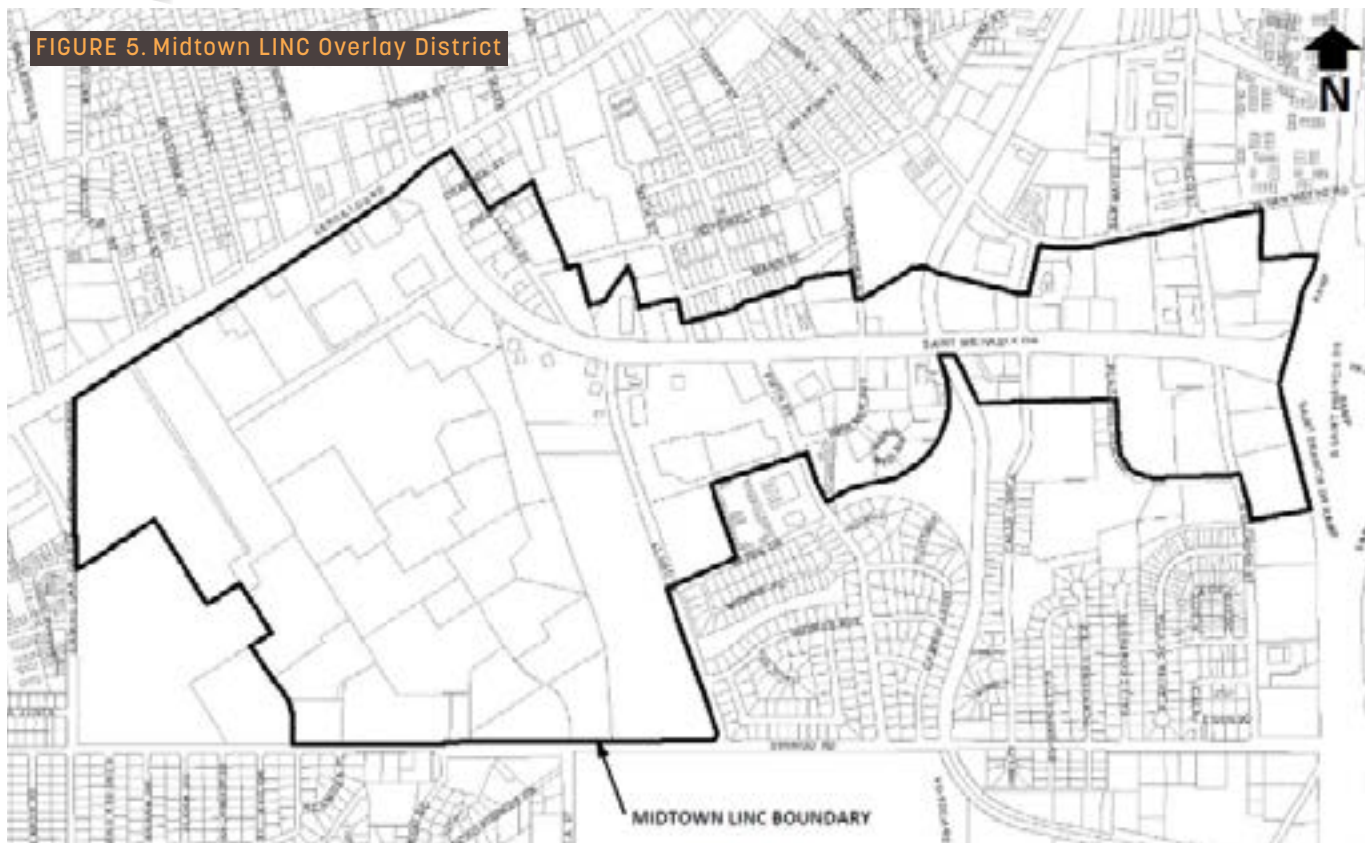


FIGURE 5. Midtown LINC Overlay District

Image source: MIDTOWN LINC Summary Presentation (2017)

While there was broad public support for the LINC, there have not been qualifying projects that the LINC zoning intended to facilitate.

ADDRESSING MRA CRITERIA:

- ✓ **Deteriorated or aging infrastructure:** Several structures and public spaces within the corridor show signs of physical decline, limiting their usability and attractiveness for redevelopment.
- ✓ **Defective and inadequate street layout:** St. Michael's Drive and adjacent streets prioritize vehicular traffic, creating barriers to pedestrian and bicycle movement. The street design lacks adequate connectivity between key destinations and discourages mixed-use development.
- ✓ **Obsolete and impractical planning:** The existing zoning and development regulations in the Midtown area have historically favored single-use commercial developments, which have contributed

to underutilization of land and inefficient site layouts.

- ✓ **Significant business closures and low commercial activity:** Economic stagnation is evident, especially within the Midtown site. This large site has experienced long-term vacancies and reduced activity, leading to declining tax revenues and community disinvestment.
- ✓ **Lack of adequate housing facilities:** The area has a lack of housing variety or housing choices in adjacent districts, particularly affordable and mixed-income housing, despite its proximity to major employment and institutional centers. This imbalance between jobs and housing options contributes to increased commuting and a reduced sense of community within the district.
- ✓ **Deterioration of public spaces and site improvements:** Public spaces lack consistent investment and maintenance, making them less inviting and underutilized by the community.

MIDTOWN REDEVELOPMENT PLANS



The Midtown Master Plan and Midtown Community Plan together create the Midtown Redevelopment Plan. These include both land use and urban design guidelines for the future of the Midtown Site. The blighted Midtown Site is key to improving and creating the economic resiliency of the adjacent commercial corridor and broader Midtown District.

MIDTOWN MASTER PLAN (2022)

The Midtown Master Plan, approved on November 30, 2022, provides a framework for the redevelopment of the Midtown Site in Santa Fe. This site, formerly home to the Santa Fe University of Art and Design (SFUAD) until its closure in 2018, represents a significant opportunity for business, housing, and cultural development in the city. The plan outlines a long-term vision driven by community input, prioritizing sustainability, economic vitality, and the creation of a mixed-use urban center.

The City of Santa Fe took control of the planning process in 2020. Since then, the city has worked with stakeholders to create a comprehensive strategy that balances housing affordability, job creation, transit improvements, and climate resilience. The plan promotes walkability, public spaces, and a variety of

uses, including film and media production, arts and culture, and higher education.

KEY TAKEAWAYS

- ✓ The Midtown Site will serve as a new center for Santa Fe, integrating housing, employment, public spaces, and cultural institutions.
- ✓ Over 1,000 new housing units are planned, with a focus on affordability and accessibility.
- ✓ A pedestrian-friendly, mixed-use neighborhood is envisioned, encouraging walkability and sustainable design.
- ✓ Community Arts and Culture will be a major focus for economic and social viability.
- ✓ More than 5 acres of public parks and open spaces will enhance community engagement and recreation.
- ✓ The Midtown LINC Zoning Area, adopted in 2016, will guide redevelopment efforts and encourage higher-density mixed-use projects.
- ✓ Infrastructure improvements, including transit enhancements and multimodal connections, will support growth and mobility.
- ✓ The plan aligns with existing city policies and sustainability goals, aiming to create an equitable and environmentally responsible development.

MIDTOWN COMMUNITY DEVELOPMENT PLAN (2023)

The Midtown Community Development Plan is a policy-driven framework designed to guide the redevelopment of the Midtown Site in Santa Fe. This plan was developed as part of the Midtown Master Plan and is utilized in conjunction with the Midtown Master Plan to ensure that new development aligns with community priorities related to housing affordability, job access, arts and culture, and public amenities. It was created through an extensive public

engagement process that involved thousands of community members, emphasizing inclusivity, equity, and sustainability.

The plan outlines strategies to increase housing opportunities, expand public services, support economic development, and preserve cultural heritage. It sets clear expectations for community benefits that developers must incorporate into their projects. Additionally, the plan integrates sustainability initiatives such as green infrastructure, multimodal transportation improvements, and energy-efficient development standards to ensure a long-term, resilient future for the Midtown Site.



KEY TAKEAWAYS

- ✓ It encourages job creation, business innovation, and workforce training programs to support local employment.
- ✓ Community arts, cultural landmarks, and civic spaces will be preserved and enhanced to maintain Santa Fe's unique identity.
- ✓ Walkability, improved public transit access, and safe bicycle infrastructure are prioritized to enhance connectivity.
- ✓ Green building standards, integrated stormwater management, and energy-efficient design are required for sustainability.
- ✓ Clear guidelines ensure developers prioritize public

amenities, workforce development, and long-term affordability.



ADDRESSING MRA CRITERIA:

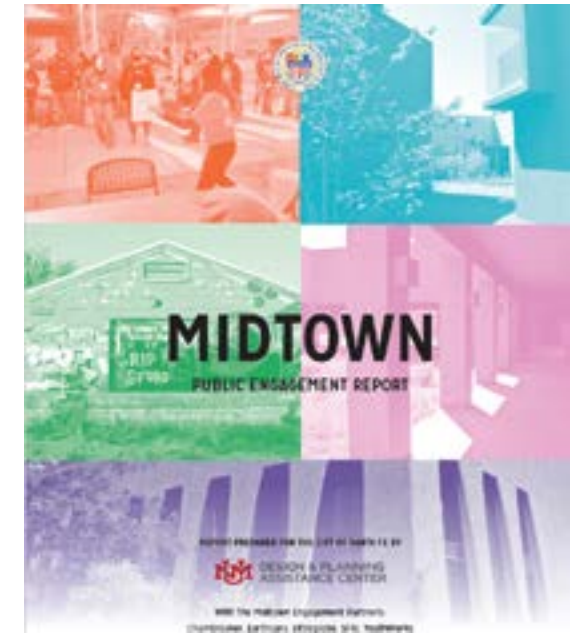
- ✓ **Deteriorated or Aging Structures:** Many buildings on the former Santa Fe University of Art and Design (SFUAD) campus have deteriorated due to prolonged vacancies and lack of maintenance. While some structures are suitable for adaptive reuse, others require significant investment to meet modern building standards. Demolition is expected to begin on some of the structures in the near future.
- ✓ **Defective and Inadequate Street Layout:** The existing street network prioritizes automobile traffic and lacks safe pedestrian and bicycle connections, making it difficult for residents to navigate the area without a vehicle. The street design fails to provide adequate connectivity between neighborhoods and key destinations such as Cerrillos Road, St. Michael's Drive, Siringo Road, and nearby employment centers.
- ✓ **Obsolete or Inefficient Land Use Planning:** The Midtown Site is a large, underutilized property in the heart of Santa Fe. Originally developed for institutional use, its current land use does not align with modern mixed-use urban development practices. The lack of higher-density housing,

neighborhood-serving retail, and active public spaces has contributed to the area's economic stagnation.

- ✓ **Significant Business Closures and Low Commercial Activity:** Many commercial and institutional properties in the Midtown area remain vacant or underused, limiting economic growth and reducing local employment opportunities. The lack of reinvestment has weakened the area's economic vitality, creating an environment where businesses struggle to thrive.
- ✓ **Lack of Adequate Housing Facilities:** The Midtown redevelopment plans emphasize the need for additional housing, particularly affordable and workforce housing. The area does not currently provide sufficient residential options to support local employees, students, and artists who could benefit from living near emerging economic hubs.
- ✓ **Deterioration of Public Spaces and Site Infrastructure:** Many public spaces and streetscapes within the Midtown area are outdated, poorly maintained, or lacking entirely. The absence of high-quality parks, plazas, and gathering places discourages pedestrian activity and limits opportunities for community engagement.

MIDTOWN PUBLIC ENGAGEMENT REPORT (2022)

The Midtown Public Engagement Report documents the extensive community outreach process undertaken to shape the future of the Midtown Santa Fe site. Following the closure of the Santa Fe University of Art and Design in 2018, the City of Santa Fe launched the Midtown Redevelopment Process to engage residents, stakeholders, and organizations in envisioning a new purpose for the site. This effort aimed to gather diverse perspectives and inform development strategies that align with community needs, aspirations, and priorities.



The Midtown Public Engagement process reached a broad and diverse cross-section of Santa Fe residents through a variety of outreach methods. A total of 2,089 surveys were collected, providing valuable insights into community priorities and ensuring representation from different demographic and economic backgrounds. In addition to surveys, over 3,300 people participated in public meetings, tenant clinics, and food distribution events, fostering meaningful dialogue about the future of Midtown.

Beyond in-person engagement, the outreach campaign recorded over 20,000 points of contact through media campaigns, newsletters, canvassing, and digital platforms, expanding access to those who might not have attended events. The process successfully reflected Santa Fe's demographic diversity, with 53.6% of respondents identifying as Hispanic/Latinx, 24.8% as non-Hispanic White, and 10.9% as Indigenous. Economic diversity was also a key factor, with 67% of participants earning \$55,000 or less annually, and a mix of homeowners (47.3%) and renters (42.4%), ensuring that housing needs were a central focus of the discussions.

The purpose of this report was to synthesize public input into actionable development guidelines for the Midtown area and informed

the final master plan and recommendations. The engagement process prioritized themes such as housing, economic development, public spaces, sustainability, and transportation. By integrating these community-driven insights, the city sought to ensure that redevelopment efforts foster equity, cultural preservation, economic opportunity, and environmental responsibility.

ADDRESSING MRA CRITERIA:

- ✓ **Deteriorated or Underutilized Structures:** The Midtown Public Engagement Report identifies multiple vacant or deteriorating buildings on the former Santa Fe University of Art & Design (SFUAD) campus. Residents voiced concerns about abandoned buildings contributing to safety issues, lack of activation, and visual blight.
- ✓ **Defective and Inadequate Street Layout:** The current street network prioritizes vehicles over pedestrians, creating safety concerns and discouraging walkability. The report highlights the need for multimodal transportation improvements, such as safer intersections, expanded bike lanes, and improved public transit access. Community members repeatedly raised concerns about difficult pedestrian crossings, missing sidewalks, and the absence of transit options that connect Midtown to other parts of the city.
- ✓ **Obsolete or Inefficient Land Use Planning:** The existing land use pattern in Midtown is outdated, originally designed for institutional and commercial purposes rather than the mixed-use, high-density development needed today. The report identifies large underutilized parcels and restrictive zoning as key barriers to redevelopment. Residents expressed frustration that the area feels disconnected from surrounding neighborhoods, lacks essential services like grocery stores, and does not support a vibrant, mixed-use environment.
- ✓ **Decline of Commercial and Business Activity:** The report highlights a significant decline in commercial activity, with many properties either

vacant or underutilized, limiting job opportunities and economic growth. Community members noted the loss of local businesses and the difficulty of attracting new investment. The need for small business support and zoning flexibility was a recurring theme in public engagement efforts .

- ✓ **Lack of Adequate Housing Facilities:** Midtown's shortage of affordable and workforce housing is a major challenge identified in the report. Despite its proximity to major employers, the area lacks sufficient housing options, leading to displacement and long commutes for workers. The community strongly emphasized the need for diverse housing options, including affordable units and mixed-income developments .
- ✓ **Deterioration of Public Spaces and Site Infrastructure:** The report identifies a lack of investment in public spaces, with outdated or underutilized parks and civic spaces. Community members consistently voiced the need for more parks, gathering spaces, and cultural centers to create a more welcoming and vibrant Midtown.

CITY OF SANTA FE LAND USE & URBAN DESIGN PLAN (1999)



The City of Santa Fe Land Use & Urban Design Plan serves as a comprehensive framework for guiding urban development, ensuring that growth is sustainable, efficient, and aligned with the city's cultural and environmental priorities. The plan establishes policies to promote a compact urban form, support mixed-use development, and preserve Santa Fe's historic character while addressing

economic development, housing affordability, and transportation improvements. It emphasizes the importance of infill development, higher residential densities, pedestrian connectivity, and alternative transportation options, all while maintaining the city's unique identity and sense of place.

Originally adopted in 1999, the plan was designed to provide long-term guidance for land use and urban growth management. Currently, the City of Santa Fe is in the process of updating the plan to better address modern challenges, including sustainability, climate adaptation, and economic diversification. This plan update involves community engagement, policy revisions, and new strategies to ensure that development continues to align with the city's long-term vision.

The 1999 plan does not address the Midtown District because, at the time it was drafted, the area was still an active school.

KEY TAKEAWAYS

- ✓ The City of Santa Fe Land Use & Urban Design Plan was developed before targeted planning initiatives aimed at revitalizing this area. The current plan update will incorporate community goals and long-range planning efforts established since its 1999 adoption.

OVERLAY DISTRICT: SOUTH-CENTRAL HIGHWAY CORRIDOR PROTECTION DISTRICT (SCHC)

The South-Central Highway Corridor Protection District (SCHC) overly applies to a small portion of the MRA. The overlay encompasses land within 600 feet of the edge of the right-of-way on both sides of St. Michael's Drive, Old Pecos Trail, St. Francis Drive, Rodeo Road, and Interstate 25 and its frontage roads.

This designation aims to preserve the scenic quality and manage development along these corridors. The SCHC imposes specific regulations on land

use, density, and design to maintain the visual appeal and character of these areas. For instance, there are increased minimum building setbacks.

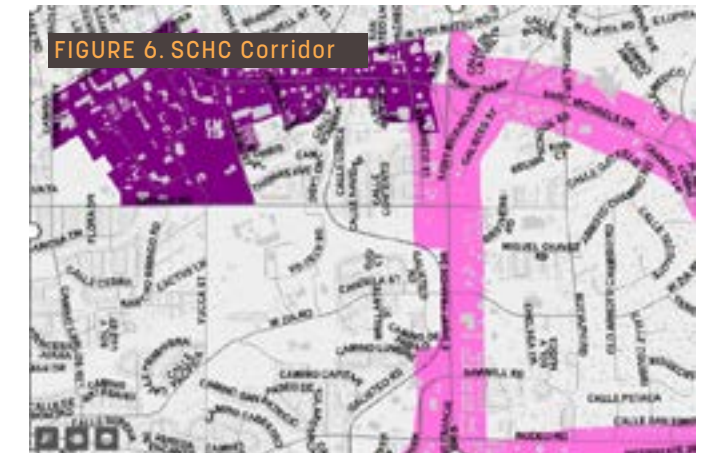


FIGURE 6. SCHC Corridor

KEY TAKEAWAYS

- ✓ Public input strongly emphasized the need for affordable and diverse housing options, ensuring long-term affordability and minimizing displacement risks.
- ✓ Economic development is a key focus, with a strong push for job creation, small business support, and workforce training programs to strengthen the local economy.
- ✓ Residents prioritized preserving historical and cultural assets, enhancing public parks, open spaces, and civic amenities to foster a sense of community.
- ✓ Sustainability remains a central theme, with recommendations for green building standards, integrated stormwater management, and climate-conscious urban design.
- ✓ Mobility and connectivity improvements will support walkability, bike access, public transit expansion, and safer pedestrian infrastructure, ensuring a well-connected and accessible Midtown district.

SANTA FE HOUSING REPORT (2020)

The 2020 Santa Fe Housing Report provides a comprehensive analysis of Santa Fe’s housing market, affordability challenges, and policy recommendations. It emphasizes the need for increased housing supply, improved affordability measures, and stronger policies to address displacement risks. The report highlights that Santa Fe faces rising housing costs, stagnant wages, and a growing demand for affordable units, making housing one of the most pressing issues in the city.

A key focus is on the Midtown District, which presents an opportunity for mixed-use, high-density development that can alleviate housing pressures. The report discusses strategies such as inclusionary zoning, leveraging public land for affordable housing, and mixed-income housing models to ensure long-term affordability.

The Midtown site, given its central location and size, is identified as a prime area for addressing housing needs through strategic urban planning.



ADDRESSING MRA CRITERIA:

- ✓ **Lack of Adequate Housing Facilities:** The 2020 Housing Report identifies a severe shortage of affordable and workforce housing in Santa Fe, limiting accessibility for low- and moderate-income residents. The city fails to provide sufficient housing to meet demand, leading to displacement risks and long commutes for many workers. The report also notes that without intervention, new development in Santa Fe could further exacerbate affordability issues, pricing out existing residents
- ✓ **Efficient Land Use Planning:** Midtown is identified as a prime location for mixed-use and high-density development, yet existing zoning and infrastructure are not conducive to such growth. The report calls for zoning and policy changes to promote mixed-income housing, integrate public spaces, and create a more walkable, transit-friendly environment.

B. LAND USE AND ZONING

EXISTING LAND USES (COMMERCIAL, RESIDENTIAL, MIXED-USE).

Outside of the Midtown site, the majority of the MRA is occupied by commercial uses. The land use of the area is defined by retail, light office and light industrial. The retail in this area is a mixture of small pad sites and large shopping centers. The entire area is defined by large, underutilized parking lots and buildings that are set back significantly from the adjacent street. There is a lack of connectivity between and among the parcels in the MRA. This area lacks a cohesive identity or character and is autocentric.

ZONING ANALYSIS (POTENTIAL FOR REDEVELOPMENT UNDER CURRENT ZONING).

The current zoning, primarily commercial, limits the redevelopment potential of this area. The Cerrillos section of the LINC was planned prior to 2016 and could not prioritize mixed-use or best practices, giving it a strip mall appearance. Future zoning should allow a mix of uses to encourage the development of walkable, mixed-use, transit-oriented areas desired, as articulated by community stakeholders. Specifically, higher density housing should be encouraged to redevelop commercial areas into vibrant mixed-use and walkable activity centers.

SOUTH-CENTRAL HIGHWAY CORRIDOR PROTECTION

A small portion of the MRA overlaps with the South-Central Highway Corridor Protection District overlay. Provisions include building height limitations to maintain the visual character of the corridor. The SCHC also imposes design standards to ensure that new developments or alterations harmonize with the existing landscape and architectural character of the corridor. Where overlay districts overlap, the most strict requirements prevail.

LINC OVERLAY DISTRICT

The Midtown LINC Overlay District prioritizes higher-density housing, economic activity, multimodal transportation, and sustainability. The incentives and design standards aim to transform St. Michael’s Drive into a dynamic and attractive corridor, encouraging private investment while ensuring community benefits.

The district allows for a variety of uses consistent with underlying zoning, with additional permitted uses of multiple-family housing. Certain uses are prohibited to maintain the district’s character, including mobile homes, mobile home parks, sexually oriented businesses, outdoor storage of vehicles and equipment, and specific industrial activities like warehouse and freight movement.

To encourage development that aligns with the district’s objectives, the Midtown LINC Overlay District defines “qualifying projects” those that contribute to a mixed-use, pedestrian-friendly environment. Qualifying Residential Projects include new developments consisting solely of multiple-family dwellings or mixed-use projects where residential units serve as the primary use, supported by eligible non-residential components. Qualifying Non-Residential Projects encompass new developments or modifications to existing structures intended for designated commercial and industrial uses, such as research laboratories, light assembly and manufacturing spaces (including “maker” spaces), neighborhood grocery stores, and laundromats, ensuring a balanced mix of residential and economic activity in the district.

Projects in this overlay district also have to adhere to specific architectural and landscaping standards to improve the overall appeal of the district.

VACANT OR UNDERUTILIZED PROPERTIES

While most of the properties in the area are occupied, many of them are underutilized. The large parking lots fronting many of properties are rarely if ever full. The land value of this centrally located district could support a greater diversity of uses. In a city with such a shortage of housing, the large parcels could support the development of a variety of housing units.

D. PHYSICAL CONDITIONS

City of Santa Fe MRA staff performed an assessment of the Study Area in February 2024 to document physical conditions. This report summarizes findings for the LINC and the Midtown Site separately, as conditions are very different. The assessment demonstrates that the properties included in the Study Area exhibit a combination of factors that contribute to the lack of redevelopment, as defined by New Mexico State Statute 3-60A.1-41, 1978.



MIDTOWN LINC:

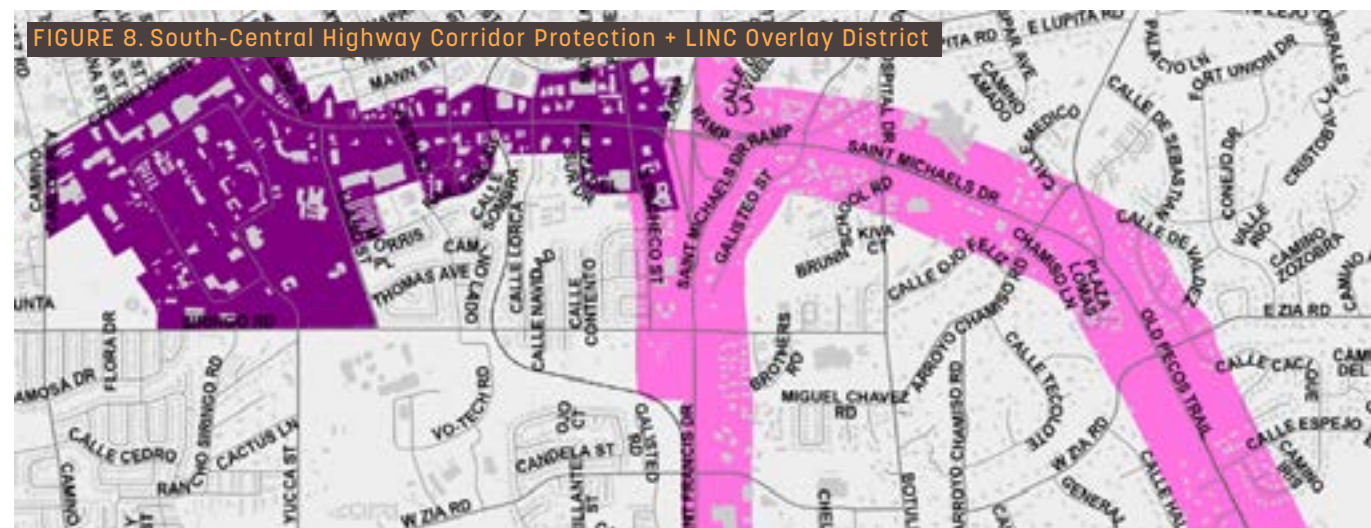
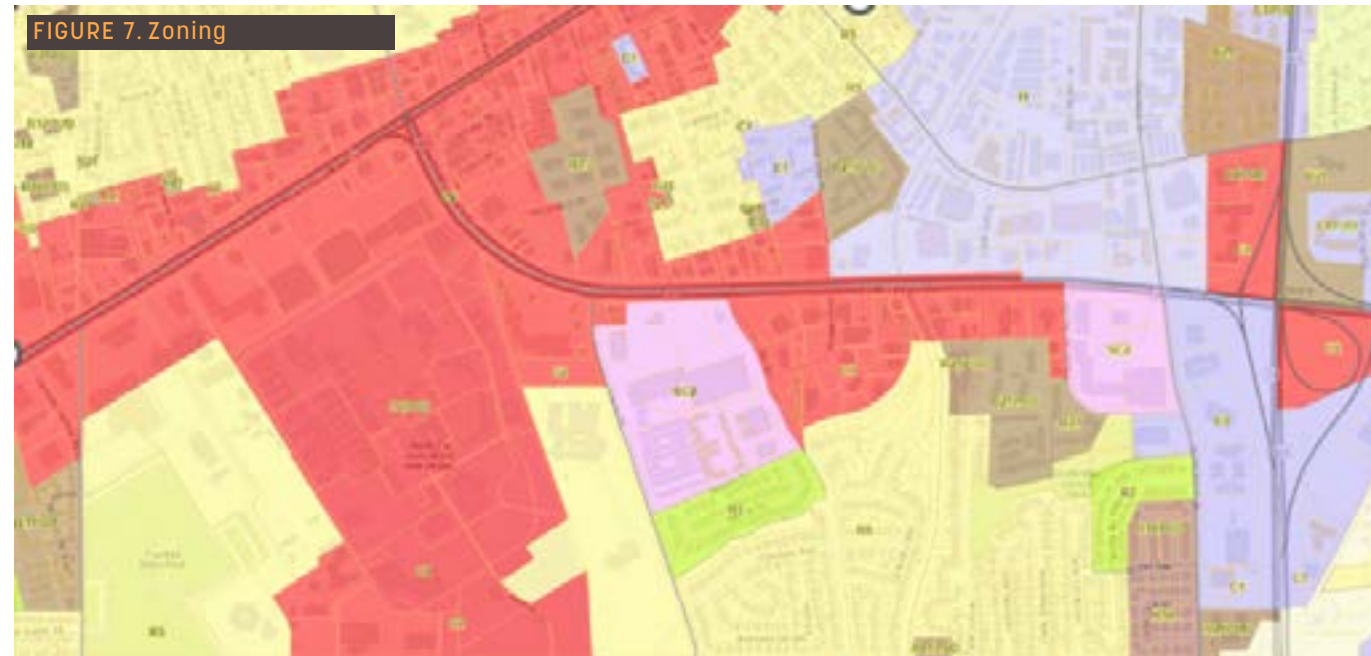
The Midtown LINC Overlay District exhibits significant challenges related to land use, transportation, infrastructure, and economic activity, many of which align with the criteria for Metropolitan Redevelopment Area (MRA) designation. Originally developed with a suburban, car-oriented layout, the corridor has struggled to transition into a walkable, mixed-use urban district. Despite incentives introduced through the LINC Overlay in 2016, there has been no new residential development in the area, and underutilized properties, deteriorating infrastructure, and high crime rates persist.

ADDRESSING MRA CRITERIA:

- ✓ **Deteriorated or Underutilized Structures:** Many buildings within the LINC were constructed 30 to 40 years ago as large-lot strip malls and big-box retail centers. Over time, some have been subdivided into standalone properties surrounded by expansive parking lots, while others remain vacant or underutilized.
- ✓ **Defective and Inadequate Street Layout:** St. Michael's Drive was originally designed as a two-lane bypass highway in the 1950s and later widened in the 1970s. Today, it is one of Santa Fe's busiest streets, carrying 25,000–30,000 vehicles per day across a seven-lane roadway (six through lanes plus a center turn lane). The street lacks bike lanes, mid-block pedestrian crossings, street trees, and adequate public transit infrastructure, making it unsafe and uninviting for pedestrians and cyclists. The City of Santa Fe has formally recognized these deficiencies and, in a March 28, 2022 memo to NMDOT, proposed reducing lanes and implementing multimodal safety improvements.
- ✓ **Faulty Lot Layout and Infrastructure Deficiencies:** The LINC area consists of large commercial properties with individual curb cuts onto St. Michael's Drive, few shared access points, and no internal connectivity between parcels. If a driver misses an entrance, they must exit onto a

neighborhood street and loop back, or park at a separate business and navigate through poorly maintained landscaping and parking lots. Several properties are isolated by surrounding parcels, with no viable cross-access for pedestrians or vehicles. Parking lots dominate the landscape, yet they remain underutilized and many are in poor condition with potholes, poor drainage, and failing pavement.

- ✓ **Deterioration of Public Spaces and Site Improvements:** Many properties feature planter strips that are either poorly maintained, overgrown, or dead. Several sidewalks are impassable due to overgrown landscaping, while bus stops lack proper shelters. No street trees exist along the corridor, as the entire planter strip was paved over when the State transferred St. Michael's Drive to the City of Santa Fe in 2018.
- ✓ **Decline of Commercial and Business Activity:** Many commercial properties within the LINC are vacant or struggling, contributing to a high percentage of underutilized parcels. The LINC Overlay was originally established to incentivize redevelopment, particularly multi-family housing, but no new residential development has occurred since its adoption in 2016.
- ✓ **Lack of Adequate Housing Facilities:** The LINC area is zoned C-2 General Commercial, allowing multi-family housing with no density cap, yet no housing projects have been proposed due to outdated infrastructure, high costs of redevelopment, and poor pedestrian connectivity. Large vacant parcels within the Midtown Project Site and along Warner Avenue remain undeveloped, limiting opportunities for much-needed workforce housing.
- ✓ **High Crime Rates:** The Midtown LINC area represents just 1.7% of Santa Fe's total land area, yet between January and May 2022, it accounted for 7.4% of the city's total reported crimes. Crime incidents include property crime, vandalism, and safety concerns, which further discourage investment and walkability in the corridor.





MIDTOWN METROPOLITAN REDEVELOPMENT PLAN
DESIGNATION REPORT

Vacant buildings and weeds (Midtown site)



Vacant land (Midtown site)



Street missing sidewalks



Bus stop without amenities



CERILLOS DRIVE

ST MICHAELS DRIVE



Vacant land



Vacant land, weeds and litter



Underutilized and unsightly storefront

SIRINGO DRIVE



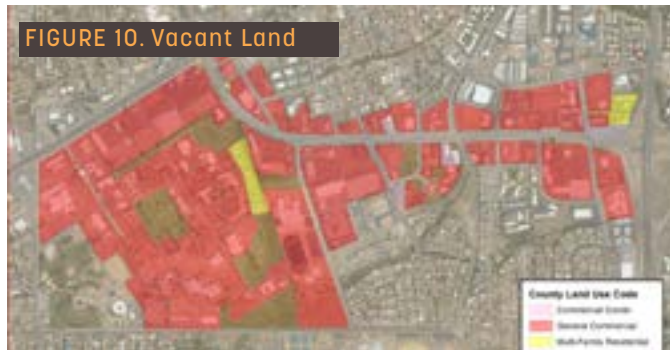
Vacant land and weeds (Midtown site)



Vacant land, weeds and litter



Underutilized land



County Land Use Map: Brown parcels are vacant



Building Footprints within MRA Study Area Boundary



Vacant site on Llano St.



Surface parking lots in the MRA area

MIDTOWN SITE: THE KEY TO THE OVERALL ECONOMIC SUCCESS, RESILIENCY, AND SUSTAINABILITY OF THE MIDTOWN DISTRICT

The Midtown Santa Fe Site was originally developed as a sprawling educational campus, with large, irregular parcels that do not easily accommodate new development or redevelopment under modern mixed-use planning principles. The Midtown Master Plan, Community Development Plan, and Land Development Plan collectively identify multiple structural, infrastructure, and land use deficiencies, aligning with the Metropolitan Redevelopment Area (MRA) designation criteria under the New Mexico Metropolitan Redevelopment Code.

ADDRESSING MRA CRITERIA:

- ✓ **Deteriorated or Underutilized Structures:** The 2022 facility assessment by Wilson & Company found that many buildings on the Midtown site are structurally deficient, outdated, or in disrepair due to age, disuse, and obsolete building systems. Asbestos remediation is needed across multiple structures, adding to redevelopment costs. Of the 38 existing buildings, 10 are slated for demolition, 13 for short-term reuse before demolition, and 15 for rehabilitation. The former dormitories are not viable for conversion to modern residential use due to narrow hallways, shared bathrooms, and outdated building standards.
- ✓ **Faulty Lot Layout and Inefficient Land Use:** The site's original subdivision layout, designed for an educational campus, does not align with mixed-use redevelopment needs. Some parcels are so large and irregular that they hinder infill development. One 22+ acre parcel contains at least 17 buildings and spans the entire site. Currently, only 7.74% of the land is built upon, with 20 acres of completely vacant parcels. Until 2022, the site lacked master planning and remained zoned R-5 Residential, which was unsuitable for redevelopment. The recent Planned Unit Development (PUD) zoning and master planning efforts are expected to improve development feasibility.

- ✓ **Defective and Inadequate Street Layout:** The Midtown Site is isolated from surrounding areas, with only two access points—one at St. Michael's Drive and one at Siringo Road. The St. Michael's Drive entrance lacks a traffic signal, making left turns difficult and unsafe during peak hours. While the Siringo Road entrance is signalized, overall connectivity to the surrounding street network is inadequate. The Midtown Master Plan proposes a new internal street network, but implementation will require significant investment and collaboration with adjacent property owners to create pedestrian, bike, and road connections.
- ✓ **Deterioration of Public Spaces and Environmental Hazards:** The remains of the former barracks on Tract O—burned down in a 2017 fire—were razed, covered with topsoil, and fenced off, but the site still contains asbestos-based materials and underground cementitious pipes. A basic 12-inch surface remediation alone is expected to cost at least \$2.3 million.
- ✓ **Lack of Adequate Housing Facilities:** As a former college campus, the only housing that ever existed on the site was dormitory housing, which is unsuitable for modern residential use due to outdated building codes and lack of essential amenities like kitchens. However, with the adoption of the Midtown Master Plan in 2022-2023, the site is now planned for at least 1,100 new housing units, with a minimum of 30% designated as affordable housing for households earning 80% or less of the Area Median Income (AMI).

FIGURE 14. Building Footprints, Midtown Site



Building Footprints within Midtown Site

FIGURE 15. Midtown: Building Preservation Plan



Midtown Buildings: Color Designates Which Building Will be Kept or Demolished



Complete Street Example - Midtown Master Plan (2022)

E. ECONOMIC CONDITIONS

RETAIL AND COMMERCIAL MARKET TRENDS

The Midtown Redevelopment Area has historically experienced higher vacancy rates, fluctuating rents, and lower occupancy compared to Santa Fe's overall office and retail markets. However, recent trends indicate a stabilization in demand, with significant improvements in occupancy rates and reductions in vacancies. While the broader Santa Fe market has

demonstrated steady growth, the MRA area remains a more volatile submarket, characterized by lower rental rates and a price-sensitive tenant base. This section examines key trends in office and retail markets within the MRA area in comparison to Santa Fe's overall market performance.

OFFICE MARKET COMPARISON: MRA AREA VS. SANTA FE (2017-2024)

Vacancy Rate Trends: The MRA area saw extreme volatility in office vacancies, peaking at 20% in 2014, compared to 8.2% in the City. By 2024, the MRA's

vacancy rate dropped to 0%, indicating a strong recovery.

Occupancy Rate Trends: The MRA's occupancy rate was as low as 80% in 2014-2015, lagging behind the overall market, which consistently remained above 95%. However, the MRA rebounded to 100% occupancy in 2024, suggesting stabilization.

Net Absorption Trends: The MRA had major negative absorption (-52,257 SF in 2018) but recovered with positive absorption in 2019 and 2024. Santa Fe's overall market also experienced fluctuations, notably -81,826 SF in 2020, during the economic downturn.

Office Rent Trends: The overall market saw steady rent growth, reaching \$23.68/SF in 2024 from \$17.07/SF in 2016. The MRA's office rents have been highly inconsistent, with rates ranging from \$24.07/SF in 2022 to as low as \$7.13/SF in 2024, suggesting weaker demand and a less stable office environment.

RETAIL MARKET COMPARISON: MRA AREA VS. SANTA FE (2017-2024)

Vacancy Rate Trends: Santa Fe's retail vacancy rate declined steadily from 6.3% in 2013 to 2.3% in 2024, reflecting strong demand. The MRA area had a much higher peak vacancy of 14.8% in 2013 but has since fallen to 1.6% in 2024.

Occupancy Rates: Both markets maintain high occupancy, with Santa Fe at 97.7% and the MRA slightly higher at 98.4% in 2024.

Net Absorption Trends: Santa Fe saw significant fluctuations, particularly in 2024 (-129,935 SF). The MRA also experienced volatility, with negative absorption in 2023 (-13,551 SF) but a rebound in 2024 (+4,266 SF).

Retail Rent Trends: Santa Fe's retail rents have increased to \$19.15/SF in 2024, while the MRA area has struggled with lower, more volatile rents, ranging from \$13.09/SF in 2013 to \$8.23/SF in 2020, before rising to \$15.90/SF in 2024.

KEY TAKEAWAYS

- ✓ Office rents in the MRA remain far below Santa Fe's overall market, suggesting weaker demand and less desirable space.
- ✓ Retail rents in the MRA are similarly lower than Santa Fe's average, despite increasing occupancy, indicating potential economic challenges or slower retail growth.
- ✓ The MRA area has been more volatile, with significant swings in vacancy, absorption, and rents, compared to Santa Fe's overall steady market trends.
- ✓ Despite lower rents, vacancy rates in the MRA are now at historic lows, meaning spaces are being utilized, even if at lower price points.
- ✓ While the MRA has shown recent stabilization, it remains a transitioning area, requiring further investment and strategic initiatives to ensure long-term stability and competitiveness.
- ✓ The data suggests that while demand for office and retail space in the MRA area is improving, continued investment, economic incentives, and tenant attraction strategies will be crucial for ensuring the district's long-term success.
- ✓ The MRA area has historically had higher vacancy rates and lower occupancy than the overall market but has made significant improvements in recent years.

CONCLUSION

The Midtown Metropolitan Redevelopment Area (MRA) in Santa Fe has been designated to address a range of challenges that have hindered its economic growth, livability, and development potential. The findings in the MRA Designation Report highlight several conditions that meet the criteria for an MRA designation under the New Mexico Metropolitan Redevelopment Code. By implementing a comprehensive revitalization strategy, the City of Santa Fe aims to transform Midtown into a dynamic, mixed-use district that fosters economic development, enhances mobility, and supports diverse housing opportunities.

RESPONDING TO THE MRA CRITERIA

A substantial number of deteriorated or deteriorating structures negatively impact the area's livability and economic potential.

- ✓ Many structures in the Midtown area are underutilized, outdated, or deteriorating, making them unattractive for reinvestment.
- ✓ Large commercial properties, particularly along St. Michael's Drive, feature extensive parking lots and aging buildings that lack pedestrian connectivity and modern amenities.

A defective or inadequate street layout that limits accessibility, walkability, and connectivity.

- ✓ The Midtown area, particularly St. Michael's Drive, was originally designed for high-speed vehicular traffic rather than for pedestrians, cyclists, or transit users.
- ✓ The wide road, large setbacks, and disconnected parcels create barriers to walkability and safe transportation alternatives.

Faulty lot layout that reduces the usefulness, accessibility, or redevelopment potential of properties.

- ✓ The corridor is dominated by suburban-style strip malls and big-box retail centers with excessive surface parking, resulting in underutilized land that does not support a vibrant, mixed-use environment
- ✓ The lack of a cohesive development pattern has limited opportunities for housing and commercial revitalization.

Deterioration of sites or other improvements, making the area less viable for new development.

- ✓ Public spaces in the Midtown area are outdated and underutilized, failing to provide inviting, functional spaces for community engagement.
- ✓ Green infrastructure, parks, and pedestrian-friendly streetscapes are lacking, contributing to an unwelcoming environment.

A lack of adequate housing facilities or conditions that prevent the provision of needed housing accommodations.

- ✓ Despite its central location, the Midtown district lacks diverse and affordable housing options.
- ✓ The demand for mixed-income housing remains unmet, pushing workers and lower-income residents to live farther from their jobs and increasing commuting burdens.

Obsolete or impractical planning and platting, leading to underutilized land and inefficient land use.

A significant number of vacant buildings, reducing economic activity and job opportunities.

- ✓ The Midtown property specifically has suffered from high vacancy rates, with redevelopment struggling to remain viable due to outdated infrastructure, low foot traffic, and limited accessibility.
- ✓ Economic stagnation and disinvestment have further contributed to job losses and underutilization of properties.

Low levels of commercial or industrial activity, contributing to economic stagnation and disinvestment.

- ✓ The Midtown area has seen declining levels of investment over the past decade, limiting economic opportunities for local businesses and workers.
- ✓ The lack of incentives and infrastructure improvements has made it difficult to attract new businesses and industries.

Through the MRA designation the City of Santa Fe can unlock key funding sources, attract private investment, and improve public infrastructure—creating new jobs, enhancing walkability, and expanding housing options.

This MRA designation aligns with the Midtown Master Plan and community input to ensure thoughtful, sustainable redevelopment. With strategic public-private partnerships and financial tools like tax incentives and infrastructure investments, the MRA will move Midtown into motion, fostering an inclusive, thriving district for all Santa Fe residents.

BENEFITS OF AN MRA DESIGNATION AND MRA PLAN

The MRA Designation allows for the contribution of Public Resources to Private Redevelopment projects, thereby helping catalyze reinvestment in the area.

The MRA Plan will outline specific redevelopment projects and activities and focus on unlocking critical opportunities, such as:

INCENTIVES FOR PROPERTY OWNERS - MRAs allow municipalities to offer incentives to property owners to encourage private investment. These incentives can include direct contributions of public funds, infrastructure improvements, below-market leases, land swaps, zoning changes, and favorable development bonds.

PUBLIC-PRIVATE PARTNERSHIP OPPORTUNITIES - MRAs allow property owners to engage with local governments in projects that involve the contribution of public funds to the redevelopment of private property. This also includes entering into development agreements to redevelop underutilized public properties.

DISTRICT-WIDE PUBLIC IMPROVEMENTS - MRAs allow for the effective planning and construction of public infrastructure and right-of-way improvements including streetscaping, transit-oriented development, stormwater management, and utility upgrades. It allows the municipality to contribute public resources to infrastructure upgrades that benefit private landowners, including waiving fees.

INCREASED COMMERCIAL ACTIVITY AND JOB GROWTH - Through the designation and planning for MRAs, many communities attract and grow commercial activity in an area, leading to long-term redevelopment and a stronger local business market.

TAX INCENTIVES & FINANCING TOOLS - A municipality may offer tax abatements and/or establish a Tax Increment Financing District (TIF) or Tax Increment Development District (TIDD). The municipality may also issue MRA Bonds for private projects. These tools do not change or increase taxes. Other available financing tools include:

- Property Tax deferrals or credits
- Issuance of Revenue Bonds
- State/Federal Brownfield funding opportunities



- NMMFA Low-Income Housing Tax Credits bonus points
- CDBG Funding eligibility (without meeting LMI criteria).

FACILITATE PUBLIC PRIVATE PARTNERSHIPS - MRAs are exempt from the Anti-Donation Clause because the activities authorized by the Metropolitan Redevelopment Code are considered to be in the public interest. MRAs allow local governments to sell public assets, enter into public-private partnerships, and issue bonds, loans, and grants. Other perks include:

- *Allows the sale of public property at “fair value” (below appraisal) when there are tangible public benefits through Development Agreements*
- *No prohibition on “Retail Uses” as exists in LEDA (>10,000 pop)*
- *“3-60A-48. Liberal Interpretation: The Metropolitan Redevelopment Code shall be liberally construed to carry out its purposes.” Gives municipality discretion on how to best leverage MRA district opportunities.*

NEXT STEPS

After the MRA site is designated, a MRA plan will be created. Following the MRA Designation Report, an MRA Plan will be created, which will identify specific redevelopment projects that, when implemented, will eliminate the blighted conditions and stimulate economic activity. These projects can include land/building acquisition, multi-modal transportation infrastructure, stormwater management infrastructure, community facilities, housing, and public places.

The MRA planning effort will include a market and economic analysis to understand the opportunities associated with funding mechanisms and programs, such as tax increment financing, and link the MRA Plan’s goals and strategies to those opportunities.

The governing municipality, in this case, the City of Santa Fe, has full discretion on which of these incentives the City uses and prioritizes to implement the MRA Plan. These decisions will be made during the planning process with public engagement and in collaboration with City departments and elected officials.



Attachment B



FISCAL IMPACT REPORT

General Information:

(Check) **Bill:** _____ **Resolution:** x

Short Title(s): Midtown Metropolitan Redevelopment Area Designation


Sponsor(s): Mayor Alan Webber and Councilor Jamie Cassutt

Reviewing Department(s): Community Development Department (Midtown Development Agency Office of Economic Development), City Attorney's Office

Staff Completing FIR: Daniel Hernandez, Director of Midtown Development Agency; Carly Vendetti, Asset Development Manager, Midtown Development Agency **Date:** 3/3/2025

Phone: (505) 795-0675; (505) 531-7296

Reviewed by City Attorney:  **Date:** Mar 21, 2025

Reviewed by Finance Director:  **Date:** Mar 21, 2025

Summary:

The proposed resolution makes a finding of necessity and designates the Midtown Local Innovation Corridor Overlay District (the Midtown "LINC"), other than a small residential area, as a Metropolitan Redevelopment Area, as consistent with SFCC 1987, Section 7-2.8 and NMSA 1978, Section 3-60A-8. The boundaries of this overlay district are described in SFCC 1987, Section 14-5.5(5)(D)(2), "Midtown Local Innovation Corridor (Midtown LINC) Overlay District", as modified in Attachment B.

Departments Affected:

Community Development (Office of Economic Development and Metropolitan Redevelopment Agency)

Consequences of Not Enacting Legislation:

If this legislation is not adopted, the specified area in the Midtown LINC, will not be declared a metropolitan redevelopment area.

Conflict, Duplication, Companionship, or Relationship to Other Legislation:

Ordinance No. 2016-39 created a new subsection of Chapter 14, the "Midtown Local Innovation Corridor Overlay District" (14-5.5(D)), which established permitted uses, definitions, standards and incentives for qualifying projects within the relevant district. This ordinance also defined the boundaries of the Midtown LINC.

Performance and Administrative Implications:

If the proposed resolution is adopted, then the Metropolitan Redevelopment Commission could exercise its powers and duties established in SFCC 1987, Section 7-2.6.

Fiscal Implications:

None at this time. While designating a metropolitan redevelopment area is a step towards being able to exercise certain redevelopment financial tools, future steps are required to implement the tools. Future required steps include the Governing Body's adoption of a metropolitan redevelopment plan, before a fiscal impact is possible.

Fiscal Impact

 x Check here if no fiscal impact

Expenditures

Expenditure Type	FYE 2025	FYE 2026	FYE 2027	Require BAR (Y/N)	Recurring (R) or Non-recurring (NR)	Fund	3-Year Total Cost
<u>Personnel and Benefits*</u>	\$ _____	\$ _____	\$ _____	_____	_____	_____	
<u>Capital Outlay</u>	\$ _____	\$ _____	\$ _____	_____	_____	_____	
<u>Contractual/</u>	\$ _____	\$ _____	\$ _____		_____	_____	
<u>Professional Services</u>							
<u>Operating</u>	\$ _____	\$ _____	\$ _____		_____	_____	\$ _____
<u>Total:</u>	\$ _____	\$ _____	\$ _____				\$ _____

Expenditure Narrative:

Revenue

Revenue Type	FYE 2025	FYE 2026	FYE 2027	Recurring (R) or Non-recurring (NR)	Fund
General Fund	\$ _____	\$ _____	\$ _____	_____	_____
Special Revenue	\$ _____	\$ _____	\$ _____	_____	_____
CIP	\$ _____	\$ _____	\$ _____	_____	_____
Enterprise	\$ _____	\$ _____	\$ _____	_____	_____
Internal Service	\$ _____	\$ _____	\$ _____	_____	_____
Trust and Agency	\$ _____	\$ _____	\$ _____	_____	_____
Federal	\$ _____	\$ _____	\$ _____	_____	_____
Other	\$ _____	\$ _____	\$ _____	_____	_____
Total	\$ _____	\$ _____	\$ _____		

Revenue Narrative:

Signature:

Email:

Signature:

Email:

Signature:

Email:

Signature:

Email:

New Mexico MainStreet's Approach to Economic Development

Presented by:

Daniel Gutierrez, New Mexico MainStreet Director

Lucas Pedraza, New Mexico MainStreet Project Coordinator

Amy M. Barnhart, New Mexico MainStreet Revitalization Specialist

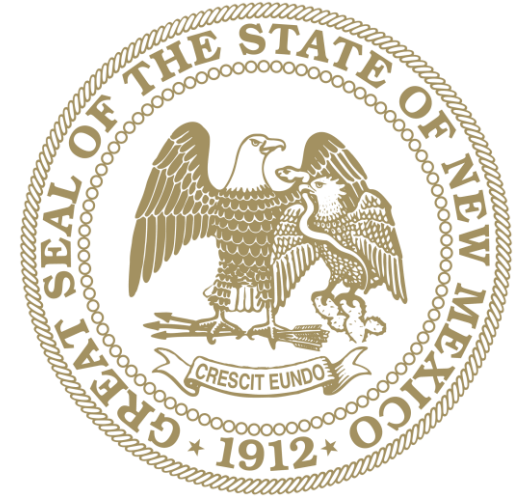
A Program of the New Mexico Economic Development Department



Mission

The New Mexico Economic Development

Department's mission is to improve the lives of New Mexico families by increasing economic opportunities and providing a place for businesses to thrive.



New Mexico MainStreet's mission is to develop local capacity to engage people, rebuild places and grow the entrepreneurial, creative and business environment resulting in economically thriving downtowns, greater business and employment opportunities and a higher quality of life.



New Mexico MainStreet (NMMS) Program

NMMS is an asset-based community economic development **Main Street America™ Coordinating Program**. NMMS has been licensed and accredited by the National Main Street Center, Inc. since 1985 – *celebrating our 40-year anniversary in 2025!*



The Main Street Approach™ offers community-based revitalization initiatives with a **practical, adaptable framework for downtown transformation.**

Approach implemented through the **Four Points:**
Economic Vitality, Design, Promotion, and Organization.

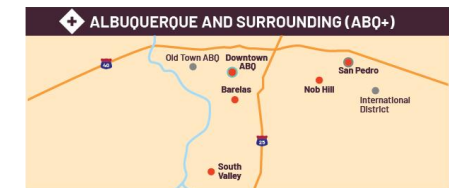
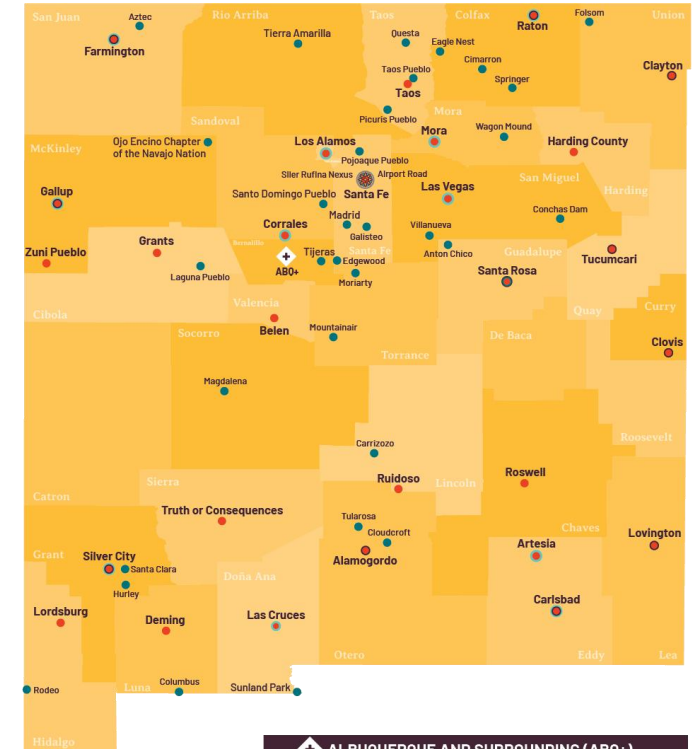


NMMS Network

NMMS acts as an umbrella organization, administering and providing professional technical assistance, services, and resources to all its local affiliates.

95 NM Communities Served Since 1985!

- **32** Designated MainStreet Districts/Programs
- **13** Affiliated Arts & Cultural Districts
- **19** Project-Based Initiative Communities
 - **12** *active* Frontier & Rural Communities
 - **3** *active* Native American Communities
 - **4** *active* Urban Neighborhood Commercial Corridors
- **\$38 million NMMS Capital Outlay** awarded to local MS and ACD Public Infrastructure Projects



Meet the NMMS Team

Staff



Daniel Gutierrez
Director



Lucas Pedraza
Project Coordinator



Danielle Maestas
Contracts/Grants



Cherise Martinez
Community Econ. Dev.



Jessica Mraz
Communications

Revitalization Specialists



Amy Barnhart
Organization & Capacity Building



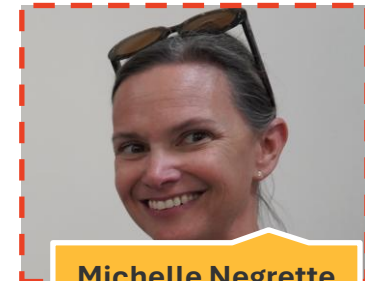
Robyne Beaubien
Promotion & Image Development



Amy Bell
Landscape Architecture & Urban Design



Sean O'Shea
Business Development



Michelle Negrette
Creative Economy



Will Powell
Preservation & Design



Jessica Roybal
Property Redevelopment



Julia & Cam Wilde
Graphic Design

MainStreet Programs & Public-Private Partnerships

Local Government Partner

- Philosophical & Financial Commitments/MOUs
- Coordination/Planning
- Fiscal Agency for Capital Outlay \$\$

State Government Partner

- Technical Assistance/Training (NMMS)
- Resources: Capital Outlay \$\$
- Coordination, Reporting
- Compliance

Local Revitalization Partner

- Implement Projects
- Resource Development
- Planning, Statistical Reporting
- Coordination with City, State
- Compliance



Main Street Approach™

The Main Street Approach™ offers community-based revitalization initiatives with a **practical, adaptable framework for downtown transformation.**

The Approach™ is centered around **Transformation Strategies** which articulate a focused, deliberate path to revitalizing or strengthening a district's economy.

Strategies are implemented through the **Four Points: Economic Vitality, Design, Promotion, and Organization.**



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How Main Street Works



Project-Based Initiatives (PBI)

- Communities can enter the NMMS program by participating in PBIs and receive professional technical assistance for one economic development over a 12-to-18-month *timeframe*.
- Projects must demonstrate job creation, **business development**, leverage private sector investment, or **enhancement of a community's economic environment**.
- Eligible Projects:
 - Placemaking
 - Façade Improvement
 - Historic Preservation/Preservation Enhancement
 - Real Estate and Property Development
 - Redevelopment and Revitalization Plans
 - New Business/Entrepreneur Development Support
 - Creative Economy
 - Promotion



Pathway to becoming a Main Street program in NM

Project-Based Initiative Round 1 (12-18 months)

Project-Based Initiative Round 2 (12-18 months)

NMMS Accelerator Process (12-18 months)

Main Street America Affiliate program

Main Street America Accredited program

NMMS PROJECT- BASED INITIATIVE DESIGNATION

Before Designation

- Contact New Mexico MainStreet Director and/or Project Coordinator.
- Create a stakeholder group.
- Identify a project the stakeholder group can implement utilizing NMMS technical assistance.
- Gain the support of your municipality.
- Complete and submit the NMMS Project-Based Initiative Application.



Project-Based Initiative Round 1 (12-18 months)

- Refine your project scope.
- Implement your project, utilizing NMMS technical assistance.
- Report your project impacts.
- You are done! OR. . .

Project-Based Initiative Round 2 (12-18 months)

- Revisit your stakeholder group.
- Submit an application for an Accelerator Action Plan and optional second project.
- Develop your Accelerator Action Plan.
- Implement your project (optional).
- Report your project impacts.

NMMS ACCELERATOR DESIGNATION

Before Designation

- Complete the Project-Based Initiative.
- Execute a Memorandum of Understanding (MOU) and a resolution of support with the local municipal partner and NMMS.
- Secure a service contract with the local municipal partner **(\$20,000)**.*

Completing the NMMS Accelerator Benchmarks

- Work with your assigned Revitalization Specialist.
- Complete Accelerator trainings.
- Complete Accelerator Benchmarks.

Demonstrating Progress on Accelerator Benchmarks & Graduating from the Accelerator

- Report on your progress (quarterly).
- Participate in the NMMS Annual Program Review.
- Graduate to Main Street America Affiliate status!

FY2026 Budget and staffing requirements for New Mexico MainStreet/Main Street America organizations.



	<i>Rural Community</i>	<i>Small Community</i>	<i>Mid-Size Community or Commercial Neighborhood</i>	<i>Large Community or Urban Program</i>
Population	< 5,000	5,001 - 15,000	15,001 - 50,000	> 50,000
Min. Operating Budget for Main Street America Affiliate program	\$25,000	\$45,000	\$60,000	\$100,000+
Min. Operating Budget for Main Street America Accredited Program	\$40,000		\$60,000	\$100,000+
Required Contribution to local MainStreet program by Local Gov't Partner	\$26,000	\$46,000	\$52,000	\$79,000
Executive Director Staffing Requirement, MainStreet America Affiliate (hrs/wk)	20		30	
Executive Director Staffing Requirement, Main Street America Accredited program (hrs/wk)	20		40	
NMMS Accelerator and ACD Start-Up process Designate	\$20,000 from local government; no staffing requirement			

NMMS Capital Outlay Program

Provides funding for public infrastructure upgrades within MainStreet and NM Arts & Cultural Districts:

- Investments are scaled to a district's potential and catalytic commercial areas for economic redevelopment.
- Based on an adopted **Master Plan**, **Cultural Economic Development Plan**, or **Metropolitan Redevelopment Area Plan**.

NMMS works with local communities to identify catalytic economic development projects.

- Uses a holistic approach that builds on existing assets.
- Must be an economic driver and demonstrate impact to local economy.
- Improve the appearance and functionality of the district.
- Create connectors.
- Engage local property and business owners.

FY21 – FY25: \$38 million awarded to 79 local MS/ACD projects.

- 53 of those projects are in rural communities under 50k in population.



Why Invest in Public Infrastructure?

- Commercial centers with severe safety and infrastructure issues **deter private reinvestment**.
- Property/Business owners are reluctant to make needed improvements to buildings or spaces.
- **Lack of confidence** to open or relocate businesses.
- Decreases pedestrian traffic.
- **Rural communities** too often must choose between essential community services (health, well-being, education, and safety) and economic redevelopment.



Recently *Completed* Capital Outlay Projects

Gallup Coal Avenue Commons: Phase II
Total Project Cost: **\$4,259,068**



Farmington Totah Theater Rehabilitation
Total Project Cost: **\$1,100,000**



Lovington MainStreet —Love Lovington: Going Green Wayfinding Project Phase III
Total Project Cost: **\$175,000**



Cavern Theater: Digital Projection & Sound
Total Project Cost: **\$5.2 million**



Recently Started Capital Outlay Projects

Alamogordo's Great Blocks on Main Street: 800 & 900 Blocks of New York Ave.
Total Project Cost: \$2.5 million



South Valley MainStreet Dolores Huerta Gateway Park

Total Project Cost: \$1,025,000



Lovington Historic Downtown Pedestrian Improvements
Total Project Cost: \$450,000



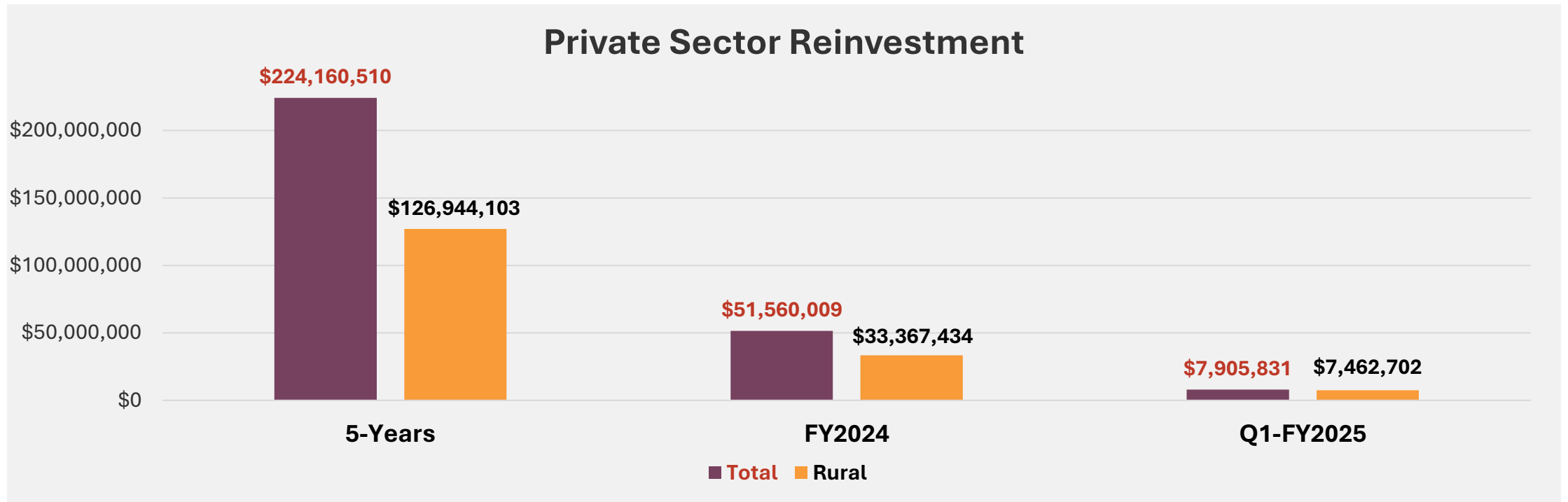
Las Vegas Great Blocks on MainStreet Project — Railroad and Lincoln Avenues Phases I, II, and III



NMMS Impact

Demonstrated high-performance impact:

- For every \$1 invested in the state MainStreet program, the private sector has invested \$44.50 locally in MainStreet communities.



Case Study #1: Lovington MainStreet

Historic Lea Theater

- Received **\$250K** Capital Outlay for the Marque + **\$400K** from NMMS in FY24.
- **\$50K** T-Mobile Hometown Grant to restore offices + **\$420K** from JF Maddox Foundation to rehabilitate theater.

Public Infrastructure Investments

- Way finding project received **\$130K** from NMMS + **\$50K** from Lea County + **\$40K** JF Maddox Foundation.
- Planned pedestrian improvement project received **\$350K** from NMMS + **\$100K** from Legislature, and **\$23M** US HWY 82 Road + Waterline Improvements.

Local Innovators Institute

- **7-week course** teaches business planning, food handling & safety, how to order supplies & price menus, business management, marketing/branding.
- **3-week hands-on experience** to use mobile food truck to test concept/menu.

IMPACT Directly benefits MainStreet

- Food truck in front of the Lea activates Fran Atchley park with music & events.
- 9 graduates, 2 opened a food truck, and 3 opened a catering concept.
- USDA Rural Business Development Grant: **\$190.9K** (2019, 2020, 2021)
- NMRA Resiliency Grant 2023 **\$4K**, and LCEC Sharing Success Grant 2023 **\$4K**.
- Recognized by USDA for creative usage of RBDG for entrepreneur training.



Case Study #2: Tucumcari MainStreet

Tucumcari Great Blocks on MainStreet - \$1.2M NMMS Capital Outlay

- Project area is in the heart of downtown and includes two blocks on Second Street between Main & Aber and two blocks on Main Street between 1st & 3rd.
- Home to historically significant buildings including the Israel Building, Princess Theater, Masonic Temple, and Odeon Theatre.
- Improvements included storm sewer/drainage; water & electric utilities; broadband; lighting; new sidewalks, landscaping, benches, trash receptacles.
- **New businesses** opened and pedestrian traffic increased due to this project.
- **\$1 million in private reinvestment** in GBOM area since completion.

Tucumcari FORGE Business Accelerator

- Tiered accelerator program for aspiring business owners.
 - Tier one includes a traditional accelerator curriculum with business model design, customer discovery, testing, market scoping and identification, and marketing and branding.
 - Tier two provides support for writing a business plan.
 - Tier three is an application for Tucumcari MainStreet's microloan program.
- Completed **4 cohorts** = 16 participants, 5 new biz, 5 buildings purchased, 4 microloans

NMMS Works with Local Government

- Property inventories, on-site inspections resulted in repairs, purchases.
- Revised City Ordinances to support revitalization: **Nuisance, Vacant Building, Dangerous Building, Commercial to Mixed-Use Zoning.**



Questions?



Thank You!



nmmainstreet.org



NEW MEXICO
MAINSTREET[™]

ENGAGE PEOPLE • REBUILD PLACES
REVITALIZE ECONOMIES

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