

RESOLUTION NO. 2015-964 _____

**METROPOLITAN REDEVELOPMENT AREA DESIGNATION:
MAKING CERTAIN FINDINGS AND DETERMINATIONS PURSUANT TO
THE METROPOLITAN REDEVELOPMENT CODE,
AND DESIGNATING THE CITY OF AZTEC
METROPOLITAN REDEVELOPMENT AREA.**

WHEREAS, Section 3-60A-8 NMSA 1978 of the Metropolitan Redevelopment Code (Sections 3-60A-1 through 3-60A-48 NMSA 1978) states: "A municipality shall not prepare a metropolitan redevelopment plan for an area unless the governing body by resolution determines the area to be a blighted area and designates the area as appropriate for a metropolitan redevelopment plan.", and

WHEREAS, the City of Aztec ("City") and New Mexico MainStreet, and their employees, have for some time engaged in a study of blighted areas within the downtown area, and have submitted their findings and recommendations concerning the area detailed in the Designation Report, a copy of which is attached hereto as Exhibit A; and

WHEREAS, pursuant to Section 30-60A-8 NMSA 1978 of the Metropolitan Redevelopment Code, the City Commission caused to be published in the Farmington Daily Times, a newspaper of general circulation, a notice containing a general description of the proposed Aztec Downtown Metropolitan Redevelopment Area and the date, time and place where the City Commission will hold a public hearing to consider the adoption of this resolution; and

WHEREAS, the boundaries of the Aztec Downtown Metropolitan Redevelopment Area are delineated on Exhibit B; and

WHEREAS, the City Commission has considered the findings and determinations of the Designation Report and all comments made at the public hearing concerning the conditions that exist in the proposed Metropolitan Redevelopment Area.

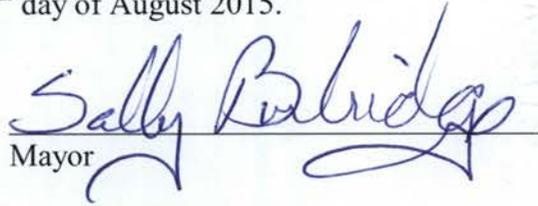
NOW THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY that:

1. The City Commission finds and determines that in the downtown area there are deteriorated structures, sites and other declining improvements, unsafe conditions, and low levels of commercial activity that substantially impair and arrest the sound growth and economic well being of the area and the City.
2. The City Commission finds and determines that this area would benefit from a metropolitan redevelopment project or projects, that the designation of a metropolitan redevelopment area is appropriate in the interests of public health, safety, and welfare,

and it hereby designates the Aztec Downtown Metropolitan Redevelopment Area.

3. The City Commission designates the boundaries of the Aztec Downtown Metropolitan Redevelopment Area to be as delineated on Exhibit B.
4. If any section paragraph, sentence, clause, word or phrase of this resolution is for any reason held to be invalid or unenforceable by any court of competent jurisdiction, such decision shall not affect the validity of the remaining provisions of this resolution. The City Commission hereby declares that it would have passed this resolution and each section, paragraph, sentence, word or phrase thereof irrespective of any provisions being declared unconstitutional or otherwise invalid.

PASSED, APPROVED AND ADOPTED, this 25th day of August 2015.


Mayor

ATTEST:

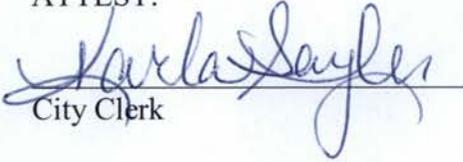

City Clerk

Exhibit A: MRA Designation Report
Exhibit B: MRA Boundary



Downtown Aztec Metropolitan Redevelopment Area (MRA) Designation Report

City of Aztec, New Mexico

A New Mexico MainStreet Frontier Community



*Frontier
Communities
Initiative*

Prepared for:
City of Aztec

Technical Assistance provided by:
New Mexico MainStreet
CommunityByDesign
Rio Chiquito Economics



May 2015

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*Funding for this report is provided from NM MainStreet/Economic Development Department
through its State Legislative appropriation.*

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Introduction

Aztec is the county seat of San Juan County and its oldest municipality. An early trading post, Aztec became an established community in 1887. By 1900, Aztec was the commercial center of this farming and agricultural area. Between 1900 and 1915 Main Avenue saw the construction of many brick commercial buildings in an assortment of architectural styles popular at the time. In these structures local business owners offered a range of businesses and services to support the growing agrarian community which reached a population of 700 by 1910. Main Avenue is still Aztec's "Main Street" and runs through the center of the community. The discovery of oil and gas in the first part of the 20th century increased the city's population. Housing and businesses boomed with the development of natural gas transmission lines mid-century. By 1955 the population was at an all-time high of 7,000. The development of power plants, additional oil activities and mining for coal and uranium supported the area's economy for decades. Stagnant population growth and lower median incomes are indicators of the slow decline of the MRA area.

A visual and economic survey of the proposed downtown Metropolitan Redevelopment Area (MRA) found parts of downtown Aztec exhibit physical and economic conditions that are unfavorable to the social and economic well-being of the residents of the community. The **Aztec Vision Plan** of 2014 indicates that the community wants a "desirable place to live, work and play" that is "rich in history and small town values." The **Vision Plan** identifies multiple goals to meet this vision, including expanding opportunities to "Shop/Dine/Buy Local" and "Build up Local Retail," create a "Vibrant And Iconic Downtown" and "Preserve And Enhance Historic Downtown." Strategies identified include "reduce visually clashing cityscapes", and "...eliminate eyesores and promote aesthetic community design." One tool to help Aztec actively work to improve the economic and physical conditions in downtown is the designation of a Metropolitan Redevelopment Area.

The New Mexico Metropolitan Redevelopment Code (3-60A-1 to 3-60A-48 NMSA 1978) provides cities in New Mexico with the powers to correct conditions in areas or neighborhoods within municipalities which "substantially inflict or arrest the sound and orderly development" within the city. These powers can help reverse an area's decline and stagnation; however, the City may only use these powers within a designated Metropolitan Redevelopment Areas.

Designation of an MRA is based on findings of "blight" conditions, as defined in the Metropolitan Redevelopment Code (3-60S-8). The criteria set by the Code for a "blighted" area include physical conditions and economic conditions. As defined in the Code, "*Blighted area*" means an area within the area of operation other than a slum area that, because of the presence of a substantial number of deteriorated or deteriorating structures, predominance of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility or usefulness, unsanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land, defective or unusual conditions of title, improper subdivision or lack of adequate housing facilities in the area or obsolete or impractical planning and platting or an area where a significant number of commercial or mercantile businesses have closed or significantly reduced their operations due to the economic losses or loss of profit due to operating in the

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area, low levels of commercial or industrial activity or redevelopment or any combination of such factors, substantially impairs or arrests the sound growth and economic health and well-being of a municipality or locale within a municipality or an area that retards the provisions of housing accommodations or constitutes an economic or social burden and is a menace to the public health, safety, morals or welfare in its present condition and use;

This report proposes that Downtown Aztec be designated a Metropolitan Redevelopment Area (MRA).

The following analysis demonstrates that Aztec's downtown neighborhood exhibits a combination of factors that contribute to blight in an area. Physical conditions of the downtown and economic conditions expressed by business activity and the demographics of the population all point to the need for the City to pursue alleviating the conditions of blight and implement revitalization efforts.



Main Avenue circa 1910

image source: aztecmuseum.org

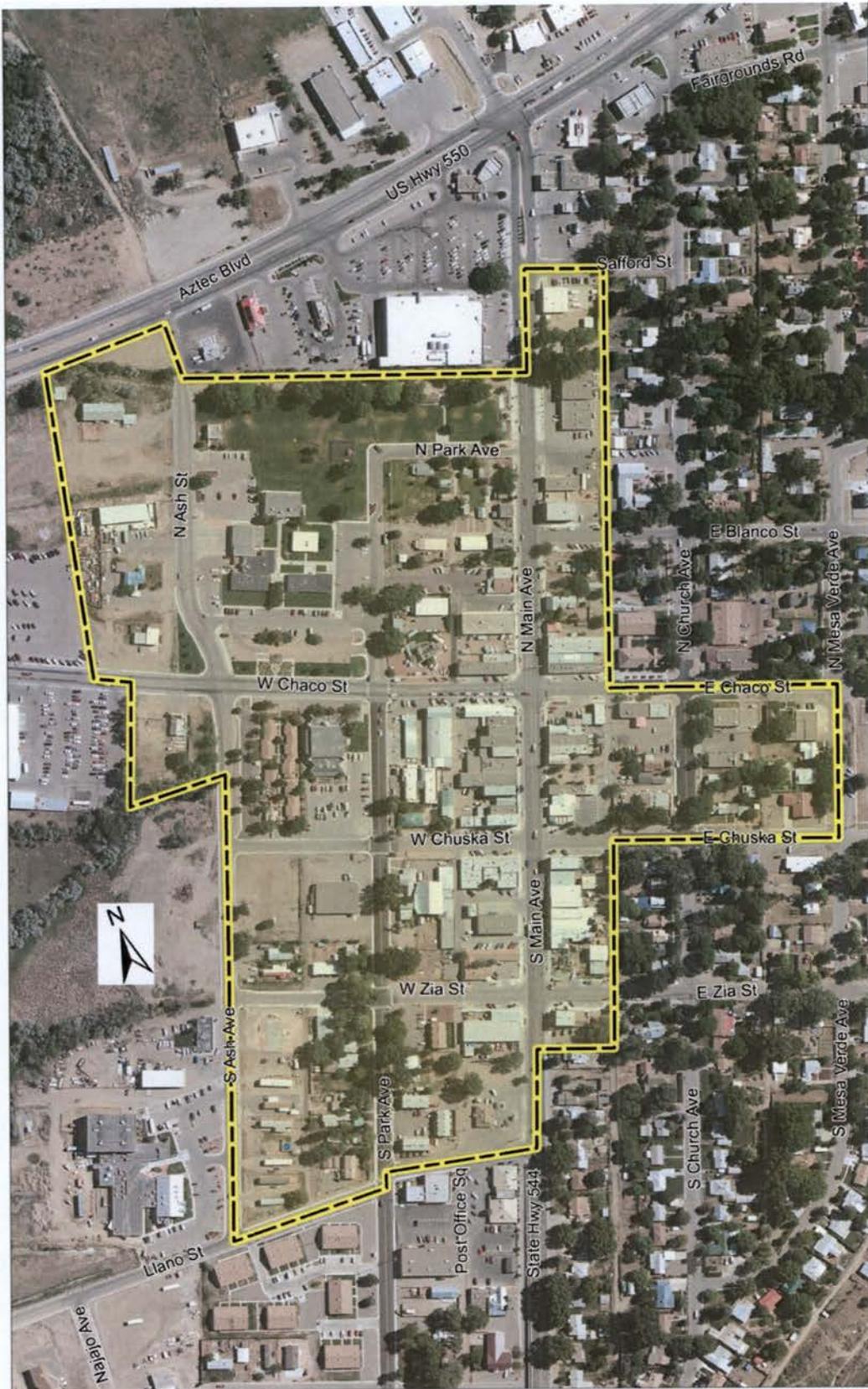
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MRA Plan Boundary

The boundary of the Aztec Downtown MRA:

- From the intersection of Main Avenue and Safford Street go east along the Safford Street centerline ½ block to the alley between Main and Church Avenues.
- South along the alley to the centerline of Chaco Street.
- East on Chaco Street to its intersection with Mesa Verde Avenue.
- South on Mesa Verde Avenue to the intersection of Chuska Street
- West on Chuska Street to the alley between Church and Main Avenues.
- South along this alley past Zia Street to the south property line of the former American Hotel at the southeast corner of Zia and Main.
- West along this south property line to the Main Avenue centerline.
- South along Main Avenue to Llano Street centerline.
- Continue west along Llano Street, jogging south at Park Avenue to maintain alignment with the Llano centerline to Ash Avenue.
- North on Ash Avenue past Chuska Street approximately 165 feet to the drainage on the west side of Ash Avenue.
- West along the drainage to the paved parking lot for Hi-Country Chevrolet.
- North along the east edge of the auto dealer parking lot to Chaco Street.
- West along the centerline of Chaco Street approximately 95 feet to the alignment of the east edge of the Hi-Country Chevrolet parking lot situated on the north side of Chaco Street.
- North along this parking lot line, extending in the same line to the ROW of Aztec Boulevard.
- East along the south ROW line of Aztec Blvd to Ash Avenue.
- South along the Ash Avenue centerline to a point in line with the north boundary of Minium Park.
- East along the north boundary of Minium Park and the drainage ditch to the centerline of Main Avenue.
- North along Main Avenue to the point of origin.

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Existing Conditions Assessment

Land uses within the Metropolitan Redevelopment Area are mostly commercial. Public and institutional uses are also found inside the boundary, as are some residential uses. The following sections identify the physical and the economic conditions of the area that warrant establishment of this neighborhood as a MRA.

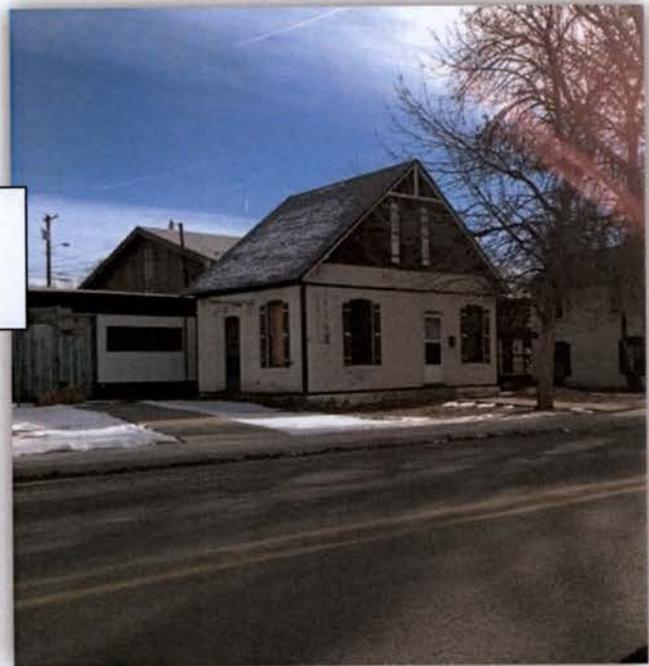
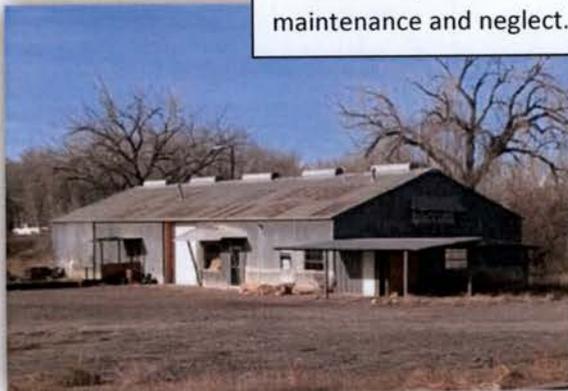
Building Conditions

The built environment of downtown Aztec shows signs of the former prosperity of this agricultural town, with a mix of one and two story commercial structures. Segments of Main Avenue retain many typical New Mexican brick buildings dating from 1900 to 1915. Mid-20th architecture is also abundant within the MRA. . Despite deterioration at the fringes, the core historic downtown area retains many of its historic buildings. Some of these structures are occupied, while others are vacant and in some cases, threatened by neglect.

The structures act as important reminders of Aztec’s history. Many structures in downtown are on the State and/or National Historic Registers. Older buildings range from good condition to deteriorating and dilapidated. Poor building maintenance and vacant structures are examples of the deteriorated conditions.

Commercial land uses are concentrated along Main Avenue, Ash Avenue and Chaco Street. Residential uses, including apartment buildings, trailers and single family detached residences, are mixed within the proposed MRA boundary. Deteriorating structures are located throughout the downtown neighborhood. Most are vacant, but some occupied buildings are in need of maintenance and repairs. The combination of poor structural conditions and poor visual appearance are factors affecting the decline of the entire downtown area.

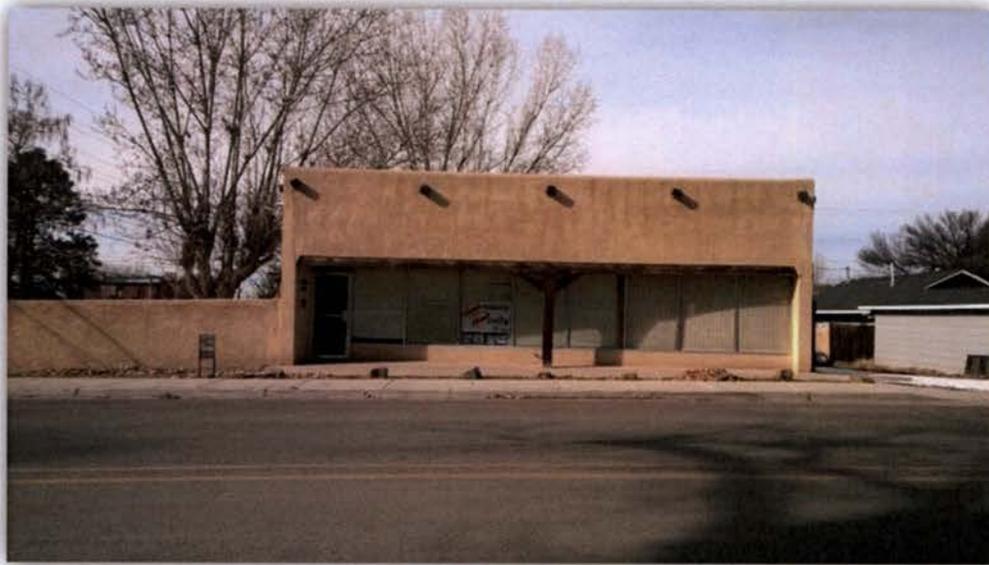
Many structures exhibit evidence of poor maintenance and neglect.



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Vacant and Underutilized Properties

Many commercial businesses inside the MRA boundary have closed or significantly reduced their operations. This has resulted in vacant commercial structures that contribute to the deteriorated appearance of parts of downtown Aztec. Vacant storefronts, many for rent, are scattered throughout the MRA. In addition to vacant buildings are a number of underutilized properties that are neglected or used for storage.



Shuttered and vacant structures reduce property values and add to the deteriorated condition of the area.



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Sidewalks, Curbs and Pavement

Most of the sidewalks, curbs and amenities, such as lighting and seating, on Main and Chaco are recent, with adequate width, condition and functionality for all users. Overall, sidewalk access and accessible curb cuts are available at all intersections within the district. Sidewalk widths are generally narrower than currently recommended, at three and a half to five feet, but are in fair to good condition.

There are several examples of missing or inadequate sidewalks, most notable on Ash Avenue north of Chaco Street. This segment fails to provide suitable accessibility for pedestrians. The existing narrow sidewalk near Chaco terminates in front of the police station on both sides of the street, creating dangerous pedestrian conditions. The west side of Ash Avenue north of the walkway termination is weedy and undeveloped, with some congestion from obstacles such as signs, utility cabinets and light poles within the right-of-way. The east side of Ash has a narrow sidewalk near Chaco Street which terminates into parking spaces and a light standard and has no access along the ROW further north. Other examples of missing sidewalks are found on the north side of Llano and south side of Zia, between Main and Park.

Chaco Street has narrow sidewalks in good condition on the north side and the western portion of the south side. Commercial parking and auto access to businesses on the south side of Chaco in the half block east of Park Avenue impedes safe pedestrian use.

The narrow sidewalks and missing sidewalks along Ash, Llano and Zia and pedestrian un-friendly segment on Chaco and elsewhere, with obstructions within the



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sidewalk area, are safety concerns for pedestrians and obstacles for wheelchairs and strollers. These conditions contribute to the areas blight

Street pavement and curbs are generally in fair to good condition in the MRA. Alley pavement within the MRA is in varying states of repair, with some segments entirely unpaved. These unpaved segments are dusty and contribute to blight conditions. There are minor examples of deteriorating pavement throughout the district with cracks in the street. Damage to curbs is scattered within the district adding to the deteriorated condition of the district. All intersections within the MRA have functional curb access ramps at intersections.

Narrow or missing sidewalks, disconnected sidewalk segments and obstructed sidewalk areas are unsafe conditions for pedestrians, strollers and wheelchairs.



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Broken curbs and unpaved alleys contribute to blight conditions within the



Narrow sidewalks on N Ash Avenue terminate abruptly in obstacles or gravel, creating impediments to safe movement in the neighborhood.

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Demographic and Economic Conditions

The major challenge being faced by the City of Aztec is the slow population growth between 2000 and 2010 and the potential for population loss now and into the future. This is an issue we face state-wide, however Aztec seems to be ahead of the state curve. While Aztec as a whole is doing slightly better on most indicators than the state - employment, percentage of the population in the workforce, median income, size of the private sector and poverty rates all look better in Aztec than they do state-wide, the MRA has lower median income, an older population, and lower occupancy rates than Aztec or the State.

According to the 2010 Census Bureau count, the population of the proposed MRA was roughly 230 people¹. Measuring population change over time within the district isn't possible due to data limitations, however the population change in Aztec overall, between 2000 and 2010 there is sluggish population growth in Aztec. While New Mexico's population grew at an rate of 1.25% annually between 2000 and 2010, Aztec's annual growth rate was only 0.59% - beginning with a population of 6378 in 2000 and ending with a population of 6763 in 2010. Further, estimates by the U.S. Census Bureau suggest Aztec has now begun to lose population -in the Census Bureau's population projections for 2010 through 2013, there is a projected annual population loss of -0.92% in Aztec - from 6763 to 6578. The state overall is experiencing a trend of growing outmigration and slowing in-migration – the estimated annual growth rate for 2010 – 2013 statewide is 0.45%.

Age

The median age within the proposed MRA is 38.5 years, higher than that of the city (median age 34), and as well higher than that of the state overall (median age 37). This higher median age is due to both a larger population 65 years of age and older, particularly in the highest age bracket of 85 years of age and older; and a smaller population under the age of 18 than one finds at other geographic levels. 16% of the population within the proposed MRA is 65 or older, compared to the 11% found in the city, or the 14% found at the state-level; and 7% of the population is over the age of 85, more than twice in Aztec overall and just over three times state-wide.

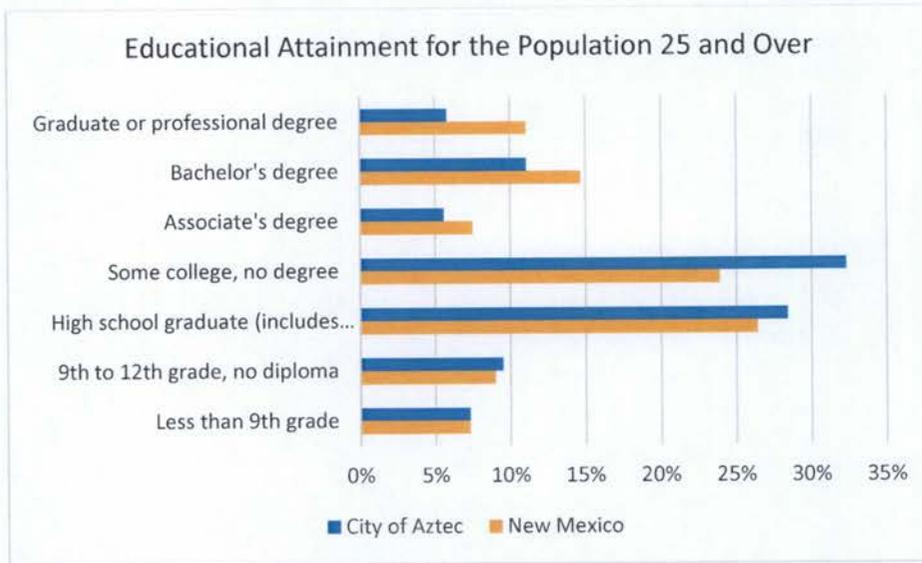
Education

In Aztec, an estimated 83% of the population over the age of 24 graduated from high school or obtained a GED or other equivalency. This is on track with state-wide numbers where an 83% rate of high school or equivalency completion is among this population. However, educational attainment past high school in Aztec is decidedly lagging behind state-wide. In Aztec, only 17% of the population over age 24 is estimated to have obtained a bachelor's degree or higher, lower than state-wide where 26% of the population over 24 is estimated to have obtained a bachelor's degree or higher. The percentage of graduate and professional degrees among this population is also low in Aztec in comparison to the state

¹ This count is from the Census Bureau's block-level data. Census Bureau block boundaries allow us to nearly replicate the proposed boundaries of the MRA, however they do not perfectly match the proposed MRA boundaries. All blocks with residential properties within the MRA were included in our count. Therefore, the numbers discussed here represent a slightly larger area than the proposed MRA.

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– 6% of the population of Aztec is estimated to have a graduate or professional degree – nearly half what occurs at the state level (11%).



Income

Populations in poverty in Aztec are over the age of 65 ; 15.6% of this population living at or below poverty in Aztec compared to 12.1% state-wide; Native Americans are more likely to be experiencing poverty, 39.5% of the Native population in Aztec is living in poverty, compared to 34.1% state-wide; and the population who has completed a bachelor’s degree or higher are more likely to be living in poverty – 9.1% of this population is living in poverty in Aztec, compared to 5.8% state-wide.

The median annual household income within the census block groups encompassing the proposed MRA district is estimated to be \$40,401. This is a notable 13.5% lower than the median income in Aztec overall, or in New Mexico, where the median household incomes are estimated to be \$46,262 and \$44,927, respectively. This depressed median income is due to a higher percentage of households with incomes under \$10,000 – 13.0% in the census block groups surrounding the MRA, compared to 9.4% state-wide, and a higher percentage of households with incomes between \$25,000 and \$49,999.

Employment

Aztec is estimated to have a slightly larger percentage of its population in the labor force than state-wide (62.2% v 60.7%), and a fractionally smaller percentage of that workforce is unemployed. By the Census Bureau estimates, between 2009 and 2013 the unemployment rate within the block groups surrounding the proposed MRA averaged 10.5%, somewhat higher than in Aztec overall or the state, where the average unemployment rate over this period was estimated to be 9.7%.

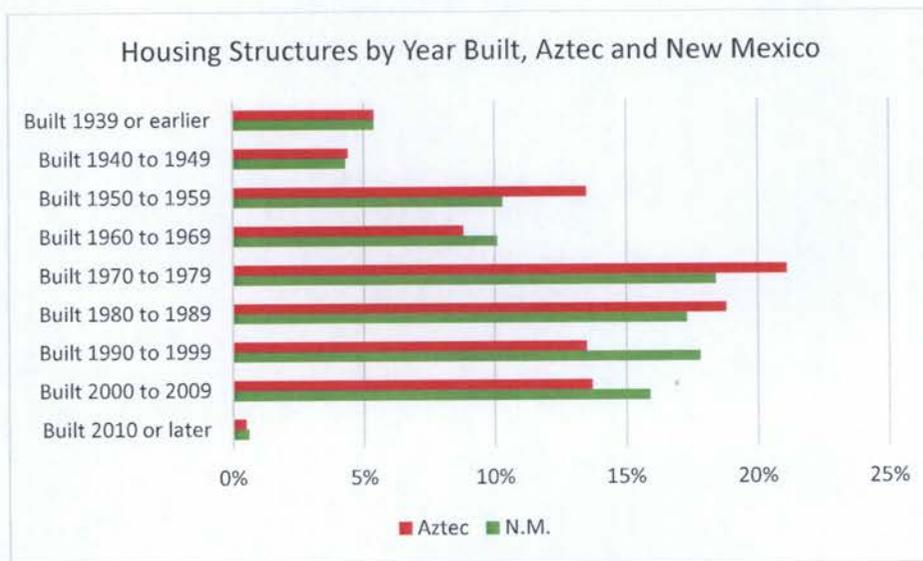
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In occupational data, a smaller percentage of the work force employed in what is traditionally call 'white collar' jobs. In Aztec, 29.7% of the employed workforce is working in management, business, science or arts – compared to 35.2% at the state level. This is not surprising considering the lack of post-secondary education among the workforce. Aztec has a slightly larger percent of its workforce working in sales and office occupations than state-wide (12.8% v 11.6%) and as well in a larger percentage of the workforce in production and transportation than state-wide (12% v. 9.1%).

Employment data by industry show a relatively small public sector. Educational, health and social services makes up a comparatively small percentage of the local economy. In New Mexico overall, the educational, health and social services sector accounts for nearly a quarter of all employment (24.9%), not dissimilar from the US overall; compared to just under a fifth (19.3%) in Aztec. Similarly, public administration accounts for 5.6% of all employment in Aztec, compared to 8% state-wide. Agriculture, forestry, fishing, hunting and mining provides a notably larger portion of jobs in Aztec than state-wide – 11.0% and 4.4%, respectively –due to the dominance of extractive industries within the San Juan Basin. The construction industry is notably smaller in Aztec than n the State - 4.2% compared to 7.1%. With such slow population growth it is unlikely this sector is likely to find much opportunity to grow in the near future. Arts, entertainment, accommodations and food make up a similar, and just slightly larger portion of the economy in Aztec as state-wide – 11.5% and 10.7%, respectively.

Housing

Aztec's housing stock is older than that found state-wide – 53% built over 40 years ago, compared to 49% in the state. Additionally, there has been somewhat less construction of new housing in Aztec – 28% of the housing in Aztec was built after 1990, compared to 34% since 1990 in the state. Construction of new housing since 2010 mirrors state-wide trends where less than 1% of housing stock has been built within the three most recent years for which there is data.



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Home occupancy rates within the proposed MRA are lower than those found state-wide with 84.7% of homes occupied within the district, compared to 87.7% state-wide.

Homeownership rates are lower in Aztec (63%) than statewide (69%). Further, among those who are homeowners, a decidedly smaller percentage own their homes outright – 68% of homeowners in Aztec are paying a mortgage, compared to 59% in the state. Among homeowners, monthly housing costs are eating up a larger portion of income and are estimated to be causing financial stress for more than a quarter of the population – among those in Aztec with a mortgage, 28% spend 35% of their income on housing costs, compared to 19% in the county and 26% in the state. Among those without a mortgage, 22% spend 35% or more of their income on housing costs, compared to only 9% in the state. Median home prices in San Juan County are negligibly above median home prices state-wide - \$178,000 and \$175,000², respectively. This combined with a slightly older housing stock may be contributing to these stresses. Further, 23.6% of housing units in Aztec are mobile homes, compared to only 16.6% of housing units state-wide. Lack of equity in mobile units as well as likelihood of land rental with mobile units can both add to costs and income stress related to homeownership. The relationship is the opposite among renters - only 28% spend 35% or more of their income on housing, compared to 37% in the state and 42% in the state.

Conclusion

This report demonstrates the existing conditions within Aztec which meet the criteria for “blighted” area designation as defined by the Metropolitan Redevelopment Code (3- 60A-8). The conditions described in this report detail a combination of factors which “..substantially impairs or arrests the sound growth and economic health and well-being of a municipality or locale within a municipality or an area that retards the provisions of housing accommodations or constitutes an economic or social burden and is a menace to the public health, safety, morals or welfare in its present condition and use;”

The designation of the Aztec Metropolitan Redevelopment Area will assist the community in achieving the following goals:

- Elimination of detrimental public health and welfare conditions.
- Conservation, improvement and expansion of commercial building stock.
- Expansion of commercial activity
- Improvement and expansion of available housing.
- Improvement of economic conditions through coordinated public and private investments.

With the powers made available to municipalities by the NM Metropolitan Redevelopment Code, the City of Aztec will be working with the private sector to create opportunities for new housing, assist in preserving existing businesses in the area, expand the business community and implement public improvements and investments in the downtown Aztec area.

² Realtor’s association of New Mexico, 2014 Housing Report.

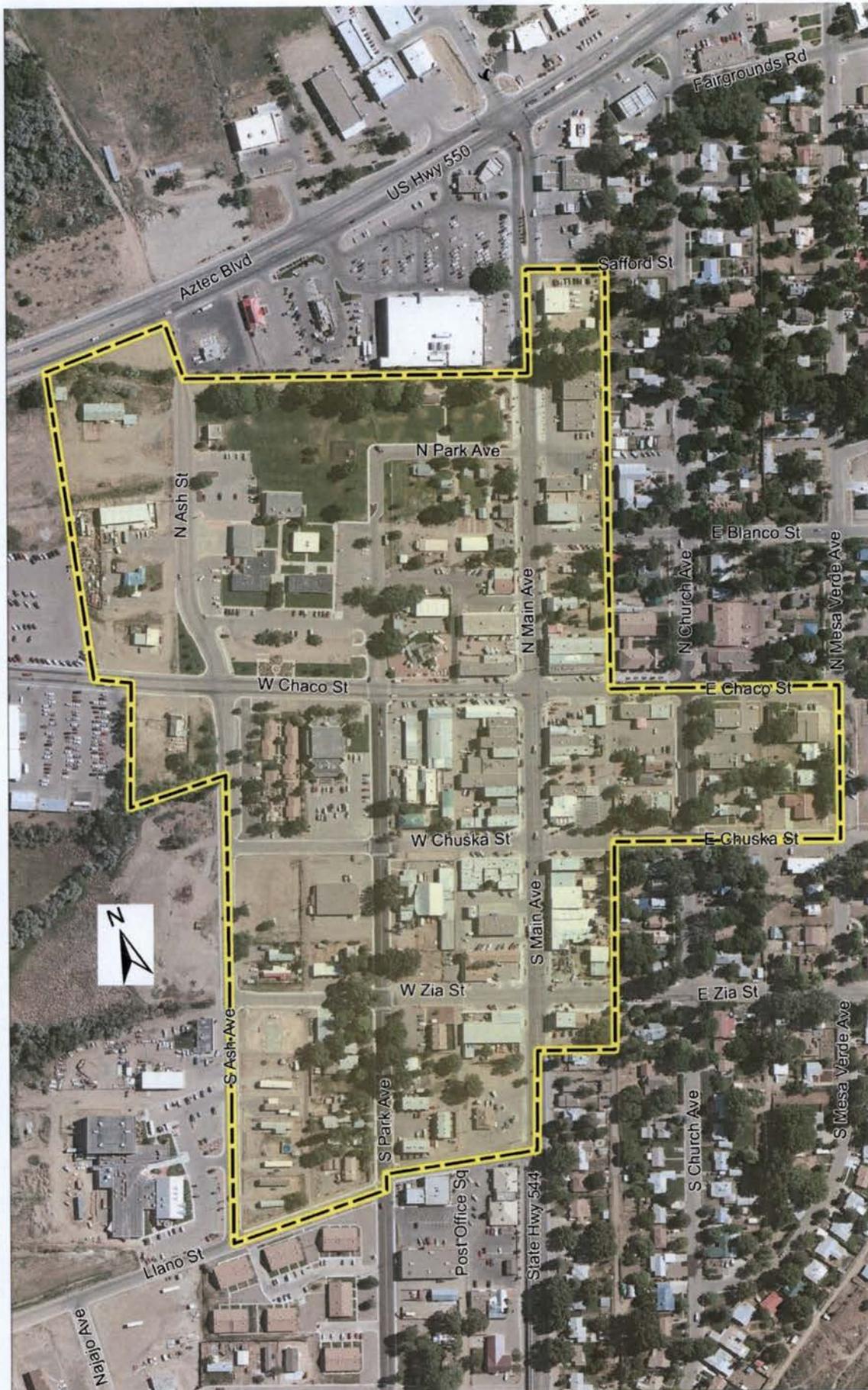


Exhibit B
Aztec MRA Boundary