



Tim Keller, Mayor

06.14.2024

**To:** Albuquerque Development Commission

**From:** Jennifer Jackson, MRA Manager

**Subject:** Highlands Central Market & Residence Inn Redevelopment Tax Abatement Application – Case #2024-4

**Executive Summary.** Titan Development, under Highlands Holdings, LLC (“Applicant”) has applied for a Redevelopment Tax Abatement (“RTA”) for a commercial development in the Sycamore Redevelopment Area. The project includes a 14,892 sq. ft. food hall and 126-unit Residence Inn.

**Value of RTA.** The current property tax bill for the property is \$4,163.88. Following completion of the Project, the new annual property tax amount is estimated to be \$162,597. The estimated value of the property tax abated on the Project would be \$142,590 annually, or \$998,128 over a period of 7 years (taxes abated minus annual MRA fees).

**Detailed report of Application.** The following section details how the project meets the RTA Threshold Criteria and Evaluation Criteria.

### RTA Threshold Criteria

Criteria	Staff Evaluation
<b>MR Area.</b> Projects must be located in a Metropolitan Redevelopment Area with an Approved Metropolitan Redevelopment Plan.	The project is located in the Sycamore MR Area. City Council adopted the Sycamore Area Metropolitan Redevelopment Plan in 1982.
<b>Site Control.</b> Applicant must have site control.	The applicant has site control in the form of a deed.
<b>Minimum Project Size.</b> The scope of the Project must meet <u>one</u> of the following criteria: <ul style="list-style-type: none"> <li>A minimum of eight additional (new or converted space from a different use) residential units are created;</li> </ul> <p style="text-align: center;"><b>OR</b></p> <ul style="list-style-type: none"> <li>A minimum of 10,000 sq. ft. of commercial space is created or put into active use</li> </ul>	The Project meets one of the minimum project sizes: <ul style="list-style-type: none"> <li>The project creates a minimum of 10,000 sq. ft. of commercial space.</li> </ul>
<b>Community Benefit.</b> A Project must achieve a minimum Community Benefit score of 100 based on the Community Benefit Matrix in Appendix B.	The project scores 120 points. See the Community Benefits Matrix below for details.

**Community Benefit Criteria**  
**Sustainability**

**Points Earned**

<u>EV Charging Stations.</u> Project includes at EV charging stations (at least 5% of on-site parking spots).	15
<u>Shift to Electric.</u> Project only includes electrical appliances (no gas hookups) in hotel.	5
<b>Economic Development</b>	
<u>Generates Gross Receipts Taxes.</u> Project adds at least 1,000 sf of retail space.	15
<u>Adds Density.</u> Projects in MRA are in areas of change. MR areas should maximize the allowable density to create vibrant urban districts. Floor Area Ratio $\geq 2$ <i>The Project adds density at a floor to area ratio of 2.</i>	25
<b>Placemaking</b>	
<u>Proximity to Pedestrian Realm.</u> Building structure is aligned to the minimum setback. <i>Project has a zero front lot line.</i>	10
<u>Enhanced Streetscape.</u> Project will create urban furniture and add pedestrian scale lighting.	20
<u>Rooftop or Elevated Deck.</u> Project includes an outdoor deck on the 2 <sup>nd</sup> floor or higher.	10
<b>Diverse/Local Team</b>	
<u>Developer is a local business.</u>	10
<u>Contractor is a local business.</u>	10
<b>Total Points Earned</b>	<b>120</b>

## RTA Evaluation Criteria

**Criteria A: Removal of Blighted Conditions and Conformance with Metropolitan Redevelopment Area Plan.** The applicant must demonstrate that the Project meets the relevant Metropolitan Redevelopment Plan goals.

- **Project results in the removal of slum or blighted conditions.** *The project is located on a site that was formerly home to various stretches of vacant land and unoccupiable, dilapidated buildings.*
- **Project furthers the goals and objectives of the adopted Metropolitan Redevelopment Area Plan.** *The Project advanced the Sycamore MR Area Plan by:*
  - Improving the “mixed use” environment by creating additional retail along the Central Corridor. (Future development phases will add residential closer to the existing residential neighborhoods.)
  - Improving the pedestrian, transit, and cycling realm by improving the physical character of the neighborhood through landscaping, widened and improved sidewalks, and pedestrian scale lighting.
  - Encouraging private reinvestment that is mutually beneficial with the existing neighborhood. There are limited food and dining options in the Sycamore area, so the food hall responds to this neighborhood need. The Developer has continued to meet and coordinate with neighbors over the course of the master planning process.
- **Demolition of viable buildings has been/will be avoided.** *Past buildings (which have already been torn down) were beyond repair.*
- **Relocation of existing residents and businesses has been/will be avoided.** *There are no businesses or residents on-site.*

**Criteria B: Design.** RTA Projects shall meet the following enhanced design criteria to ensure high quality Projects that are recognized as exemplary:

- Buildings shall have exterior building materials and colors which are aesthetically pleasing and compatible with the overall site plan. Construction material shall provide variation in color, texture, and scale; **and**

Each building elevation that faces a street or a customer parking lot shall be modulated. The wall and foundation line shall be offset at intervals so that there is at least one offset every 50 feet of wall length that varies the depth of the building wall by a minimum of 4 feet. Offsets shall comprise at least 10 percent of the length of the elevation, for at least 40 percent of the building height.

**OR**

If Projects cannot meet the enhanced design criteria above, applicants can propose other compensating design elements that ensure a high-quality Project

The project's design embodies aesthetic sophistication through its thoughtful selection of materials and colors, focusing on a New Mexico-appropriate palette of earth tones that harmoniously blends with the local environment. The incorporation of diverse architectural elements, the design's modern minimalist style, particularly in the food hall's unmodulated facade, creates a bold, urban edge along Central Avenue, while strategic material changes and a filleted corner pay homage to the area's art deco heritage, resulting in a visually striking and contextually sensitive development.

**Criteria C: Applicant Experience.** Applicant must demonstrate a record of financing, constructing, and managing Projects of this type and size, and has provided convincing evidence that the Project will be completed.

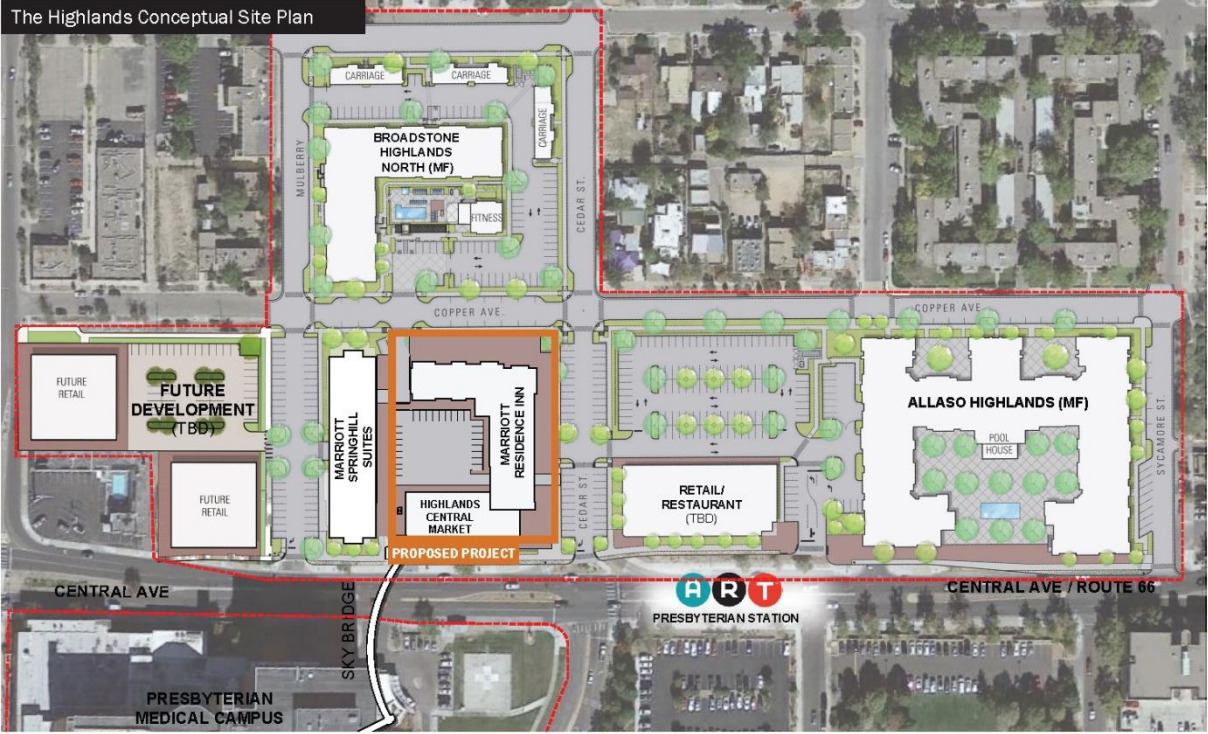
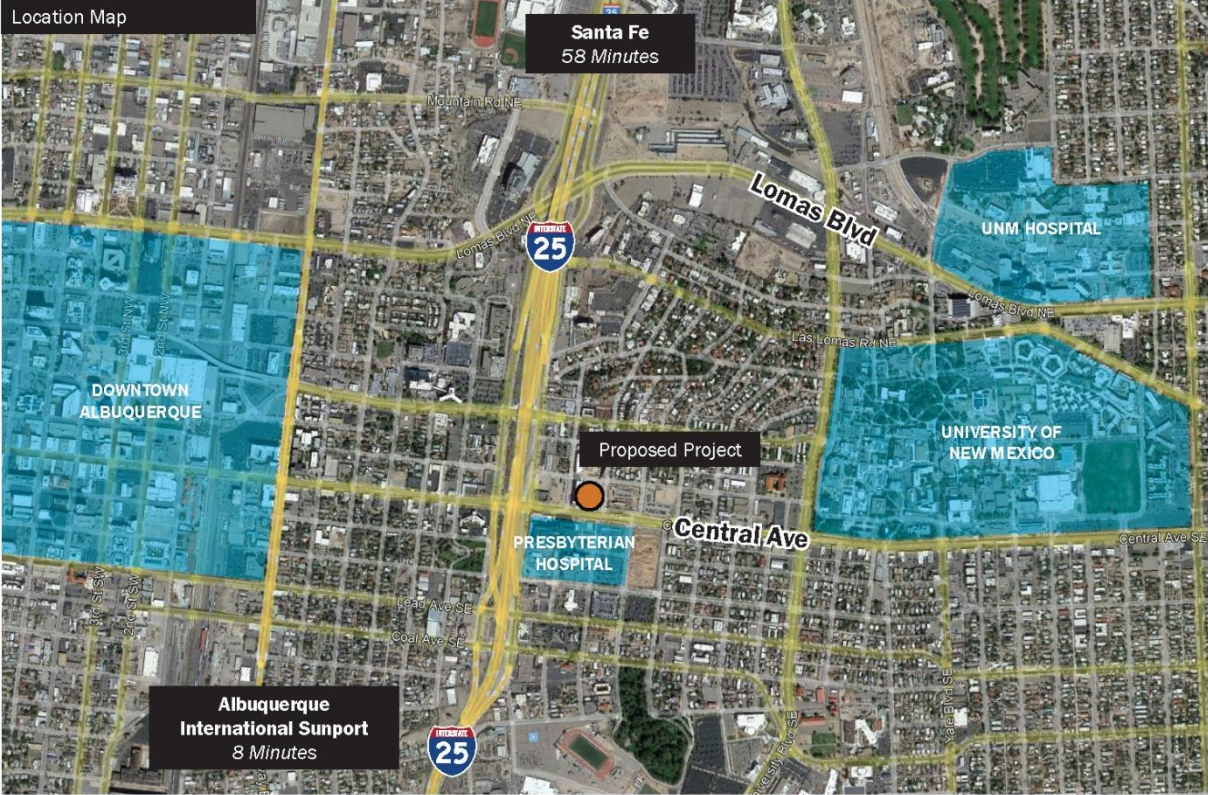
Titan Development has an extensive and proven track record of successfully developing projects of similar sizes and mixes in Albuquerque, including the adjacent Springhill Suites and Broadstone Highlands.

**Findings:**

- MRA found the Project meets all requirements outlined in the Redevelopment Tax Abatement PILOT Program:
  - The Project advances the goals of the Sycamore Redevelopment Plan by developing a vacant lot along a corridor that was identified as a priority in the Near Heights Plan. The Project will help eliminate blight by developing a currently vacant lot.
  - The Project meets the design criteria by creating an aesthetically pleasing project that provides variation in color, texture, and scale; and,
  - The Applicant has demonstrated sufficient experience to reasonably complete the Project.

**Recommended Motion:** Based on the findings in the staff report, the ADC recommends to City Council approval, in form, of the Redevelopment Tax Abatement with Titan Development for the development of the Highlands Central Market and Residence Inn.

# Site Location



# Project Renderings



