



Meeting Date: October 18, 2023

Staff Contact: Mark S. Sanchez, Executive Director

TITLE: R-23-41 – Approving, subject to review and approval by the New Mexico Board of Finance, the sale of 25.38± acres of the surplus property located at the southwest corner of 2nd Street and Rio Bravo Boulevard at current appraised value along with an option to purchase the remaining 72.6± acres at a later determined purchase price consisting of the appraised value applicable at the time the option is exercised

ACTION: Recommend Approval

SUMMARY:

The Albuquerque Bernalillo County Water Utility Authority, (Water Authority) owns 97.98± acres of undeveloped land at the southwest corner of 2nd Street and Rio Bravo Boulevard adjacent to the Southside Water Reclamation Plant (SWRP). The parcel is not a suitable or economically feasible site for the expansion of the SWRP or other Water Authority infrastructure. Given the need for additional resources in the Water Authority's capital improvement program and no longer having a need for the site, it is recommended that disposition of the property be reauthorized pursuant to revised terms.

The Water Authority Board previously declared the property surplus at its meeting on May 18, 2022, through its adoption of R-17-22. R-17-22 declared the property surplus and directed that it be disposed of by a process which would maximize the return for the Water Authority for use in its capital improvement program, subject to a limitation that the purchaser of the property commits to include a component of affordable housing on it.

In compliance with the Board's Resolution, the Executive Director negotiated an initial sales agreement which proposed to convey the entire property to YES Housing, a non-profit developer, ("Purchaser") to use the site for development to include affordable housing. The initial agreement allowed that before closing the purchase, the Purchaser could perform a feasibility analysis. The Purchaser's feasibility analysis revealed that it would not be presently feasible for the Purchaser to carry out its intended use of the westernmost 72.6± acres generally lying west of the Barr Canal, due to the phasing schedule for roadway improvements to Rio Bravo Blvd being undertaken by the

NMDOT and 2nd St by Bernalillo County.

To account for this, the Purchaser has now proposed a First Amended Agreement that lays out a phased sale wherein the Purchaser will immediately purchase the 25.03± acres lying east of the Barr Canal which benefits from frontage along Second Street at the current appraised value of \$2,700,000. The Purchaser will simultaneously purchase an exclusive 48-month, non-refundable option for \$100,000 on the remaining 72.6± acres. The non-refundable option preserves the Purchaser's right to buy the remaining 72.6± acres at an appraised value to be determined at the time of sale. The Purchaser has invested over \$150,000 in the planning for the entire site, and it is preferable to have one entity oversee the master plan and development whose interest is affordable housing.

Approval by the New Mexico State Board of Finance (NMBOF) is required for the sale of public property. The SBOF previously approved the sale of the entire property as authorized by R-17-22 but has now requested a more current resolution acknowledging the phased sale of the property as described above. This resolution is intended to serve this purpose. The NMBOF is scheduled to review this on October 17, 2023.

FISCAL IMPACT:

The property will be sold for appraised value by negotiated sale. The current appraised value for the 25.03± acres subject to immediate sale is \$2.7 million. The non-refundable option on the remaining 72.6± acres is being extended for \$100,000 given the investment the Purchaser has already made. The final purchase price of the remaining 72.6± acres will be determined by an appraisal performed at the time the option is exercised.

ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY

BILL NO. R-23-41

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RESOLUTION

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APPROVING, SUBJECT TO REVIEW AND APPROVAL BY THE NEW MEXICO

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BOARD OF FINANCE, THE SALE OF 25.38± ACRES OF THE SURPLUS

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PROPERTY LOCATED AT THE SOUTHWEST CORNER OF 2nd STREET AND RIO

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BRAVO BOULEVARD AT CURRENT APPRAISED VALUE ALONG WITH AN

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OPTION TO PURCHASE THE REMAINING 72.6± ACRES AT A LATER

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DETERMINED PURCHASE PRICE CONSISTING OF THE APPRAISED VALUE

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APPLICABLE AT THE TIME THE OPTION IS EXERCISED

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WHEREAS, the Albuquerque Bernalillo County Water Utility Authority (Water

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Authority) owns 97.98± acres of undeveloped land at the southwest corner of 2nd Street

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and Rio Bravo Boulevard adjacent to the Southside Water Reclamation Plant (SWRP);

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and

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WHEREAS, the current use of the parcel as leased agricultural land is no longer

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consistent with the more suburban neighborhood uses in the area; and

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WHEREAS, the parcel is not a suitable or economically feasible site for the

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expansion of the SWRP or other Water Authority infrastructure; and

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WHEREAS, on May 16, 2022, the Water Authority Governing Board declared the

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property at 2nd Street and Rio Bravo Boulevard surplus and directed that it be disposed

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of by a public process which maximizes the return for the Water Authority for use in its

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capital improvement program: and

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WHEREAS, in compliance with the Board's Resolution, the Executive Director

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negotiated a sales agreement which proposed to convey the entire property to YES

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Housing, a non-profit developer, ("Purchaser") to use the site for development to include

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affordable housing; and

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WHEREAS, the sales agreement allowed that before closing the purchase, the

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Purchaser could perform a feasibility analysis which revealed that it would not be

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presently feasible to carry out Purchaser's intended use of the westernmost 72.6± acres

1 generally lying west of the Barr Canal, due to the phasing schedule for roadway
2 improvements to Rio Bravo Blvd being undertaken by the NMDOT; and

3 WHEREAS, the Purchaser wishes to rescind the Original Purchase Agreement in
4 favor of a First Amended Agreement wherein the Purchaser will immediately purchase at
5 current appraised value the approximately 25.38± acres lying east of the Barr Canal with
6 frontage along Second Street, together with an exclusive 48-month option to purchase
7 the remaining 72.6± acres at the later determined appraised value applicable at the time
8 the purchase option is exercised; and

9 WHEREAS, the Purchaser has incurred significant expense in master planning the
10 full site for future development; and

11 WHEREAS, the proposed sale is subject to meeting the standards of the New
12 Mexico State Board of Finance and Board of Finance review and approval is required to
13 approve the sale of public property; now

14 BE IT RESOLVED BY THE WATER AUTHORITY:

15 Section 1. That the Executive Director is authorized to negotiate a First Amended
16 Agreement wherein YES Housing, a non-profit developer, ("Purchaser") purchases at
17 appraised value approximately 25.38± acres at \$2.7 million of the 2nd Street and Rio
18 Bravo Boulevard site lying east of the Barr Canal with frontage along Second Street for
19 development to include affordable housing; and

20 Section 2. That the Executive Director is also authorized to extend in the same
21 sales agreement an exclusive 48-month option at \$100,000 to purchase the remaining
22 72.6± acres of the site subject to the requirement that the Purchaser shall pay the later
23 appraised value applicable to that portion of the property at the time any such option to
24 purchase is exercised; and

25 Section 3. That the Executive Director is authorized to revise any negotiated
26 agreement for the sale of the property or option to sell the property to satisfy the standards
27 of the New Mexico State Board of Finance.