



# Agenda

STUDY SESSION OF THE GOVERNING BODY  
FEBRUARY 25, 2020  
5:00 P.M.  
CORONADO ROOM  
SANTA FE COMMUNITY CONVENTION CENTER  
201 W. Marcy Street

1. CALL TO ORDER
2. ROLL CALL
3. PRESENTATION -- RAILYARD
  - a) Railyard History and Stakeholders (Bob Siqueiros, Railyard Projects Administrator, [rmsiqueiros@santafenm.gov](mailto:rmsiqueiros@santafenm.gov), 505-955-6977 ) – **15 mins**
  - b) Railyard Revenue, Debt and Expenses (Bradley Fluetsch, Investment & Budget Director, [bjfluetsch@santafenm.gov](mailto:bjfluetsch@santafenm.gov), 505-955-6885) – **10 mins**
  - c) Railyard Legal Considerations (Andrea Salazar, Assistant City Attorney, [asalazar@santafenm.gov](mailto:asalazar@santafenm.gov), 505-966-6303) – **10 mins**
  - d) Santa Fe Railyard Community Corporation (Richard Czoski, Executive Director, [richard@sfrailyardcc.org](mailto:richard@sfrailyardcc.org), 505-982-3373) – **10 mins**
  - e) Economic Development Perspective (Rich Brown, Economic Development Director, [rdbrown@santafenm.gov](mailto:rdbrown@santafenm.gov), 505-955-6625) – **5 mins**
4. ADJOURN

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

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DATE:	February 21, 2020
TIME:	1:40 PM

**City of Santa Fe New Mexico  
Minutes of the Study Session of the Governing Body  
Tuesday, February 25, 2020  
Coronado Room  
Santa Fe Community Convention Center  
201 W. Marcy Street**

**1. CALL TO ORDER**

A regular meeting of the Governing Body of the City of Santa Fe, New Mexico, was called to order by Mayor Alan Webber, on Tuesday, February 25, 2020, at approximately 5:05 p.m., in the Coronado Room at Community Convention Center, 201 W. Marcy Street, Santa Fe, New Mexico.

**2. ROLL CALL**

Roll call indicated the presence of a quorum, as follows:

**Members Present**

Mayor Alan Webber, Mayor  
Councilor Signe I. Lindell, Mayor Pro-Tem  
Councilor Roman "Tiger" Abeyta  
Councilor Jamie Cassutt-Sanchez  
Councilor Michael Garcia  
Councilor Christopher M. Rivera  
Councilor Carol Romero-Wirth  
Councilor JoAnne Vigil Coppler  
Councilor Renee D. Villarreal

**Members Excused**

**Others Attending**

Robert Siqueiros, Railyard Projects Administrator  
Bradley Fluetsch, Investment & Budget Director  
Andrea Salazar, Assistant City Attorney  
Richard Czoski, SFRCC Executive Director  
Rich Brown, Economic Development Director  
Regina Wheeler, Public Works Division Director  
Shannon Jones, Utilities Division Director  
Jalen LaPan Hill, City Manager  
Erin McSherry, City Attorney  
Yolanda Y. Vigil, City Clerk  
Carl Boaz, Council Stenographer

### 3. PRESENTATION -- RAILYARD

Mayor Webber explained the issues regarding the Railyard and thanked the Staff for setting up the study session. He set the process.

Ms. LaPan Hill said the intention of this study session is to have a good dialogue. It has a two-hour time limit and she will be the timekeeper.

#### a) **Railyard History and Stakeholders (Bob Siqueiros, Railyard Projects Administrator, rmsiqueiros@santafenm.gov, 505-955-6977)**

Mr. Siqueiros shared a 9-minute video, entitled *Santa Fe Railyard Revival* that portrayed the history of railroads in Santa Fe from the early 1880's to the present and also the community involvement that led to the present Railyard. Participants in the video included Suby Bowden, Steve Robinson, Richard Czoski, and Gayla Bechtol, who noted the City Council approved the Railyard Plan in September 1997. The grand opening and the first arrival of the Rail Runner occurred in 2008.

Mr. Siqueiros reviewed the handout which had a 10-page summary of the 120-page Master Plan document and explained the abbreviation of R/UDAT stood for- Regional Urban Architectural Team. He went over the salient characteristics of the plan for the Railyard and pointed out the principles to follow that were adopted in 1997.

Mr. Siqueiros introduced Shannon Romero, new Director of the Railyard Conservancy, who spoke briefly about conservation in the Railyard Park.

#### b) **Railyard Revenue, Debt and Expenses (Bradley Fluetsch, Investment & Budget Director, bjfluetsch@santafenm.gov, 505-955-6885)**

Director Fluetsch discussed the finances at the Railyard and provided a handout, showing the City's finances related to the Railyard with 1/16 GRT and lease payments. The Railyard budget of \$3,125,939 was discussed, which included the debt service on loans for infrastructure and parking garage. He briefly described the projected excess GRT in future years which the Governing Body will decide how and where to use.

#### c) **Railyard Legal Considerations (Andrea Salazar, Assistant City Attorney, asalazar@santafenm.gov, 505-966-6303)**

Ms. Salazar explained the legal implications of the agreement with the City. The terms were restated in 2011 and since then, has had several amendments to clarify it further. She detailed

various parts and clarified both SFRCC's duties and City's duties for the Railyard. She also identified the processes used for leasing.

**d) Santa Fe Railyard Community Corporation (Richard Czoski, Executive Director, richard@sfrailyardcc.org, 505-982-3373)**

Mr. Czoski clarified the budget and finances that were a little difficult to see. Of the governing documents, the policies and procedures were approved by Council. The Corporation does the permitting of parks and plaza for the City and is in keeping with all Parks regulations.

Mr. Czoski reviewed the SFRCC, (a 501(c)3) scope of work and staffing. the 13-member board are all volunteers and he mentioned some of them. The City owns all the land and also owns seven of the buildings. Currently, there is an 8% vacancy which would become 6% after Santa Fe Clay is leased. He mentioned the leasing preferences which limit national companies to the two currently at the Railyard. Each lease is for 90 years and the lease amounts increase according to CPI increases. Land is reappraised every ten years. He clarified that the Railyard is not a historic district and no historic architecture is allowed. 13 acres are open in perpetuity.

**e) Economic Development Perspective (Rich Brown, Economic Development Director, rdbrown@santafenm.gov, 505-955-6625)**

Director Brown addressed the Economic Development perspective and showed slides that depicted the district incentives. He identified the eight businesses that are coming to the Railyard and stood for questions.

## DISCUSSION

Councilor Garcia asked how Warehouse 21 affects the development.

Mr. Czoski noted that in beginning, there were four nonprofits: Warehouse 21, Farmers Market, El Museo Cultural and SITE Santa Fe. Each were private entities and might be successful or not. Warehouse 21 was not. The City owns the building, so Council could guide the future use. Their leases were reduced per the Master Plan. It is hard to answer what the future of Warehouse 21 will be. He had observed his own children at Warehouse 21 and moving on to college. Demographically, the center of youth is no longer in the north part of Santa Fe.

Ms. Wheeler added that, over the years, we need to be adaptive. Families are still there but not the children.

Councilor Vigil Coppler asked if the board members that were not mentioned still on the board.

Mr. Czoski said yes, plus some emeritus. They get on by the Nominating Committee who recruits and recommends new members to the Board for a vote. They don't come to Council for approval and, by the by-laws, their term is for two years and no limit on number of terms.

Councilor Vigil Coppler to Director Brown asked how the city incentives came to be and whether it was in an ordinance for the special considerations.

Director Brown explained that it conforms to the BCD regulations. They come through the SFRCC.

Mr. Czoski added that City Council approved development procedures over time and two basic issues are that City owns land and cannot issue building permit (which must be by the State). Most of Baca leases are smaller than 10,000 square feet. The Council granted SFRCC to give approval of all leases under 10,000 square feet and all that are over 10,000 go to the Planning Commission. The Affordable Housing regulations apply as do impact fees and it is considered as a redevelopment district, so it is not subject to Historic Board review. The process is streamlined and there are not a lot of financial incentives.

Mr. Siqueiros explained that the 10,000 square foot break point is part of the Land Use Code.

Councilor Villarreal pointed out that a lot of factors have changed for families. No free parking has been an issue. What was challenging was when Warehouse 21 had to start paying for parking there. It was a challenge for all of the users, no matter what time of day or night they went there, etc.

She asked about the residence numbers.

Mr. Czoski said there are nine condos in the Art Yard Building that were completed in 2008. He was not sure they are all occupied but all are residential. The other residential development is Railyard Flats. In the Baca portion is the Twisted Cow Compound. There are a couple of new condo projects - one at 3 units and one at 4 units are for sale. Since STR has arisen, we have encouraged more apartments. One should break ground in the spring, and one is under construction now.

Councilor Villarreal reasoned that some can be sold.

Mr. Czoski agreed. Some of them were grandfathered in and some others we negotiated for which units could be STR and tried to minimize it. But no city investment is involved.

Councilor Villarreal asked what percentage of housing is affordable.

Mr. Czoski said the original Master Plan envisioned housing south of Paseo. Three buildings behind Warehouse 21 were to be residential or live/work and were the only ones in the plan. The Master Plan envisioned more industrial and no housing shortage existed then. There were a few sites as mixed use with work. When the Master Plan was done, the vision at that time did

not focus on housing. Everybody wanted some but that was incidental to other uses. In the north Railyard, there are the two Paseo parcels that could have residential building. But 1616 cannot have residential per Capital Bank. Mr. Siqueiros is working with them on lifting the restriction. At the time they were worried about parking.

Mr. Siqueiros said that project will be coming at the second March meeting.

Councilor Lindell asked about parking for Violet Crown patrons.

Mr. Czoski said as long as it is a cinema, they get free parking. That is an amendment to the lease agreement and was approved by Council in 2015. It was part of the anti-donation clause and no cinema would build without free parking So SFRCC pays that to the City to cover cinema parking. Every month, we get a report from the Parking Department on how much we have paid off.

Councilor Romero-Wirth asked about the Board's thoughts on the effect of build out and where to allocate funds. She was also concerned about safety in the park.

Mr. Czoski said the Board has a charge to tenants for common area maintenance. The lease and management agreement has very specific identification of who does what. The City maintains the streets and parking areas. The ability of the City to collect common area maintenance is not beyond what tenants already agreed to. In the future, there might be an association for advertising businesses but no more to collect from common area maintenance. There is not much trash at the Railyard because the contractor removes it. There will be capital requirements from time to time but most of what the City maintains is the park and hard surfaces, so it is for Ms. Wheeler to address.

Ms. Wheeler commented on it as repair and restoration costs. Regarding remodeling of the Railyard Park, it is more like an urban park. A rural park in the middle of the City is undesirable.

Mr. Czoski said perhaps enhanced security would help for park events. We had that in the past. That is an issue for us.

Mayor Webber said he went through the policies. Occupancy of 20+ requires a permit. It seems rather random. Apparently, no events are allowed in the workdays. No flea markets are allowed. If vitality is desirable, the only way is for amendments to SFRCC.

Mr. Siqueiros said that is not correct. The SFCT grants the easement and regulates that. So any proposed changes would need to go to SFCT and some of them could jeopardize the conservation easement.

Mr. Czoski said changes to policies and uses could be made. We are revamping them now and they will come to the Governing Body for approval.

Councilor Romero-Wirth asked if the portion running along Cerrillos Road was part of the conservation easement area.

Mr. Czoski went to the map and pointed out the boundaries of the conservation easement. The Railyard Plaza is in the easement, going back to Market Street and the Rail Runner tracks. It is a total of 10.5 acres. The conservation easement has about 35 pages of dos and don'ts.

Councilor Romero-Wirth about events in the park.

Ms. Sandra Brice said public events in the park are under regulations enforced by SFRCC. We are careful to make sure that every single requirement is followed. There are some specifics in the easement included.

Mayor Webber noticed that page 26 had the policies and procedures identified. He read some of them including skateboarding prohibitions.

Ms. Bryce said they prohibit most team sports such as baseball.

Mayor Webber - the rewrite is good news.

Ms. Brice said they facilitate community support in the park through volunteerism. She knew the names of people and dogs who use the railyard daily and they welcome increases in those numbers. We want to see the Railyard full of kids.

Mr. Siqueiros noted we have hired a designer for the children's area as part of the remodeling.

Councilor Abeyta asked about a timeline for the revision of provisions and Governing Body approvals.

Mr. Siqueiros explained that they are administratively approved and would not come to the Governing Body.

Mr. Czoski said they would be finished certainly by the second quarter. Whether that goes to the Council or not was not his decision, but they were approved by the Governing Body originally.

Ms. Salazar said the limits on events are in the conservation easement document.

Mayor Webber asked her how amendable it is.

Ms. Salazar said it depends.

Councilor Rivera recalled the City had a police officer stationed there at one time and asked if that is still available.

Ms. Wheeler did not know.

Mr. Siqueiros said the City did have a substation there at the Depot and that was removed a couple of years ago.

Councilor Rivera asked what happened to the space.

Mr. Siqueiros said there is an emergency call box there, but he was not sure if it is functioning.

Councilor Rivera asked if the Farmers Market still has free parking.

Mr. Czoski said it was/is not free but has a \$1 fee.

Ms. Wheeler noted it was an experiment for Fridays and Saturdays and was well used. We now have a new thing with the state garage just a block away.

Councilor Rivera understood parking on side streets was discouraged so the discount at the City garage was instituted.

Councilor Rivera asked how the Market Street Condo works with City sublease.

Mr. Czoski said the City would submit it to us and as long as it is not a national tenant, it would be approved. That does require SFRCC approval. And the City has to comply with the terms of the ground lease.

Councilor Rivera commented that in his eight years as a Councilor, he was not in agreement with the Railyard agreement, but he has come to appreciate it eight years later.

Councilor Cassutt-Sanchez asked about the appraisals.

Mr. Czoski said it depends on when the lease was entered into. The City did a few in 2002 and SFRCC's first was in 2004 so we have gone through the first cycle and reappraised about half and the next batch will be in 2024. Certain leases might reappraise in various terms, but the standard is ten-year. And rents cannot go down from reappraisals.

Councilor Cassutt-Sanchez asked if nonprofits are connected with City parking and where the communication happens.

Mr. Czoski said the paradigm was set up in 2002 to separate the development of the project from the political process, which is why there is so much autonomy. And, with larger than 10,000 square feet projects, we have to go to the City for approval. Mr. Siqueiros sits on the committee and approves all architecture and signage because of his expertise in Land Use and his judgment. But the business decision happens by our Board. We work with almost every department in the City and we have great respect for all department heads and there have been many since 2002. They help us get things done.



He asked Council to imagine what they would have gone through with Santa Fe Clay 38 times. If tenant A got a concession, tenant B wants more. Most of them don't want their deal made public. Real estate development gets guarded, so their competitors don't see their numbers. He described how it took time to build trust with private sector. It is difficult to persuade them to invest in what will eventually be a public asset. They bought into a Master Plan that limited many things including the ability of a third party on who leases the land. We have been consistent over time and eventually, the users of Market Station had to come to our Board for approval, including REI.

The current leasers will get upset if we change those requirements. It is important to have consistency and certainty when you invest your money

Councilor Cassutt-Sanchez asked about the term of the SFRCC.

Mr. Czoski said in 2030, the Council can decide whether to keep us or fire us.

Ms. Wheeler said it is time to review our role in the future when the debt is settled, and the Railyard is full.

Councilor Cassutt-Sanchez said she appreciated Mr. Czoski's time.

Councilor Vigil Coppler went back to the kids and said it is an issue for her. She was happy to hear what the Railyard envisions for children and when you formulate the plans. On the southside we have the majority of kids. Maybe you could work with our schools and work on culture-relevant events. Many of our children are Spanish speakers. She would hate to see some thing that is not relevant for them.

Ms. Brice said part of the community vision of Railyard park was that it is supposed to be a place for field trips, etc. in the future. We are nonprofit and most people use it on weekends - playground, etc. Our program is designed to be free and we are excited about expanding programs on Saturdays.

Councilor Garcia asked when the RFP process for selling the Santa Fe Clay property would be decided. Secondly, he asked how Mr. Czoski would recommend that process would work best for all involved. He said we want to be great players in the process and make sure we are playing fair.

Mr. Czoski said SFRCC has never sold a property on the Railyard. All have been leases.

Councilor Garcia asked if SFRCC had ever issued an RFP.

Mr. Czoski noted that SF Clay was an anomaly. The Board has participated in significant parcels where a specific use was in mind. Over time, many of the deals resulted from our marketing efforts or word-of-mouth with a developer with a specific plan in mind. We have no

obligation to follow a public procurement process. About a half dozen times, there was competition for a parcel. Most often it is just one. So we have not done any formal RFP processes. With the cinema, we did a national search with 26 proposals received, and we narrowed it down to Violet Crown. Going forward, to the extent you want to sell a building, there are many ways to approach it. For public assets, there are requirements to follow to which he was not privy, for the most part.

Mayor Webber thanked the participants for their presentation and answers to the Councilors' questions.

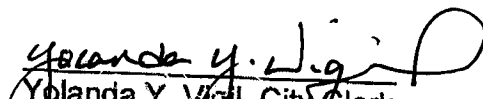
#### 4. ADJOURN

The study session was adjourned at 7:05 p.m.

Approved by:

  
Mayor Alan Webber

ATTESTED TO:

  
Yolanda Y. Vigil, City Clerk

Respectfully submitted by:

  
Carl G. Boaz, Council Stenographer