

SANTA FE RAILYARD COMMUNITY CORPORATION

Board of Directors' Meeting

Tuesday, September 11th, 2018, 5:00 – 7:00pm

Community Room, Santa Fe Public Library (Downtown Branch), Santa Fe, NM

Attending: Board Members: Steve Robinson (President), Jacques Paisner (Vice President), Lleta Scoggins (Treasurer), Chris Calvert, Dave Dunmar, Ouida MacGregor, Ron Pacheco, Rosemary Romero, Patrick Varela, Dave Vlaming and Tony Sawtell (Attorney to the Board)

Also Attending: SFRCC: Richard Czoski (Executive Director), Sandra Brice (Events and Marketing Director), Scott Harrison (Office Manager – taking minutes) and Anita Martinez (Accountant)

Public: Lia Armstrong (CBRE), Greg Cotton (Thorofare Capital), Jim Dountas (CBRE), Nancy Long (Long Pound & Komer Pa), Brian Rule (Enchantment Pilates, LLC), Jessica Rule (Enchantment Pilates, LLC)

Call to Order: The meeting was called to order at approximately 5:05pm by Steve Robinson.

Approval of Agenda: The agenda was unanimously approved, motion by Chris Calvert, 2nd by Rosemary Romero.

Approval of Meeting Minutes: The Board meeting minutes of 8/14/18 were unanimously approved, motion by, Lleta Scoggins, 2nd by Chris Calvert.

Public Comments:

- Representatives from Thorofare Capital, Long Pound & Komer, CBRE and Enchantment Pilates addressed the Board.
- Nancy Long
 - Nancy stated that they were attending the meeting in response to SFRCC’s denying approval of Club Pilates as a Market Station subtenant at the August Board meeting. Nancy stated they would like to provide additional information to determine if the Board would consider reversing their decision and approving the proposed subtenant.
 - She addressed the Master Plan Leasing Preferences
 - Her understanding is that Club Pilates was denied approval because it is considered a “National Chain Store”. The denial letter stated that there are over 600 locations nationwide.
 - However, Nancy stated that all the franchises are locally controlled and not under central corporate management.
 - Thorofare is doing their best to find tenants for the Market Station building.
 - Tenants that can draw people to the Railyard and provide potential patrons for other Railyard businesses provide a service to the community.
 - Per the lease, they can go to arbitration but are hoping to convince the SFRCC Board that Enchantment Pilates, LLC is an appropriate tenant under the Master Plan definition of the Leasing Preferences and with the new information provided at this meeting.

- Jessica Rule addressed the Board.
 - She is a Pilates instructor and is local. The franchise would be locally-owned and operated.
 - She is very excited about the possibility of being on the Railyard. She hopes to open two studios in Santa Fe, but the Railyard was her first choice in terms of location.
 - They would offer 70 classes per week as opposed to the 35 that most of the other studios in Santa Fe offer. This offers the opportunity for more instructors to be employed and for more people to be exposed to Pilates.
 - In addition, their model of seven different class formats at four different levels allows them to keep the prices lower which allows a broader range of people to take Pilates and people who might not normally be able to afford classes.
 - She believes they would be a complimentary business in the Railyard.
- Jim Dountas addressed the Board.
 - He stated that he rarely operates out of Albuquerque unless the development is unique and special. He feels Market Station is both unique and special.
 - It is not easy to lease in the Market Station building. They are fighting the perception that leasing has been non-existent in Market Station for several years and a perception that the landlord and community do not want certain businesses there. They are trying to change the perception for Market Station and the Railyard in general. Thorofare is ready to sign leases, spend capital and create the perception that the Railyard is a viable place for prospective businesses.
 - In terms of leasing to local businesses, the challenge is the start-up costs. Many potential local business tenants are not able to generate the necessary start-up costs.
 - In terms of new potential subtenants, they are looking for businesses that will increase foot traffic and positively impact other businesses.
 - The profits for Club Pilates stay local, the wages are local and the employees are local.
 - They believe Club Pilates will benefit Second Street Brewery, Sky Coffee and REI.
 - They are asking for SFRCC's help and support and to reconsider the definition of Jessica's business.
- Questions from the SFRCC Board and staff
 - Richard asked for an update on the status of Puzzah!, a recently approved subtenant for Market Station.
 - Per Jim Dountas, they are in the final lease negotiations.
 - Steve asked what Enchantment Pilates' relationship is to Club Pilates.
 - Per Jessica, she purchased franchise rights for the state of New Mexico. She bought the rights to use the brand. There will be 15 employees per studio.
 - Club Pilates gets a small percentage of their revenues, per the franchise agreement.
 - Hiring, marketing and training is done locally.

- She has one franchise and is slated to open six. And she has the authority to decide on their locations. She found the Railyard site on her own without the help of a broker.
- Richard asked: from the the outside, how would the club look different from the others around the country?
 - Per Jessica, it would have the same paint color and equipment.
 - She has made certain tweaks (open concept ceiling) which makes her location unique and special.
 - She would have a barn door.
 - Richard asked if she is required to use the corporate signage. She said yes, but she can modify it according to City Code requirements. But she would use the corporate logo and signage.
- Greg Cotton addressed the Board
 - Thorofare is committed to the lease.
 - They have a responsibility to the current tenants in the building to bring foot traffic that will help those businesses be successful.
- Steve thanked them for coming and they left the meeting.

New Business:

- The October Board meeting is being moved from October 9th to October 16th.
- The September 26th Leasing Committee meeting will be a combined Leasing and Architectural Design Review Committee meeting

Executive Session

Ouida MacGregor made a motion to enter Executive Session at 5:30pm, 2nd by Chris Calvert.

The Board of Directors did meet in closed Executive Session, pursuant to exceptions to the Open Meetings Act, and nothing was discussed except possible disposition of real property, potential litigation review, and personnel matters, and no final action was taken during the Executive Session. No minutes were taken.

Dave Vlaming made a motion to return to regular session at 6:34pm, 2nd by Rosemary Romero.

Return to Regular Session

Chris Calvert made a motion to approve the assignment of the Truro Partners, LLC lease to The Nature Conservancy, 2nd by Ron Pacheco. All approved.

Chris Calvert made a motion to deny approval of assignment of the La Puerta, LLC lease to Southwest Wellness Center, 2nd by Rosemary Romero. All approved.

Financial Report:

DRAFT JULY 2018 FINANCIALS

- SFRCC's current cash position is approximately \$414K.
- Budget to Actual
 - There are no significant variances to report.
- Cash Based Financial Report
 - Total Income is approximately \$13K below plan YTD.
 - Rental Income is \$19K under plan. It was anticipated that the Raven Crest lease for Parcel HH would have been signed in July and paid approximately \$20K in prepaid base rent.
 - Events income is approximately \$6,400 above plan.
 - Total Expenses are approximately \$6K above plan YTD.
 - The Legal & Professional and PR/Marketing variances are timing issues.
 - Net Operating Income is approximately \$19K below plan YTD after debt service.
- The Violet Crown parking cumulative total as of 7/31/18 is \$650,497 (estimated).
- Payments due to the City from SFRCC in FY 2018/19
 - FY 2018/19 Payments to the City
 - \$7,076.00 (Due 10/1/18)
 - \$63,218.03 (Due 11/1/18)
 - \$45,762.00 (Due 4/1/19)
 - \$786,393.01 (Due 5/1/19)
 - \$902,449.04 TOTAL for the FY (SFRCC is on track to meet these obligations)

The draft July, 2018 Financials were accepted.

Executive Director's Report:

PUBLIC USE

- Events
 - The event season is winding down. The Concert and Movie series are over.
 - 10th Year Anniversary of the Grand Opening Celebration
 - *Coco* will be showing in Spanish in the Railyard Park
 - There will be a New Mexico Railroad Railyard History event at El Museo and train movies showing in Violet Crown.
 - On Sunday there will be activities all day long starting with open houses at Baca and an 11am parade from Baca to the North Railyard through the St. Francis underpass.
 - There will be a Community Picnic in the Railyard Park.

- There will be a scavenger hunt on Sunday encouraging patrons to go to as many open businesses in the Railyard as possible to qualify for entry into a drawing for tenant donation prizes.
- Eco Motive will have bike rental stations.
- A concert with multiple bands will commence at the Water Tower at 2:00 and go until 6:00.
- At 3:00, Mayor Webber, Albuquerque's Mayor Keller and other dignitaries will arrive via Railrunner train to the Depot. They will process to the Water Tower mainstage, there will be a Mayor's proclamation, some speakers and a Railyard 10th Birthday cake will be cut and served to attendees.
- The event is getting substantial press and media coverage.
- Sandy stated that she is still in need of volunteers and encouraged interested Board members to volunteer.

COMPLETION OF RAILYARD PROJECTS

- Parking Garage Wayfinding Signage
 - Currently on hold.
- Status of City Resolution # 2017-73
 - Richard met with City staff yesterday on this issue.
 - The request for ratification of the resolution to allow the metal shed and small adobe building on Parcel FF-2 to be demolished will go before City Council this Fall, along with the Trailhead Terraces, LLC development plan for the parcel.
- Albuquerque Redevelopment Agency
 - Richard, Sandy and Steve made a presentation to the Albuquerque Redevelopment Agency last week. This redevelopment agency is charged with redeveloping Albuquerque's Railyard property.

Next Board Meeting: Tuesday, October 16th, 2018, 5:00-7:00pm - Location: TBD.

Being no further requests for business, Dave Vlaming motioned to adjourn, 2nd by Rosemary Romero and the meeting was adjourned at 7:00pm.