

# Sell it to Kelly's Brewing

By Janice Bonfantine and David Campbell

Here's some good news from Nob Hill: the eyesore on Central called the Jones Motor Co. building is about to be rehabilitated. The better news is that it will be restored without spending a dime of taxpayer money. And the best news is that the Jones Motor Co. building will soon house a vibrant restaurant/brewery business that will make Nob Hill even better, will pay taxes and will contribute to the renaissance that has been Nob Hill's success story the last decade or two. Kelly's Brewing is buying the Jones building within the next several days. The owners will immediately begin spending hundreds of thousands of dollars to rid the site of hazards and begin the expensive renovation process. Within six months, Kelly's will welcome customers and clientele to its new restaurant and brew pub. Kelly's, which has been extremely successful in its current location, has outgrown its current leased space. The new location is just across the parking lot, an ideal situation and location for an already booming business. Kelly's is following in some big, successful footsteps. In 1985, the Pickel-Buel Partnership bought and redeveloped the down-on-its-heels Nob Hill Shopping Center. Today, the center houses many successful local businesses in an historically significant building, including the Montanita Food Co-op and Scalo's Restaurant. About the same time, a group of entrepreneur/investors bought the firehouse in Nob Hill. Hundreds of thousands of dollars later, the Monte Vista Fire Station has welcomed thousands to dine and be entertained inside a beautiful, historic building. "Renaissance" is French for "rebirth" – and Nob Hill is experiencing its rebirth along Route 66, the Mother Road. Nob Hill is being reborn with private money and risk-taking entrepreneurs, the American way.

Other examples of successful investment and private rehabilitation of historic buildings in Nob Hill abound:

Emack & Bolio's, Pick Up Your Toys, Vivace and the Hiland Theatre. Nob Hill has become a destination for those looking for an urban experience of pedestrian activity, dining and shopping.

The city's Nob Hill Sector Plan, developed in 1987, directs property owners and city officials to preserve historic buildings and develop the area with just the kind of uses that Kelly's proposes—a local retail, dining spot welcoming visitors to the area for dining, entertainment and shopping.

But Kelly's ambitious plans to revitalize the Jones building face a potential roadblock. Bernalillo County government wants to turn the would-be restaurant into a government building. It seems the county wants to provide cultural and recreational services within city limits, which directly compete with those offered by the city's Cultural and Recreational Services Department. The county has joined forces with a private, not-for-profit corporation, the Nob Hill-Highland Renaissance Corp., to acquire and manage the Jones Motor Co. building for neighborhood meetings and exhibit space for local artists.

County officials have promised to use government powers of condemnation to take the Jones Motor Co. building away from Kelly's if Kelly's refuses to sell. Once the county condemns the building, it will pay several million taxpayers' dollars for the property and its renovation.

Then, the county will donate, contract with or lease the building to the corporation for offices and special events spaces.

There are some interesting legal issues in this arrangement. First of all, New Mexico law requires that any such lease of a public building by a private or nonprofit entity be done by bid or proposal. There can be no pre-selection of a tenant or contractor without violating the state procurement code.

So far, the county has not announced or issued any requests for proposals for tenants, contractors or management services for the building. When it does, there will undoubtedly be dozens of entities bidding on the fabulous taxpayer-funded benefit the county is offering. The corporation will certainly not be the only bidder, and it may not even be the bidder offering the most return to the taxpayers.

When the lease or contract is offered by the county, the New Mexico constitution will also require that the tenant or contractor pay the market rate for rent or any governmental benefit received by the private entity. The county is prohibited from giving or donating public property to private entities or persons without receiving;

adequate consideration.

In the Nob Hill area, market rents for a 10,000-square-foot building are at least \$12 to \$14 per square foot per year. This means that just the monthly rents for the private or nonprofit entity leasing the building will be anywhere from \$12,000 to \$14,000 per month. Will the corporation or any other neighborhood association or nonprofit be able to afford those rents month in and month out? It seems unlikely.

Kelly's, on the other hand, will spend its own money :

to acquire and rehabilitate the Jones Motor Co. building. The business will employ 45 people or more. It will pay sales taxes to the city, county and state on every transaction. It will have the kind of business that will attract people from all over to dine and shop in the Nob Hill area.

In addition to the legal issues, there are some hefty policy questions brewing in the county's proposed condemnation.

Let's pretend for a moment that you're a corporate executive visiting Albuquerque to consider moving your business here. You want to know how business-friendly this town is. Then you read that the local government is filing a condemnation lawsuit against the historic property belonging to a private owner because it wants to give it to a neighborhood group instead. You'd be on the next flight out of here.

The county's neighborhood recognition ordinance says which neighborhood associations the county will and will not recognize. The nearest county-recognized neighborhood association is over 10 miles from the Jones Motor Co. building. None of the neighborhood associations in the vicinity of the building is recognized by Bernalillo County. Why is Bernalillo County so interested to provide a very expensive home for neighborhood associations whose existence it doesn't even recognize?

Will the county's "recognized" neighborhood associations in the unincorporated areas now request their own taxpayer-financed meeting spaces?

Finally, citizens should consider the appropriate role of local government and its awesome power of condemnation.

When government acts to build roads, jails, courthouses and sewer treatment plants, it is doing those things which we expect and require it to do in areas where engineering or land-use considerations require them. When a decision is made about such public institutions and facilities, it is being made for all. It is quite a different circumstance when a special interest group such as a non-profit corporation or a neighborhood association asks government to provide for it a taxpayer-financed home within its territory of special interest.

Should government wield such awesome authority so that one group of citizens gets a building rather than another group of citizens?

There are properties on Central Avenue east of Carlisle which would be available for the establishment of a community center or exhibit space.

Quite a few have been for sale and have no ready private buyers. The influx of government funds in an area where private funds haven't flowed may prime the pump for more and better development in the future. Nob Hill has become a vibrant and alive area, attractive to many in the community. People drive or walk to the area in the late afternoon or evening, do some shopping, have a meal and enjoy a bookstore, movie or dessert. Almost all of the Nob Hill businesses have an incentive to stay open late and attract evening customers. Kelly's will do that.

A government building in the heart of Nob Hill, however, will close its doors at 5 p.m. Whether it is staffed by county employees, volunteers or employees of a non-profit entity, there will be no particular incentive or need to keep the community center's doors open past 5 p.m. This does not contribute to the vibrancy or vitality of Nob Hill.

More good news and good brews will soon be enjoyed in the success story that is Albuquerque's Nob Hill district. Just like the Nob Hill Shopping Center and the Monte Vista Fire Station before it, the Jones Motor Co. building will soon be a renovated home to a lively business and a welcome sight to weary travelers on Old Route 66.

In the spirit of the Mother Road and the entrepreneurs who planted and grew their dreams on its roadside, Kelly's will continue that wonderful tradition.