

## **SANTA FE RAILYARD COMMUNITY CORPORATION**

### **Board of Directors' Meeting**

**Tuesday, October 8<sup>th</sup>, 2019, 5:00 – 7:00pm**

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

**Attending:** Board Members: Steve Robinson (President), Dave Dunmar, Bob Dunn, Ouida MacGregor, Oscar Rodriguez, Patrick Varela, Dave Vlaming and Chris Graeser (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:** Michael Golino (Brutto Bella, LLC), Kevin O'Conner (Twisted Cow Compound condo owner) and Alicia Inez Guzmán (Twisted Cow Compound condo owner)

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

**Approval of Agenda:** The agenda was amended to include nomination and a vote on appointment of Devon Ross to Director Emeritus after the Amendment to the Bylaws. The amended agenda was unanimously approved, motion by Dave Vlaming 2<sup>nd</sup> by Ouida MacGregor.

**Approval of Meeting Minutes:** The Board meeting minutes of 9/10/19 were unanimously approved, motion by Dave Vlaming 2<sup>nd</sup> by Ouida MacGregor.

### **Public Comments:**

- Michael Golino read a statement to the Board (See Exhibit A).
- The Board made an initial response to the statement.
  - The proposed Baca Flats project is the same number of units (18) and orientation as the previously proposed Raven Crest project.
  - The City's position was that the Baca Flats project was deemed sufficiently similar; thus, the previous approval for Raven Crest was determined to be applicable to Baca Flats.
- Mr. Golino stated that the Baca Flats proposal includes more 3-bedroom units, which increases density. And there are specifics about the project that have not yet been provided, including the number of parking spaces and the setbacks. He stated that the elevations are also different. He believes the approximations were a way of keeping the design a secret from the Baca Railyard neighbors.
  - Mr. Golino stated that the neighbors are upset and feel the Baca Flats project is being “shoved down their throats.” If the project is a failure in 5 years, the Baca Railyard neighbors are affected.
  - He stated that, if he and Stephanie Sandston had known that residential was a priority for the parcel, they could have provided a design with 18 residential units and more open space.
- Kevin O'Conner addressed the Board
  - He has concerns regarding egress from the Twisted Cow compound.
  - The proposed Baca Flats would add substantial traffic to the Baca Railyard, and it is already difficult to enter and exit the Baca Railyard.
  - He asked if there was any consideration given to traffic impacts of the Baca Flats project.

- The Board responded to Mr. O’Conner’s question and concern.
  - SFRCC has approached the City in the past about the possibility of a traffic light at Cerrillos Rd. and Railfan. The City’s position was that when the Baca Railyard is fully built-out, a new traffic count will be done to assess whether there is sufficient traffic for a signal.
  - SFRCC also went to Planning Commission in 2010 to request that Flagman Way be converted to a two-way street. The Planning Commission’s position was that they would have to assess the feasibility of a traffic signal at Railfan and Cerrillos before considering converting Flagman Way to a 2-way street. The original Master Plan prohibits access from the Baca Railyard to Baca Street; thus, converting Flagman Way from one-way to two-way would require Planning Commission and City Council approval of an amendment to the Master Plan.
- Mr. Golino again addressed the Board.
  - His primary concern is the addition of the four 3-bedroom units. This could add up to 6 people, each potentially with a car, to an area that is already experiencing traffic congestion.
  - He asked how many parking spaces are planned for the Baca Flats project. Per Richard Czoski, the project is meeting code with respect to parking spaces.
  - Mr. Golino stated that the project he and Stephanie Sandston proposed included 32 parking spaces.
  - The proposed project is also not mixed-use, whereas most of the other projects on the Baca Railyard are mixed-use.
  - The Baca Railyard neighbors also have concerns that there is no community space proposed in the Baca Flats project.
  - Mr. Golino and several of the Baca neighbors believe that the Baca Flats project warrants a public meeting.
  - The Board stated that the community had the opportunity to comment when the Raven Crest project was presented and approved by the City. Mr. Golino stated that the Baca Flats project raises the same issues, but the addition of the 3-bedroom units makes the proposal “worse”.
- The Board asked if Mr. Golino had reviewed the Baca Flats plans.
  - Mr. Golino stated that there are limited plans found on Gary Hall’s website. No site plans and no parking specifications are included. He stated that if it were an interesting project, he would not have as strong of an objection.
- Mr. O’Conner asked how much consideration was given to the proposed design of the Baca Flats project as compared to the other projects on the Baca Railyard and that the Baca Flats project seems out of character.
  - The Board stated that the Architectural Design Review Committee met with Mr. Hall several times and made suggestions, most of which he accommodated. Although the design is not as architecturally interesting as the Board would like, it complies with the Master Plan. Aesthetics are not SFRCC’s sole criteria. The Board can attempt to influence the aesthetics as much as possible, but there are limits, so long as the proposed project complies with the Master Plan.
  - Ultimately, the Board believed that the Baca Flats project was an improvement on the Raven Crest project, kept the same footprint, and improved the aesthetic. The Board found no reason to reject the proposed project.

- Alicia Inez Guzmán, as a relatively recent owner in the Twisted Cow Compound, asked the Board to detail the evaluation criteria.
  - The Board responded that the criteria depend on the parcel. However, all criteria are set out in the Master Plan and specify items such as massing, parcel coverage ratio and parking requirements. These are the objective criteria. There are also subjective criteria as well as financial/business terms criteria (lease terms, how quickly the project might commence, how likely it is to be brought to fruition, etc.).
  - Ms. Guzmán asked if there are Affordable Housing requirements. The Board replied that projects must comply with the City’s Affordable Housing Ordinance.
- Mr. Golino stated that the Baca neighbors are looking at the project long term. If the number of 3-bedroom units had not increased, he may not have objected, but he and the Baca Railyard neighbors believe the Baca Flats project is a different project from Raven Crest.
  - They are willing to take this issue to Planning Commission, City Council or the Mayor.
  - Ms. Guzmán asked if there could be a second review of the project. The Board stated that they would need to contact the City Land Use Department since this would be their purview.
- Mr. Golino asked if the proposed project being all residential was a deciding factor in proceeding with it. The Board stated yes
- Mr. O’Conner asked: once the project is built-out and another traffic count is done, is there any estimate of a time frame for when a signal could be installed? The Board stated that there are two factors: sufficient traffic to warrant a light and City funding to support installation of the traffic signal.
  - Mr. Czoski stated that Planning Commission did not require a traffic study for the Raven Crest project.
  - The Board stated that SFRCC would be happy to support efforts on installation of a traffic light at Cerrillos and Railfan.
- Another question that has come up among the Baca Railyard neighbors, per Mr. Golino, is whether the SFRCC Board includes a representative from the Baca Railyard.
  - The Board stated that this would be a conflict of interest, in that Board members are privy to the business terms of every Railyard lease.
- Mr. Golino stated that the Baca Railyard neighbors have a strong stakeholder mentality since most of the tenants live in the Baca Railyard, plan to be in the Baca Railyard long-term and are concerned about the future of the Baca Railyard. Mr. Hall does not plan to live on the Baca Railyard.
- The Board stated that they understand the concerns expressed by Mr. Golino and the neighbors in the statement he read about the community becoming transient. The SFRCC Board is limited to what it can do outside of the Master Plan, but the Board has prohibited short-term rentals on the Baca Flats this project.
  - Mr. Golino stated that people do not aspire to apartments like the ones proposed with the Baca Flats project. There is the feeling of: “I’m here until I can find something better.” He stated that what you want in an apartment complex is something that makes people want to stay.
- The Board thanked the attendees for their time, concerns and questions.

## **New Business:**

- Amendment to Bylaws - Director Emeritus Definition
  - The Board reviewed the proposed Director Emeritus Definition and Amendment to the Bylaws. Chris Graeser corrected one spelling error.
  - The Board unanimously approved the proposed Amendment to the Bylaws, motion by Dave Vlaming, 2<sup>nd</sup> by Oscar Rodriguez.
- Nomination and vote on appointment of Devon Ross to Director Emeritus.
  - The Board unanimously approved appointing Devon Ross to Director Emeritus, motion by Ouida MacGregor, 2<sup>nd</sup> by Dave Vlaming.
- Ouida provided a Board Succession Plan update. Staff will be asked to update their job descriptions for the new organizational structure that will be in place once the Railyard buildout is complete. These draft job descriptions can be refined by the Board.

## **Executive Session**

Dave Vlaming made a motion to enter Executive Session at 5:50pm, 2<sup>nd</sup> by Oscar Rodriguez.

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 6:40pm, 2<sup>nd</sup> by Ouida MacGregor

## **Return to Regular Session**

The Board unanimously approved proceeding with a Letter of Intent with Luna Capital for Parcel F-1, motion by Ouida MacGregor, 2<sup>nd</sup> by Dave Vlaming.

The Board unanimously approved proceeding with draft Amendment #8 to the Amended and Restated Lease and Management Agreement to delete improvements on Parcel F-1 from SFRCC's Leasehold Premises, motion by Ouida MacGregor, 2<sup>nd</sup> Dave Vlaming.

The Board unanimously approved rejecting the the Frost Restaurant Group (aka Boxcar) proposal for Parcel B-1, motion by Oscar Rodriguez, 2<sup>nd</sup> by Ouida MacGregor.

## **Financial Report:**

### DRAFT AUGUST 2019 FINANCIALS

- SFRCC's current cash position is approximately \$299K.
- There were no receivables as of 9/30/19.
- The Cinema Parking Fee deferral is approximately 855K.
- Cash Based Financial Report
  - Total Income is approximately \$8K above plan YTD.
    - Events income is approximately \$6K above plan.

- SFRCC is currently recovering approximately 60-70% of the costs of managing the Railyard events.
- Total Expenses are approximately \$28K above plan YTD.
  - This is primarily due to the increase of approximately increase in the Directors and Officers Insurance premium and the additional cost for the extension of SFRCC's previous policy.
  - The PR/Marketing variance is primarily a timing issue.
- Net Operating Income is approximately \$20K below plan YTD after debt service.
- 2019/20 Payments to the City
  - \$6,060.49 (Paid 9/25/19)
  - \$41,917.60 (Due 11/1/19)
  - \$46,782.49 (Due 4/1/20)
  - \$810,481.64 (Due 5/1/20)
  - \$905,242.22 TOTAL
- The Board reviewed Unanticipated Expenses including several expenses incurred with the Santa Fe Clay building as a result of the lease default of Firebox, LLC and the cost of running new conduit to Parcel BB in the Baca Railyard.
- SFRCC is awaiting reimbursement of \$27,706 paid by SFRCC to vendors for events.
- Richard is attempting to schedule a meeting with Bradley Fluetsch, the City Investment and Financial Planning Officer, to clarify Railyard GRT and the City's net financial position for the overall Railyard.

The draft August, 2019 Financials were accepted.

**Executive Director's Report:**

**PUBLIC USE MANAGEMENT UPDATE - SANDRA BRICE**

- The Board reviewed the new draft Baca Railyard Map
  - A press event has been scheduled for Monday, October 21<sup>st</sup> at 1:00pm to highlight completion of the Baca Railyard. The Mayor is scheduled to attend, and most of the developers of projects under construction have confirmed they will attend also. The Board discussed timing issues related to issuance of the press release.
- Security issues in the Railyard have not abated.

**COMPLETION OF RAILYARD PROJECTS**

- The Board reviewed a Residential Unit Summary. There are currently 117 completed or approved/planned residential units in the Railyard.
- The Architectural Design Review Committee approved a proposed design for Nuckolls Brewery
- The Leasing Committee approved three new subtenants for Market Station: an ice cream shop, an office use and a design studio

**Next Board Meeting:** Tuesday, November 12<sup>th</sup>, 2019, 5:00-7:00pm - Location: TBD

Being no further requests for business, Dave Vlaming motioned to adjourn, 2<sup>nd</sup> by Oscar Rodriguez and the meeting was adjourned at 7:05pm.

Respectfully submitted,  
Scott Harrison, Office Manager

## Exhibit A

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Good evening and thank you for the opportunity to speak. My name is Michael Golino and I am the developer for lot EE-2 at 934 Shoofly St.

I am here this evening to discuss the approval process for the currently proposed project on lot HH

While I am speaking only for myself this evening I know that many of my neighbors on Shoofly share the same opinions about this subject. (Alan Burrus and Ricardo Mazal, who could not be here this evening have read this statement and both support it fully)

Last January Stephanie Standston and myself proposed a project for lot HH. We didn't get it and that was ok.. we don't expect to get everything we propose.

Subsequently when the project was awarded to another developer, the name of the developer and the nature of the project was kept secret. For months I would ask Richard what the project was and the only salient fact he would acknowledge was that there would be no public meetings. Being naive, and thinking Richard an honest broker in this process, I believed this meant that the project was under 10,000 SF. Other developers on Shoofly asked Richard what was planned for HH and they were also met with silence.

Two weeks ago, about the same time the Railyard developed a group press release about construction on Shoofly, I met Gary Hall. Asking him about his project he told me that their approval process was piggybacked onto the last project because they were similar in concept, size and scope.

In looking at the materials that Red Horse Development put out in their investor pro-forma this is an entirely new project, and is sufficiently different from the previous HH proposed project that it warrants its own approval process, and further, raises important questions about how this project might effect everyone on Shoofly.

I want to remind this board that the SFRCC did not build anything on Shoofly other than the infrastructure. The SFRCC did choose the developers who built what is there now, and they chose very well. Shoofly is turning out to be an amazing area. However this new project on HH, in my opinion, will not contribute to the continued success of this neighborhood. Quite the contrary.

Like Mr. Boies' project before it Baca Roost is out of scale, and contains as many residential units as all the rest of the built and proposed projects on Shoofly island. While density is not necessarily a bad thing, poorly designed density is.

Mr. Hall's project (based apparently on Boies' concept) does little or nothing to ameliorate what was an amateurish design and ugly project to begin with... but Mr. Hall's new project does increase the total number of bedrooms... proposing some 3 bedroom units in only 950SF.

In management there is a common leadership error in which the "tyranny of the urgent pushes out the important."

We all know there is a housing shortage in Santa Fe. This crisis is not going to be solved by putting a poorly designed 18 unit project on Shoofly. Poorly designed residential projects become blights and attract only transient tenants not long term tenants... The long term success of residential housing is contingent on whether the housing has inherent qualities that make people aspire to live there. I can't see how these units will embody any of those qualities

Mr. Hall's project is totally out of character with what this neighborhood is turning out to be. The SFRCC seems to have abandoned all their published criteria, and apparently has only one criteria now: how many residential units can be jammed on any given lot.

## Exhibit A (ctd.)

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I come to you this evening as a stakeholder in the Shoofly neighborhood. Like almost all of my neighbors I will live and/or work on Shoofly. Mr. Hall will not. The long term consequences of his project will affect me and other stakeholders on Shoofly but not him, and certainly not this board.

The process of approving Mr. Hall's current project on HH was illegitimate; it was carried out in a deceptive and egregious manner. It was kept secret because the SFRCC knew there could be serious objections to it. And it is my supposition that the SFRCC was hoping the developer would break ground BEFORE anyone found out. Well he didn't... and here we are.

This project needs to be sent back through the appropriate approval process. The same process that all other projects are required to go through. The community needs to be informed about what exactly this project is going to be; how it is situated on the site, how much parking will be provided, what the setbacks will be, how many total bedrooms will be built, and many other salient points that will impact the neighborhood for decades to come.

It is incumbent on this board to do the right thing not just for the developer, not just for the current political optics, but for the entire community in The Baca Railyard . Short of appropriate action taken by this board, other avenues to rectify this situation will be pursued by myself and certainly other stakeholders on Shoofly.

I welcome any response this board cares to make at this time.

Thank you.  
Michael Golino