



Sage Land Solutions, LLC

Real Estate Advisors in New Mexico

**City of Albuquerque
Open Space
Priority Property:**

Evaluation and Selection

Prepared for: Albuquerque City Council

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EXECUTIVE SUMMARY

Since its beginning in the late 1960's and continuing in full bloom during the 1970's and 1980's, the City of Albuquerque Open Space Program has become one of the metro area's most successful and highly regarded public services. While an abundance of information is available to public officials, staff, residents and visitors regarding the program's history, functions, management and administration, the actual evaluation, selection and acquisition of properties for inclusion in the Open Space Program is a mystery to many.

The purpose of this report is to recommend a process for acquisition of open space for the City of Albuquerque. Until now, there has been no objective process for selection or acquisition of lands to be added to the City's portfolio of open space.

Sage Land Solutions, LLC (SLS) has been contracted by the City Council to make recommendations as to how lands may be acquired, how to place lands on the *Priority List*, and create a matrix and process for selection from that list.

SLS recognizes that the City has a history of acquiring lands for open space purposes that have certain attributes which make them of particular value to the citizens of Albuquerque, including their biological, recreational, cultural and other intrinsic nature.

SLS recommends that the City use its Open Space Advisory Board (OSAB) to recommend to City Council certain properties from time to time to be included on the *Priority List*. In order to facilitate a more objective, transparent and competitive process to the selection, SLS suggests that the City Council be limited to accepting or rejecting the OSAB's recommendations for modification to the *Priority List*.

SLS has listed and described several methodologies for acquisition that do not require fee simple purchase as well as created a process and matrix for acquisition in fee simple with a bid process.

Whenever appropriate or directed by City Council, SLS's recommended process and accompanying matrix calls for properties on the *Priority List* be evaluated regarding the risk that a property may be lost as an open space opportunity. From a group of the most "at risk" properties, the OSAB will then rank them according to an objective matrix for community values of open space provided by this report. Lastly, the top "ranked" of the most "at risk" property owners will be invited to "bid" for purchase by the City. The "bid" is meant to assure that the City gets the best possible price. The "bid" is weighted to favor the most valued properties according to the provided objective matrix.

DEFINITIONS

Acquisition – To own or obtain substantial control over real property.

Benefit – Certain opportunities or amenities achieved through the acquisition and designation of specified properties for specified public uses.

Bid – The process of soliciting offers for the sale of property using prescribed criteria and submission requirements consistent with all applicable laws and regulations.

Conservation – The act of preservation, protection, or restoration of Natural Resources and Cultural Resources.

Cost estimate – Determined through the use of the best available information to derive a reasonable estimate of costs.

Cultural Resources – Physical evidence of a place of past human activity: site, object, landscape, structure; or a site, structure, landscape, object or natural feature of significance to a group of people traditionally associated with it.

Education – The process of delivering and receiving systematic instruction.

Evaluation Committee – The Open Space Advisory Board, or a subset, with expertise in evaluating recreational, natural, cultural and economic features and attributes of property. Committee members are appointed by the Open Space Advisory Board Committee Chairperson.

Evaluation Criteria – A set of factors intended to facilitate a systematic, quantifiably objective assessment of properties being considered for acquisition. All properties being evaluated at any given time should be vetted using the same criteria and weighting factors to ensure consistency in outcomes.

Evaluation Process – The process of objectively evaluating and determining the relative contribution to Albuquerque's quality of life through the acquisition of suitable properties for inclusion in the Open Space Program.

Evaluation Measure – A criterion used to establish the relative value a property may contribute to the objectives associated with the prospective acquisition of a property. Values are determined based on the evaluation of the respective raters and are guided by predetermined benchmark measures.

Linkages – Connecting people, places or things through the development of physical infrastructure or pathways.

Natural Resources – Natural resources come in many forms, but for the purposes of this report are collectively considered the biotic and abiotic components that characterize a landscape or geographically defined location.

Open Space Properties – For the purpose of this report and associated analysis, open space properties are the properties identified in the City of Albuquerque's *Open Space Acquisition Priorities* report as approved by the Albuquerque City Council.

Open Space Advisory Board – A committee of seven members appointed by the Mayor with the advice and consent of the City Council, which studies, reviews, advises, and recommends upon issues related to existing and potential open space land of the City of Albuquerque; created pursuant to City Ordinance Chapter 14-13-3-7.

Open Space Program – The administration, operation and management of real property for open space purposes.

Planning – The act of evaluating and establishing expected outcomes, and identifying appropriate actions to achieve those outcomes.

Priority Properties – Properties identified in the City of Albuquerque, *Open Space Acquisition Priorities* report as approved by the Albuquerque City Council; collectively called the *Priority List*.

Quality of Life – The general well-being of individuals and societies.

Recreation – An activity of leisure with leisure being discretionary time.

Risk – A factor or set of factors which may represent the likelihood that the features and attributes of a property that make that property desirable for inclusion in the City of Albuquerque Open Space Program may be permanently lost. Risk includes the probability of development (present or near term growth pressure); market risk (potential for acquisition by a party unlikely to sell), and; extraction risk (potential for mining, timber harvest, and/or oil and gas development).

Shaping the Urban Form – Using various tools, in this case open space, to affect the physical shape and structure of the City.

Threat of Development – The likelihood that any given property will be irreparably altered by extensive change in its physical makeup. This may be evidenced by readiness of the real estate market, willingness or interest on the part of the landowner to monetize value in the property within the next five years, and clear intent to initiate planning to monetize that value.

Weighting Factor – A quotient between 0.1 and 1.0 used to differentiate the relative importance between evaluation criteria. The Weighting Factor is determined through consensus among the Evaluation Committee.

INTRODUCTION

The City of Albuquerque initiated an effort in the 1960's to acquire and manage land as "Open Space" for the benefit of its citizens. The goal of this effort was to acquire locations throughout the area to "preserve the unique natural features of the metropolitan area by achieving a pattern of development and open space respecting the river, land, mesa, mountains, volcanoes, and arroyos." In 1975 the Open Space Task Force was formed to assist with this effort. Since that time the City has acquired significant tracts of land for inclusion in the Open Space Program.

The City of Albuquerque is dynamic, growing and evolving over time. Consequently, the need for and process of acquiring and managing open space is dynamic as well. To meet this constantly changing environment, the City has identified additional opportunities for the acquisition of open space to meet current and future needs as expressed in the *Open Space Acquisition Priorities* report prepared by the Open Space Division, referred here as the *Priority List*.

Recognizing this need and the limited resources available for making such additions to the City's open space portfolio, the Albuquerque City Council identified a need for a systematic objective evaluation process for the selection of properties identified in the City of Albuquerque *Open Space Acquisition Priorities* report, as well as articulation of criteria for consideration of properties to be included on the *Priority List*. In light of the City Council's interest, Sage Land Solutions, LLC (SLS) was retained under contract in February of 2016 by the Albuquerque City Council to provide support and information in two broad categories: 1) provide a rationale methodology for how a property gets added to or removed from the *Priority List* coupled with a matrix of objective evaluation criteria to be applied to the City's *Open Space Acquisition Priorities* list of properties upon which acquisition selections and strategies can be based and evaluated; and, 2) list and evaluate the potential means of acquisition of Open Space Land other than fee simple purchase.

Prior to development of a model to meet the needs mentioned above, SLS conducted a limited review of methods used by other jurisdictions for their potential applicability to this project. A listing of those communities may be found in the Appendix (Listing 1). Not surprisingly, this background review found that the methods used for selection were as varied as the community needs and the properties themselves. Ranging from the west coast to the east coast, most communities reviewed use systems and methods for acquisition based on governing body direction, while others employed some degree of mathematical modeling or objective criteria to evaluate prospective properties. The conclusion from this review is that each community basically uses methods that are best suited to the needs and expectations of that community.

Upon completion of the background review and employing experience and knowledge of localized needs, a model that integrates the development potential (risk of irreversibly altering open space values), the relative value of an Open Space property to the community, and factoring the cost of acquisition of prospective Open Space through a weighted bidding process has been developed and is presented as follows. The model developed for evaluating open space for inclusion on the *Priorities List*, which is presented in this report, is focused on fee simple acquisition of properties to ensure a consistent and truly comparable public bid process.

BACKGROUND

Open Space Program Authority

- Open Space Division is an operating unit of City administration since 1984 charged with administering the Open Space Program and is funded by the Open Space Trust Fund and the General Fund.
- Open Space Advisory Board was established in 1983 by ordinance to oversee the Open Space Program and advise the Environmental Planning Commission (EPC), the Mayor and City Council (Ord. Chapter 14-13-3-7).
- Open Space Trust Fund was created by ordinance in 1988 for depositing sale proceeds and income from Open Space Exchange Lands (Ord. Chapter 4-2-3-1).
- Administration of Open Space Exchange Lands relates to the City's acquisition of a portion of the Elena Gallegos Grant and subsequent land exchange with the U.S. Forest Service; administrative matters are set forth in Ord. Chapter 4-2-3-1.
- Acquisition of land for the Open Space Program has been funded from a variety of sources, including general obligation bonds, gross receipts tax bonds, general fund, grants and impact fees.
- Open Space Management Ordinance (Ord. Chapter 5-8).

- Recent City Council actions:
 - C/S R-16-12 (Enactment R-2016-024) approves “refined” Open Space Priority List, requires Council approval of funds for acquisition of certain named Priority List properties, and identifies certain named Priority List properties for immediate acquisition and authorizes appropriations for funding such acquisitions.
 - O-16-13 (Enactment O-2016-008) requires the Open Space Advisory Board to recommend to Council for its approval properties being considered for acquisition, requires that such recommendations be based on “policies and procedures for the evaluation of open space priority properties” approved by the Council and permits solicitation of “competitive offers to sell” from property owners of Council-approved open space priority properties.

Open Space Program Early History

- Vision was created in 1969 City Goals Program.
- Open Space Task Force established in 1975.
- 1975 Comprehensive Plan included Major Public Open Space narrative description, goals and policies.
- Elena Gallegos Land Exchange and ¼ cent gross receipts tax funding approved in 1982.

Open Space Program Plans

- 1975 City/County Comprehensive Plan (Rank 1 Plan).
- 1986 Facility Plan for Arroyos (Rank 2 Plan).
- 1999 Major Public Open Space Facility Plan (Rank 2 Plan).
- OS Division: Top Acquisition Properties Booklet (March 2015).

Open Space Acquisition Process

- Prior to 1999 Major Public Open Space (MPOS) Plan acquisition priorities were driven by interested citizens who called attention to potential loss from risk of development of certain prime potential open space properties, located in the foothills, volcanos and bosque.
 - Acquisition “targets” were major, regional natural features.
 - Voter-approved funding demonstrated public consensus.
 - Process involved little long-term planning or structure.

- Post-1999 MPOS Plan acquisition priorities were more or less “ad hoc” but benefited from overall decision-making structure and long-range planning.
 - Identified extensive list of properties to be acquired.
 - Acquisition process drive by Open Space (OS) staff and OSAB.
 - Many “target” properties beyond City municipal limits.
 - City extra-territorial planning and zoning powers and ability to control utility extensions justified consideration of properties in the unincorporated County.
- Impact of SB 241 in 2003 limits authority of City to annex land in County; justification for City expenditure more problematic, based on regional benefit.
- New process recommended in this report.

ALTERNATIVE OPEN SPACE ACQUISITION METHODS

The limited monetary resources available for acquisition of open space suggests that the City explore other “tools” for acquisition of open space as opposed to only purchase of fee simple interest. The main focus of this report discusses a methodology selecting sites for inclusion in the *Priority List*, of prioritizing sites for the “purchase of fee ownership,” a method of acquisition as well as a bid process designed to achieve the most efficient use of the limited funds. This section of the report lists and discusses suggested alternative acquisition tools.

Understanding the “open space” purposes of a particular desired site is an important step in determining the best and most economical way of acquiring it. In many if not most instances a major reason a parcel is desirous as “open space” is to provide actual public access for recreation and education. It would be made available to the citizens for hiking, exploring and learning experiences and even perhaps some slightly higher impact activities such as horseback and bike riding. Conceivably, certain public improvements might be envisioned such as parking lots, trails, interpretative signage or even shade and picnic structures. If these types of uses are contemplated, even when coupled with other purposes (urban form, view shed protection, preservation of cultural and biological resources, etc.), it becomes clear that fee simple ownership is the recommended approach to acquisition. However, if actual public access is not immediately necessary to accomplish the goal, then there are other possible tools for accomplishing the particular goals of the proposed “open space.” Also, at times there may be opportunities for actual fee ownership that do not require “purchase.” The below possible tools or methods for acquisition are discussed and presented for City Council’s consideration:

Dedication – Some parcels on the list targeted for open space acquisition may be a portion of a larger land holding parcel that is under consideration for planning and future development. As part of the planning and land use approval process there are requirements for dedication of open space and parks. If the target parcel is a component of the larger parcel (a part of which is subject to a land use approval process) or under the same ownership, there should be consideration given to requiring its dedication (or a portion thereof) as part of the approval process. If

outside the submitted planning area but either a part of a larger parcel or under the same ownership, negotiation regarding open space requirements and/or impact fees for open space could be a method of acquiring fee ownership and access rights to the desired property.

“Conservation” Easement – If actual general public access is not required to achieve the main goals of “obtaining” a particular parcel, the purchase of a “conservation easement” may be far less expensive. For example, if a parcel contains significant biological or cultural resources, the owner could sell the City an easement protecting the identified cultural resources or area of most critical concern from development (plus a suitable buffer or other required protections) while still retaining the right to continue the present economic activity where appropriate or even more intensely develop the balance of the property. Acquiring such an easement is best done on a case-by-case basis through a one-on-one negotiation, as a competitive bid process would not be practical. In New Mexico, a properly constructed conservation easement also limits the ad valorem tax to the use in place and thus is an added benefit to the land owner. This tax benefit should be considered when negotiating price. Actual donation of the easement could also be a mutual benefit as the donor could seek a tax deduction and the City could preserve the resource without expenditure. The easement should/could allow appropriate City professionals access for research purposes as well as supervised access for educational purposes. Obviously, the amount of physical access allowed pursuant to the terms of the particular easement could impact price. Use of this tool should be executed by the city on a negotiated basis. Obtaining the necessary expertise to appropriately value the easement and negotiate would be advisable.

Transfer of Density Rights (TDR) - TDR is a tool being employed by other jurisdictions in the United States. This tool is used when the goal of “acquisition” of a particular parcel of land is not public access or recreation but rather to assure that the land only continues its present economic use and not be allowed to intensify its uses nor use the then-allowed permissive density. This is of topical interest when the present use is some form of agriculture which is perfectly acceptable to the citizenry but if intensified to another use such as residential or commercial, would be considered a loss for the community. In Albuquerque, one could envision this being of particular relevance in the bosque with some present agricultural use or even on the West Mesa where grazing is now in place. The concept is that the rights to density or use intensification are restricted or eliminated by ordinance or agreement, but the value of such density increase becomes a marketable right by ordinance. The City would have to designate “receiving” areas of the municipality that would by right be allowed to increase density in that area if a “density right” was purchased by a developer from the area that had its previous density rights restricted. While this method would require significant “up front” work and consideration, it would protect cherished agricultural lands and traditions without financial cost to the City

while allowing land owners the ability to monetize their existing development rights plus enjoy a property tax valuation escalation protection. Such a tool would have the additional benefit of providing a “no cost” incentive for densification of designated areas of the City and a no cost protection of valued special agricultural lands.

“Height” Easement or Land Use Restriction – In some instances, the targeted property is needed to protect “view-scape.” In such instance, neither fee ownership nor a complete ban on development may be necessary. Often, if the height of buildings is limited, the view-scape is preserved. A limitation on height could be achieved through zoning, land use approvals or by the purchase of an easement if more extensive land use rights exist. The price should be negligible as the diminution of value could be small but in any event far less than fee value. Again, this tool should be used on a negotiated, case-by-case basis with proper expertise as to value and negotiation.

Land Exchange – Land exchanges with either the public or private sector may be of real value as a tool to acquire valued open space with fee ownership without direct monetary expenditure. Similarly, as with other alternative acquisition methods, use of this tool should be on a case-by-case, negotiated basis with the necessary expertise available.

- a. **Private Exchange** - The private owner of the target open space land could be approached with an exchange proposal or the City could entertain exchange proposals from the private land owner. The land offered for exchange would need to be owned by the City and both parcels would need to be appropriately appraised. Anti-donation considerations would dictate that the land owned by the City not be of greater value than the target property unless the private exchange partner would be willing to pay the difference or unless the City land was so designated in qualified Re-Development Districts for below market disposal. There may be significant incentives for the private sector owner to make a favorable deal with the City. Often lands designated on the “list” are development challenged because of the same factors that made them desirable as open space. The City may have land (especially in Re-Development Districts) that is much more ready and less controversial for development. These re-development lands may even have economic incentives attached which would not impact open space acquisition budget. Using this tool could both be a less expensive way to acquire open space in fee while at the same time assist in developing lands in areas that the City has already expressed its desire for development.
- b. **Public Exchange** - If targeted open space land is owned by a public entity or can be acquired, this tool may be ideal. Neither public entity would be

required to pay a purchase price (although obvious soft cost would be incurred). An understanding of the missions and goals of the potential public sector owner as well as their required processes would be key. A Joint Powers Agreement may be helpful but not always necessary. For example, the New Mexico State Land Office (NMSLO) has an exchange rule that specifically governs land exchanges with other public entities. Currently, the NMSLO has land targeted by the City for acquisition. While this agency's mission is to earn money for named public beneficiary institutions, the NMSLO has been unable to earn any money from this land. The City owns rural agricultural lands outside the City limits that border NMSLO lands that are under lease for agricultural purposes like grazing. These City owned lands are slated for disposition with the "proceeds" committed to open space acquisition. An exchange of some of those scattered rural City owned lands for the NMSLO-owned Northern Geologic Window could provide the proverbial "win/win" (the NMSLO obtains land that can be leased for grazing and the City gets land on its *Priority List*) and set a precedent for future acquisitions. Another possible exchange with a public entity would involve Bernalillo County. The City of Albuquerque owns a significant amount of property (also owned for the purpose of being monetized to acquire open space) adjacent to an existing County owned and developed open space in the East Mountain area. A major west side development is now proceeding through the County's approval process and the developer owns property that is on the City's *Priority List*." This development is subject to "Planned Communities Criteria," which requires dedication of open space. If the County were to acquire the land on the City's *Priority List*, a possible exchange might be of mutual benefit. Also, it should be noted that some of the City's other East Mountain property is directly adjacent to a developed recreational facility owned by the U.S. Forest Service.

Careful consideration should be exercised when determining which methodology is best for which property and under what situations. In order to give private land owners incentives to come forward with proposals using one or more of these suggested methodologies, it is recommended that they be codified and publicized as possible opportunities suggesting that the City would entertain such proposals.

NOMINATIONS TO THE ACQUISITION PRIORITY LIST (CANDIDATE PROPERTIES)

Opportunities and community needs related to the acquisition of open space are constantly changing. As development occurs, resident populations grow and community values change, so will the need to add properties to the *Acquisition Priority List*. Recognizing that there are myriad of needs, interests and expectations for what open space should represent, a relatively flexible yet objective method should be employed for making such additions or deletions to the *Priority List*.

There are a variety of factors that should be taken into account when determining suitability and whether any given property will predictably and measurably contribute to the purposes of open space. Those criteria should include past and current land use, accessibility, public expectations and needs, current approved planning documents, relationship with other designated open space, and intended use of the property after acquisition. There are also some basic realities that need to be considered, such as acquisition and long-term recurring costs.

The proposed methodology should be flexible to allow for a range of interests to nominate prospective properties whether it be a member of the public, OSAB member, or an affiliate of the City. Ultimately SLS recommends that nominations must be submitted to the OSAB for initial review. If deemed of sufficient merit by the OSAB, the nomination will be scrutinized and relevant data will be collected by the Open Space Division in cooperation with the Planning Department. A worksheet to facilitate the nomination review process may be found in the Appendix (Worksheet 1). Upon completion of the review and summary of the relevant information the OSAB determines if the property should be forwarded to the City Council for formal approval. The OSAB, along with their recommendation must present their findings to support their rationale based upon the evaluation criteria. If approved by the City Council, the property is then included on, or deleted from, the *Priority List* and subject to the Evaluation Process as outlined below.

PRIORITY LIST EVALUATION PROCESS

The properties currently being considered for acquisition are varied in terms of location, urban growth pressures, how they might fulfill community needs, and market influences. This creates a special challenge in trying to integrate those myriad of disparate factors when trying to determine which property to select for acquisition. To deal with this challenge SLS developed a multi-tiered, near term model which is designed to integrate the risk for the potential loss of the availability of the property for inclusion in the Open Space Program, the relative open space and community value of each identified priority property, and acquisition costs. A schematic of the model can be found on FIGURE 1.

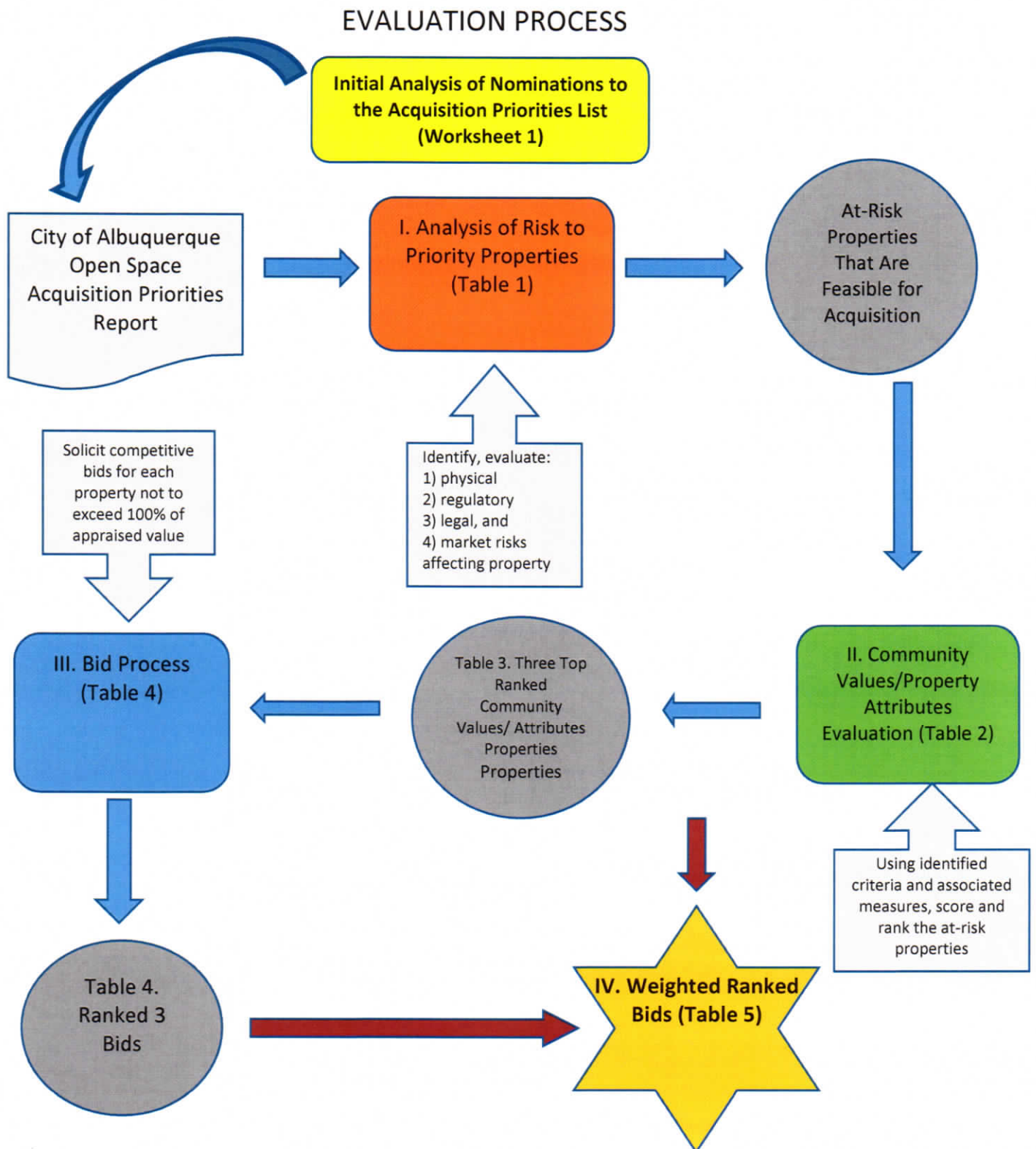
The model as detailed in this report involves multiple steps. This methodology is offered in an attempt to enable the City of Albuquerque to evaluate a myriad of highly divergent factors. It is also intended to limit the property-specific variables that are inherent in any prospective real estate transaction, especially where bidding and the use of public funds are involved. Other steps in the proposed model are intended to reduce subjectivity by offering the users tools that standardize inputs and analyses of those inputs. One additional method for minimizing potential reviewer bias (not detailed in this report) involves elimination of both the lowest and highest raters' score upon completion of the initial rating process and prior to combining the tally of scores, eliminate both the lowest and highest evaluators' score.

The rationale for the recommended "multi-step" process is rooted in the need for objectivity and defensibility in the selection process. This is key in implementing a competitive bid process which is meant to assure the best price among the most desired properties. It is also recommended because this process leverages the attributes and resources of the several bodies (OSAB, administration staff, and the City Council as the ultimate decision maker). While it is possible to eliminate a step or two, by doing so, it would combine more than one variable at each decision point and eliminate certain entities that have specific roles based on their mandate, strengths and resources. If there is more than one variable at any one decision making point, such a process increases subjectivity and opens the process to challenges by potential parties, most particularly those that wish their property to be chosen for purchase. While no process is "bullet proof," having only one variable at each decision point is far more defensible and increases objectivity. Therefore, we recommend a multi-step process (Nomination for the Priorities List, Risk, Community Evaluation, and Competitive Price Bid).

It should be noted that SLS recognizes that one or more of these steps could be melded into another without having the multiple variable problems if each component were weighted. However, that would necessitate the City pitting risk of loss against price or community values. Therefore, this methodology is not recommended.

While SLS's recommendations include a multi-step process for the evaluation, including the step of determining potential near-term risk of permanent loss of a given property from possible inclusion in the Open Space Program, it is not imperative to conduct this step in order for the process to function as intended. Evaluators may choose to start with the evaluation of community values using criteria focusing on the attributes of each property and its respective potential contribution to the Open Space Program.

FIGURE 1



PRIORITY PROPERTY DEVELOPMENT POTENTIAL AND RISK EVALUATION

The first level of analysis assesses the development potential of the priority acquisition properties and the near term risk that the desired property may be developed or sold, thus compromising the intrinsic values for which the property has been chosen to be on the *Priority List*. That analysis takes into account a variety of physical, regulatory, legal and market factors (Table 1). This analysis also assumes that certain factors may be present that will make a transaction impossible going forward, therefore disqualifying the property from further consideration. It also takes into account that certain constraints may be resolved with a modest amount of effort. Thus the property may be subject to further analysis. This evaluation should be conducted by an impartial individual or entity that has access and resources to conduct the necessary associated investigations, and has the expertise to make such judgments. Perhaps the City's Real Property Division or a qualified consultant could fill this role. A description of how each of the factors may be applied for the evaluation may be found in the Appendix (Listing 2). Ultimately, priority acquisition properties determined to be at greatest risk of loss that are not excluded due to irreconcilable factors are evaluated in the next level. SLS suggests that not more than five properties move on to the next step at any one time.

TABLE 1
PROPERTY RISK EVALUATION

Factors	No Factor	Reconcilable	Irreconcilable
<u>Physical Factors</u>			
Drainage			
Stable Soils / Substrate			
Topography / Grade			
Access Proximity Infrastructure Proximity			
<u>Regulatory</u>			
Zoning Constraints Comprehensive Plan Alignment Land Use			

Constraints				
<u>Legal</u>	Willing Seller			
	Title (clouds & restrictions)			
	Owner Bankruptcy Filings or Judgments			
	Property Liens			
<u>Real Estate Market</u>				
	Area and Regional Growth Trends			
	Property Demand / Supply / Absorption			
	Growth Path			

PRIORITY PROPERTY ATTRIBUTE AND COMMUNITY VALUES EVALUATION

This level of the evaluation process focuses on the features and attributes of the at risk properties making those properties desirable for inclusion in the Open Space Program. To minimize individual subjectivity and provide the means to evaluate several properties that have diverse attributes, this analysis should be conducted by a small group of individuals from the community with at least an understanding of the Open Space Program and an understanding of what constitutes natural, cultural and recreational resources, and community quality of life. It is recommended that that group be limited in number to no more than five individuals and that it be comprised of a subset of the Open Space Advisory Committee appointed by the Chairman.

The level of effort and expertise that would facilitate this process might not be found solely with the Committee. In order to facilitate this effort, it is recommended that City staff be available for technical support. They should make themselves available to collect site-specific information, compile relevant data, and produce analyses as requested.

All properties being evaluated at any given time should be vetted by all evaluators using the same criteria and weighting factors to ensure consistency in outcomes. A listing of suggested criteria may be found in the Appendix (Listing 3). Ultimately, the criteria used should be dependent upon relevant considerations associated with overall acquisition goals and objectives at the time of the evaluation. Using criteria determined prior to the evaluation, the committee will conduct an objective assessment of the relative value each of the at-risk properties represents (Table 2). It is further recommended that those values be measured against benchmark standards to seek consistency in the evaluation. An example of which may be found in the Appendix (Example 1). Benchmarks also need to be established on the front end of the evaluation. Recognizing that all criteria are not necessarily the same and that certain

criteria maybe more important at the time of the evaluation, the criteria are weighted to reflect those distinctions, with a weighting factor of between 0.1 and 1.0 (0.1 being of lowest importance and 1.0 being of highest importance). The three most at-risk properties with the highest community and values are then ranked 1-3 based on the final score (Table 3).

TABLE 2

PRIORITY PROPERTY AND COMMUNITY VALUES EVALUATION

Property Name: _____

Date: _____

Evaluation Criteria	Rater 1	Rater 2	Rater 3	Rater 4	Rater 5	Total Score	Weighting Factor (0.1 - 1.0)	Weighted Score
1. Planning consistency								
2. Linkages								
3. Recreation								
4. Conservation								
5. Cultural resources								
6. Community expectations								
7. Quality of life								
8. Urban design								
							TOTAL SCORE =	

(Sum of Raters 1-5=Total Score) x Weighted Factor = Weighted Score
Sum of Weighted Score = Total Score

TABLE 3
TOP 3 RANKED PROPERTIES

Rank	Property Name	Weighted Score
1.		
2.		
3.		

BIDDING PROCESS

The third level of analysis is the step in the process for consideration of the cost of each property. This requires that the property owners be a willing seller and offer a bid to the City for acquisition. If the seller is willing, the property is appraised, a licensed appraiser hired and paid for by the property owner, and selected from a list of appraisers approved by the City. The appraisal results will represent a maximum price that may be paid by the City for that particular property. Subsequent to the appraisal, through the City's and any other applicable procurement laws, the property owner submits a bid that should not exceed appraised value, and may be some percentage less than the appraised value. The lower the bid from appraised value, the more competitive the bid will be (Table 4).

TABLE 4
BID COMPARISON

Property Name	Appraised Value	Offered Amount	Offered Percent of Appraised Value

INTEGRATION OF PRIORITY PROPERTY RANKING AND BIDDING RESULTS (Weighted Ranked Bids)

The final level of analysis integrates the Open Space Advisory Board subcommittee's evaluation of the three highest ranked properties, and the percent of appraised value received through the bidding process. The percent of appraised value, which for the purpose of comparison, also represents the initial score. This is accomplished by further giving the highest ranked property a credit (which is scored as a reduction of score), a lesser credit for the second highest ranked property, and no additional credit to the third ranked property. The credit is afforded by taking the percent of appraised value for each property and subtracting a percent of that value. For example, the top ranked property as determined by the evaluation committee bid was 95 percent of the appraised value, the 95 percent figure could be further reduced by 10 percent, thus resulting in a net score of 85 percent (Table 5). The lowest score should be the first property to be purchased. The credit DOES NOT affect the bid amount. Depending upon budget and at Council's discretion the next lowest scored property could be purchased, and so on.

TABLE 5

INTEGRATION OF PRIORITY PROPERTY RANKING AND BIDDING RESULTS (Adjusted Ranked Bids)

COMPARITIVE PRIORITY PROPERTIES RANKING

Property Name	Priorities Evaluation Rank	Bid Percent of Appraisal	Priority Property Adjusted Bonus	Total Score
	1.		- 10%	
	2.		- 5%	
	3.		- 0%	



Sage Land Solutions, LLC

Real Estate Advisors in New Mexico

Appendix

LISTING 1

- Albuquerque, NM
- Pitkin County (Aspen), CO
- Austin, TX
- Bernalillo County, NM
- Boulder County, CO
- Boulder, CO
- Colorado Springs, CO
- Deerfield, NH
- Deerfield, MA
- Denver, CO
- Fort Collins, CO
- Henderson, NV
- New London, CT
- Portland, OR
- Redding, CA
- Salt Lake City, UT
- San Diego, CA
- Santa Fe County, NM
- Seattle, WA
- State of Rhode Island
- Tucson, AZ

WORKSHEET 1

NOMINATED PROPERTY EVALUATION WORKSHEET

Date:

Nominator:

PROPERTY NAME:

LOCATION:

PROPERTY DESCRIPTION:

ACREAGE:

PURPOSE/OBJECTIVE OF NOMINATION:

DESCRIBE HOW THE PROPERTY WILL BE ACCESSIBLE TO CITY RESIDENTS:

DESCRIBE RESIDENT EXPECTATIONS, DEMAND AND EXPECTED LEVEL OF USAGE:

DESCRIBE THE PROPERTY'S AFFORDABILITY IN TERMS OF COST AND BUDGET AS ESTIMATED BY THE REAL ESTATE DIVISION:

POTENTIAL FUNDING SOURCES:

Available acquisition budget:

Grant funds:

Other:

Total funding:

ESTIMATED ACQUISITION COSTS:

Estimated fair market value:

Other costs (broker, appraisal, survey, etc.):

Total costs:

ESTIMATED CAPITAL COSTS:

Start-up:

Recurring:

ESTIMATED ANNUAL OPERATION AND MAINTENANCE COSTS:

Labor:

Material:

DESCRIBE CURRENT ZONING AND COMPREHENSIVE PLAN DESIGNATIONS:

DESCRIBE PAST AND CURRENT USE:

DOES THE PROPERTY ADJOIN OR CONNECT TO EXISTING DESIGNATED OPEN SPACE?:

DESCRIBE THE CONSERVATION VALUES AND OPPORTUNITIES (cultural, biological, geologic, paleontological):

DESCRIBE RECREATION OPPORTUNITIES AFFORDED BY THE PROPERTY:

HOW DOES THE PROPERTY FURTHER OTHER PUBLIC GOALS AND OBJECTIVES (Shape urban form, regional viewshed, education, watershed protection)?:

LISTING 2

Application of Risk Evaluation Factors

Physical Factors

- Drainage -
- Soils/Substrate -
- Topography/Grade -
- Access Proximity -

Regulatory

- Zoning -
- Comprehensive Plan -
- Land Use -

Legal

- Willing Seller -
- Title (clouds/restrictions) -
- Owner Bankruptcy Filing or Judgment -
- Property Lien -

Real Estate Market

- Area and Regional Growth Trends -
- Property Demand/Supply/Absorption -
- Growth Path -

TABLE 1

RISK EVALUATION

Factors		No Factor	Reconcilable	Irreconcilable
<u>Physical Factors</u>				
	Drainage			
	Stabile Soils/Substrate			
	Topography/Grade			
	Access Proximity			
	Infrastructure Proximity			
<u>Regulatory</u>				
	Zoning Constraints			
	Comprehensive Plan			
	Alignment			
	Land Use Constraints			
<u>Legal</u>				
	Willing Seller			
	Title			
	Owner Bankruptcy Filings or			
	Judgments			
	Property Liens			
<u>Real Estate Market</u>				
	Area and Regional Growth			
	Trends			
	Property			
	Demand/Supply/Absorption			
	Growth Path			

LISTING 3

SUGGESTED PRIORITY PROPERTY EVALUATION CRITERIA:

1. Planning Consistency
 - a. Ordinance, rules and policy
 - b. Existing zoning
 - c. Mission, goals and objectives
 - d. Open space acquisition priorities
 - e. Open space facility plan
 - f. Master Plan
2. Linkages
 - a. Trails
 - b. Regional amenities
 - c. Drainages
 - d. Complimentary open space
3. Community recreation opportunities
 - a. Hiking
 - b. Biking
 - c. Outdoor education
 - d. Nature viewing
 - e. Low impact outdoor activities
4. Conservation
 - a. Ecological protection
 - b. Critical or unique habitat
 - c. Biological diversity
 - d. Urban natural habitat protection
 - e. Rare or endangered species
 - f. Public water supply or groundwater recharge
 - g. Flood protection
 - h. Urban forestry
 - i. Wildlife
 - j. Fisheries
 - k. Agriculture
5. Cultural Resource Protection
 - a. Prehistoric
 - b. Historic
 - c. Contemporary
6. Impact upon existing community needs and expectations
7. Expected increase in community well-being and quality of life.
8. Urban Design

EXAMPLE 1

Example of the Use of Benchmark Measures for Analysis of Priority Properties

Criterion 1: Community Recreation Opportunities

Benchmark: 5 pts. – Provides significant opportunity in an area where such opportunities are currently non-existent; recreation opportunities are in high demand across a variety of user groups; cost of providing operation and maintenance for the site is minimal.

Benchmark: 3 pts. – Provides measurable opportunity in an area where such opportunities are limited and may require substantial travel; opportunities are in demand by a narrower set of users; costs of providing operation and maintenance is measurable.

Benchmark: 1 pt. – Provides limited opportunity in an area where similar opportunities may already exist or may require extensive travel to access; opportunities are in limited demand; cost of providing operation and maintenance is substantial.

Criterion 2: Consistency with current approved planning documents

Benchmark: 5 pts. – Is consistent with ordinance, rule and policy; current approved planning; substantial alignment with Mission, Goals and Objectives.

Benchmark: 3 pts. – Is largely in alignment with existing legal and policy guidance; may be some minor departures for stated goals and objectives.

Benchmark: 1 pt. – May be minimally consistent with approved planning documents; may be minimally aligned with stated goals and objectives.

TABLE 2

PRIORITY PROPERTY AND COMMUNITY VALUES EVALUATION MATRIX

Property Name: _____

Date: _____

Evaluation Criteria	Rater 1	Rater 2	Rater 3	Rater 4	Rater 5	Total Score	Weighting Factor (0.1 - 1.0)	Weighted Score
1. Planning consistency								
2. Linkages								
3. Recreation								
4. Conservation								
5. Cultural resources								
6. Community expectations								
7. Quality of life								
8. Urban design								
							TOTAL SCORE =	

(Sum of Raters 1-5=Total Score) x Weighted Factor = Weighted Score
Sum of Weighted Score = Total Score

TABLE 3

TOP 3 RANKED PROPERTIES

Rank	Property Name	Weighted Score
1.		
2.		
3.		

TABLE 4

BID COMPARISON

Property Name	Appraised Value	Offered Amount	Offered Percent of Appraised Value

TABLE 5

**INTEGRATION OF PRIORITY PROPERTY RANKING AND
BIDDING RESULTS (Adjusted Ranked Bids)**

COMPARITIVE PRIORITY PROPERTIES RANKING

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