

Raton MainStreet District Conditions Analysis and MRA Designation Report

July 23, 2015

Prepared by

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For the City of Raton, New Mexico and Raton MainStreet
As a part of the update to the Raton Downtown Master Plan

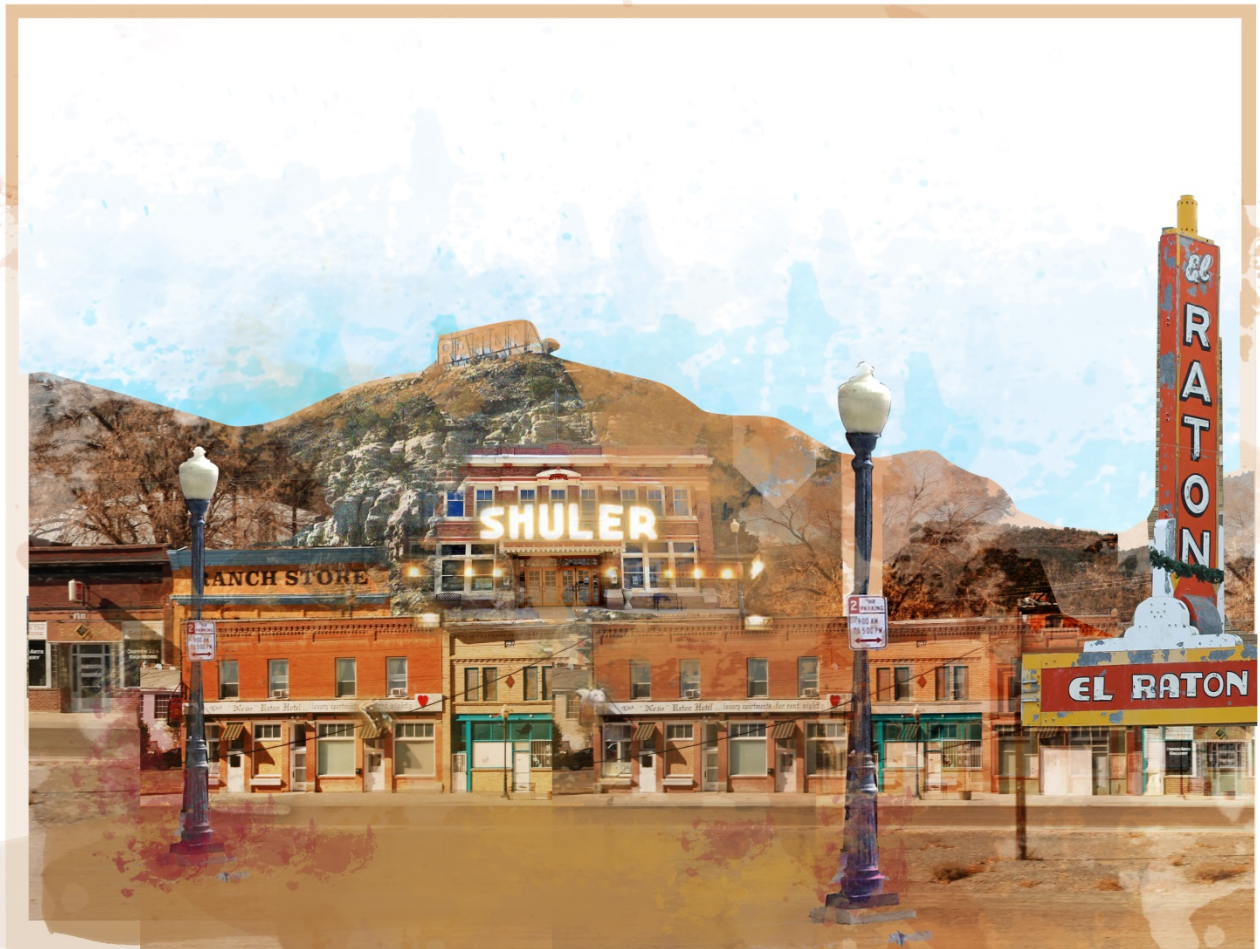


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I. Introduction

The City of Raton and Raton MainStreet have embarked on update to the City's 2009 downtown master plan. The Downtown Master Plan update includes designation of the downtown as a metropolitan redevelopment area to enable the City to assist and provide incentives for downtown development and redevelopment. The City has established downtown as an Arts & Cultural District. The redevelopment designation area boundary ("district") is the same as the Arts & Cultural District boundary as shown in Figure 1.

The State of New Mexico has a number of statutes that are intended to help municipalities in New Mexico promote economic development and redevelopment in areas where such activity is inhibited by a variety of factors. The Urban Development Law (§3-46-1 to §3-46-45 NMSA 1978), the Community Development Law (§3-60-1 to §3-60-37 NMSA 1978), and the New Mexico Metropolitan Redevelopment Code (§3-60A-1 to §3-60A-48 NMSA 1978) all enable municipalities to implement strategies and projects to eliminate blight. Because the Urban Development Law and the Community Development Law are closely associated with specific Federal renewal programs, the preferred approach for the City of Raton and Raton MainStreet accomplish goals for the Raton Arts & Cultural District is through the powers conferred by the Metropolitan Redevelopment Code.

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 impair or arrest the sound and orderly development" within the city. These powers can help reverse an area's decline and stagnation; however, the municipality may only use these powers within designated Metropolitan Redevelopment Areas.

Designation of a MRA is based on findings of "slum or 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 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.

A. ANALYSIS SUMMARY

The City of Raton in its Comprehensive Plan stressed the importance of Downtown . . . – the cultural and economic center of the City. The City has invested in streetscape improvements and owns key properties that now constitute redevelopment opportunities – the site of the former El Portal hotel, . . .

The City and Raton MainStreet have helped by securing funding for landscape improvements along 1st Street. The first project, creation of a multimodal facility adjacent to the Raton railroad depot will begin construction in summer 2015. Funding for design of streetscape improvements along three blocks of 1st Street has also been secured as part of the state’s first Great Blocks project. Concept designs are complete, and construction documents will be completed in summer of 2015. The City is constructing utility upgrades throughout downtown.

The analysis contained in the report shows that in spite of public investment and the work of Raton MainStreet, the following conditions exist that inhibit new development and redevelopment and have substantially impaired the sound growth of Downtown and, therefore, the economic health and well-being of the City of Raton as a whole.

Deteriorated or deteriorating structures, including a number of vacant buildings

There are __ vacant buildings in the study area. In addition, there are vacant lots where buildings have burned or collapsed. Of the property area in the study area, excluding public rights of way, __% is vacant lots, __% is vacant buildings, and __% is occupied buildings needing repair. This represents __% of parcels and __% of land area.

Deterioration of site or other improvements

The Raton Arts & Cultural district is home to excellent examples of late Victorian, Art Deco and late 19th century/early 20th century commercial, government, and cultural buildings. However, many of these buildings are vacant, and both vacant and occupied buildings need repair. Signs of neglect include peeling paint, faded signs, trash visible through storefront windows and similar. The disadvantage to lack of maintenance is not only that this creates a poor image of the study area. Exterior and interior damage caused by leaking roofs has put some buildings in danger of collapse. During the site visit for the downtown charrette, the project team heard stories of an existing business where inventory was damaged by the collapse of the roof at the rear of the building..

Diversity of ownership, which while typical of a downtown, makes coordinated redevelopment efforts difficult

The study area encompasses approximately 150 acres, not including public rights of way, and 728 parcels. There are over 600 separate owners. The smallest parcels are less than a tenth of an acre. The City is the largest landowner with 23 acres in 19 parcels. Within the Arts and Cultural District Phase 1 focus area are 166 parcels and 34 acres. There are 125 separate owners with an average holding of 0.27 acres. Again, the City of the Raton is the largest property owner, with 12 parcels totaling 7 acres. The large number of owner and small amount of property held by any single owner makes coordinated redevelopment difficult.

Low levels of commercial or industrial activity or redevelopment

The economic analysis shows low levels of commercial activity and the conditions analysis shows low levels of investment in redevelopment. A community economic assessment conducted by the Bureau of Business and Economic Research at the University of New Mexico found . . .

B. SUMMARY OF FINDINGS

The area within the boundary of the district and the subject of this designation report, is the City of Raton's downtown and has historically been the center of commerce for the City and the surrounding region. It is the City's civic center and its center of arts and culture. It also is home to some of the City's most significant historic buildings, with two registered historic districts encompassing the commercial core of downtown and surrounding historic residential areas.

According to existing City policies, including the City's Comprehensive Plan, the existing Downtown Master Plan and the Arts & Cultural District Plan, the downtown area should be a walkable, mixed use district with an attractive mix of commercial, civic, residential and arts and cultural activity. Downtown has a particularly significant role to play as an arts and cultural district that provides entertainment for locals, regional residents and visitors.

Physical conditions of many downtown properties have impaired and arrested the sound growth of downtown and the economic health of the City as a whole. The presence of so many vacant buildings and vacant lots in the heart of the City is a detriment to the City's fiscal well-being and to the ability of the City to meet the needs of its residents.

In spite of supportive policies and public investment the City's historic theaters and in parks and streetscape improvements, there is evidence of declining private investment and decreasing economic activity.

The following analysis demonstrates that there exists a combination of factors that contribute to blight in the study area. The redevelopment and development of the study area is necessary in the interest of the welfare of the residents of the municipality. The powers granted to municipalities in New Mexico through the Metropolitan Redevelopment Act are intended to enable municipalities to promote economic activity in areas like the study area, where growth and development is hindered by physical and other conditions. Based on the findings of the designation report, a

development/redevelopment plan should be carried out to aid in the elimination and deterrence of blight.

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II. Boundary of the Study Area

The boundaries of the study area are the same as the boundaries of the Phase 1 area of the Arts & Cultural District, as shown in Figure 1. The northern boundary is Parsons Avenue and North 2nd Street; the east boundary is North 1st Street and the railroad tracks; the south boundary is Galisteo, and the west boundary is mid-block west of Third Street. This area includes most of the historic commercial buildings in the Arts and Cultural District and is the focus of the highest priority projects for the Arts and Cultural District.

FIGURE 1. STUDY AREA BOUNDARY



LEGEND

- ACD Boundary, Phase 1
- ACD Boundary

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III. Existing Conditions Assessment

C. CITY POLICY

Several City documents lay out policies for the MainStreet district and identify needs and redevelopment goals. These documents recognize the importance of downtown to the City's identity, culture and economic well-being.

RATON COMPREHENSIVE PLAN, 2003.

The Comprehensive Plan is more than 10 years old, but it recognizes downtown's architecture and the contribution of the downtown and historic district to the City and region's tourism economy.

While all of the Comprehensive Plan goals affect downtown as an integral part of the community, there are some that are specific to downtown. Goals related specifically to the downtown include:

Economic Development Goal 1: Diversify the City's economy by attracting, promoting, and supporting stable and sustainable industries.

Objectives:

- Work with the Raton Chamber of Commerce on recruiting new retail businesses and growing existing businesses.
- Coordinate with the State Department of Economic Development on promoting job opportunities in Raton.
- Explore regional economic development opportunities with other communities, counties and organizations.

Economic Development Goal 2: Promote and support tourism in Raton.

Objectives:

- Maintain the Historic District by creating an historic overlay zone that includes design standards and controls, and coordinate with the Historic Downtown Merchants Association.
- Develop a brochure that highlights the City's cultural, historic and recreational assets.

- Design and develop gateways to Raton that welcome visitors to the City
- Develop an overall signage program that directs visitors to community attractions
- Encourage the remodel, repair, rehabilitation and use of older historic buildings in order to maintain the character of the community.
- Promote “tourist magnet” type businesses (i.e. galleries, book stores, museums, walking tours, etc.) to the Central Business District.

Land Use Goal 3: Recognize the Historic District as a community asset.

Objectives:

- Expand the Historic District to include the area to the south.
- Rezone the Historic District and develop a design overlay zone with development and design standards specifically geared toward preservation.

Parks, Recreation and Community Facilities Goal 1: Provide a diversity of passive and active recreational activities and opportunities for all residents, regardless of age.

Objectives:

- Develop new community facilities, and maintain and expand existing facilities such as the Raton Convention Center, Municipal Pool, Arthur Johnson Memorial Library, senior centers and community centers.

Community Character Goal 1: Enhance the appearance of the City by promoting façade improvements and maintenance of existing commercial buildings.

Objectives:

- Work with the State on Main Street and Façade Beautification programs to assess feasibility of establishing such programs in Raton.

Community Character Goal 3: Maintain a wide variety of arts programs and promote Raton as an art community.

Objectives:

- Work with the local arts community on establishing a series of arts related festivals (music, film, multi-ethnic)
- Promote cultural tourism by improving and supporting the Arts and Education Museum, Shuler Theater, Amphitheater, Arts and Humanities Council and the Whited Foundation.

- Coordinate with the State Department of Tourism on marketing Raton as an arts community in Northeast New Mexico.
- Study the feasibility of developing a public arts program that would allow local artisans to display their work in public places.

Transportation Goal 1: Provide a multi-modal transportation system that enhances the community and supports the safety of residents

Objectives:

- Provide sidewalks to connect neighborhoods, trails, parks and community facilities.
- Work with Amtrak in order to maintain the existing Burlington Northern Santa Fe line to Raton and explore the feasibility of acquiring the train depot for development of an intermodal center.
- Coordinate with [NMDOT] regarding signalization, signing, striping, speed limits and traffic flows through the City.
- Coordinate with [NMDOT] to maintain rights of way on State and Federal roadways as they traverse the City of accommodate non-vehicular traffic, pedestrians, and emergency vehicles.

Transportation Goal 2: Maintain the integrity of existing neighborhoods and residential areas through improvements to existing transportation systems.

Objectives:

- Mitigate existing transportation impacts through signalization, signage, and appropriate traffic speeds.
- Study the need for traffic calming devices such as cross walks, traffic signals, stop signs, and yield signs on residential streets and the historic district.

The City has accomplished a number of the goals related to downtown through Raton MainStreet, including the designation of a MainStreet district, recognition and preservation of historic structures, and landscape improvements. However, in spite of these policies and action, the district has not rebounded economically.

RATON ARTS AND CULTURAL DISTRICT CULTURAL PLAN, 2011

The Arts and Cultural District Plan documented the history of Raton’s economic decline since 1990. The closing of La Mesa Park racetrack in 1992 and the opening of a Walmart in Trinidad are cited as recent reasons for the decline of tourism and retail jobs during the past 25 years. The plan identifies the need for additional retail and small businesses in downtown.

The proposed boundaries of the MRA are the Arts and Cultural District (ACD) boundary. The Plan identifies a phase one focus area in the core of downtown, as shown in Figure 1.

D. ZONING

Downtown zoning districts include C-1 (Central Business District), C-2 (General Commercial District) and R-O-I (Residential, Office, Institutional), as shown in Figure 2.

The C-1 Central Business District, which extends from Savage on the north to Rio Grande on the south and from 1st Street on the east to 3rd Street on the west, is designed to encourage development that is similar to the existing historic district, with no lot area or setback requirements, no off-street parking requirements and no restrictions on lot coverage. Living quarters are allowed on second stories and above in commercial buildings, and building height is set at 60 feet maximum from the highest adjacent grade.

The C-2 General Commercial District allows residential and commercial uses, including multi-family residences. Maximum lot coverage is 60% and maximum height is 45 feet. Off-street parking is required.

The R-O-I Residential, Office and Institutional District is designed to accommodate the historic mix of uses in the residential mixed-use neighborhoods adjacent to downtown on the west and south. Permitted uses include residential up to multi-family and a variety of business and personal services and institutions, as well as small retail shops that occupy less than 2,500 square feet. This district has a minimum lot size of 6,000 square feet for single family, office and institutional and 4,000 square feet for multi-family residential. Maximum lot coverage is from 30 to 50%, depending on use, and maximum height is 35 feet. Off-street parking requirements apply.

E. PHYSICAL CONDITIONS

The following section describes the physical conditions in the downtown.

Figure 4 at the end of the section maps out vacant parcels and buildings. There are also sites that include large parking lots or in other ways could be more fully developed to create a more compact downtown.

1st Street runs along the west side of the railroad tracks. On the east side of *1st Street* are the Santa Fe Depot, Old Pass Gallery, and two small commercial buildings. A portion of the area north of the depot will be developed as a multimodal center with landscaping and amenities to serve as a transfer point between the multiple modes of travel that converge in downtown – train, Greyhound bus and autos. Historic commercial buildings line the west side of the street. The City, through a grant from New Mexico MainStreet, will be making significant streetscape improvements along first as the state's first Great Blocks project.

2nd Street or I-25 Business Route serves as a major transportation corridor from the southern interstate exit to the northern interstate exit. *2nd Street* through downtown is part of the Santa Fe Trail National Scenic Byway. Historic commercial buildings and the City's two historic theaters are located along *2nd Street*.

3rd Street is a more mixed commercial and residential street. The historic Colfax County Courthouse is located on *3rd Street*, along with several churches.

BUILDING AND SITE CONDITIONS

A field survey was conducted in May of 2015 to document existing conditions in the commercial core of downtown, which is bounded by Savage Ave. on the north, Rio Grande on the south, First Street and Third Street. Photo documentation of existing buildings with notations of occupancy and general building condition that could be observed from the street. As shown in Figure 4, there are a significant number of vacant commercial buildings within the commercial core area, and of those commercial buildings that are occupied, approximately half need repairs.

A total of 90 buildings in the commercial core were inventoried. Of those 30 were occupied and in good condition, based on the appearance of the front of the building, 23 were occupied but in need of repair, 29 were vacant, and 8 were partially occupied multi-tenant buildings.

Interviews with tenants and comments at public meetings indicate that there are concerns about the structural condition of buildings, some of which have leaking roofs or other conditions contributing to deterioration of the structures.

FIGURE 3. VACANT BUILDINGS



FIGURE 4. BUILDING OCCUPANCY AND BUILDING CONDITION



MAP 2

Building Conditions

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The photos below illustrate the conditions of vacant and deteriorating buildings and vacant lots.



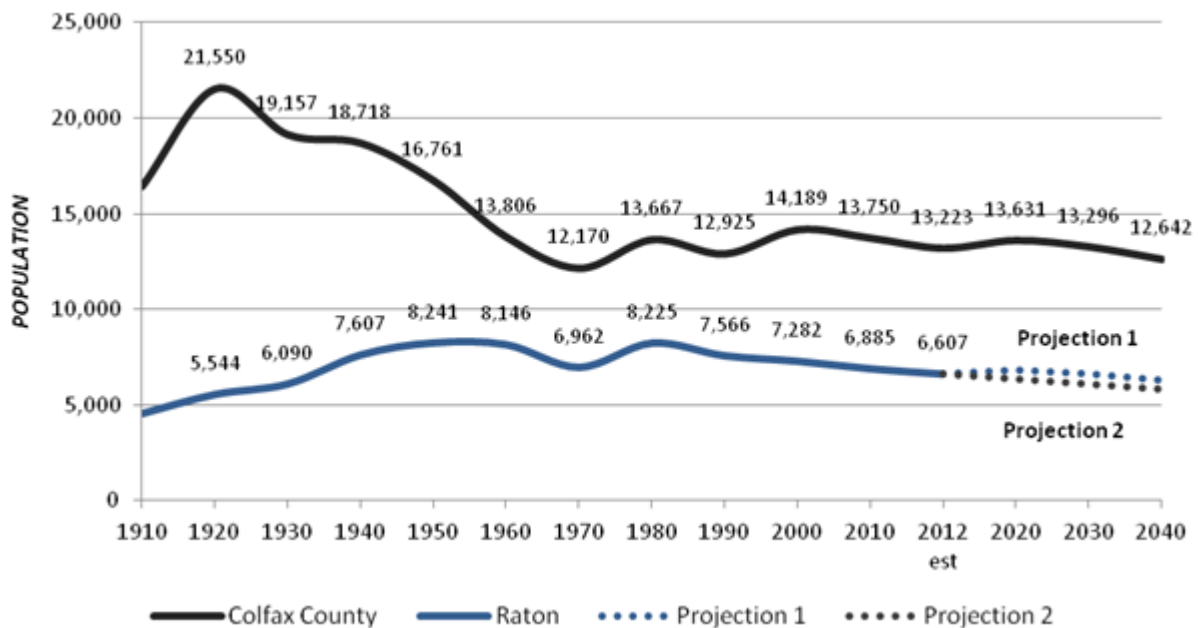
F. ECONOMIC CONDITIONS AND TRENDS

The University of New Mexico Bureau of Business and Economic Research (BBER) conducted a community economic assessment of Raton MainStreet in 2006, and a market study was included in the 2009 Downtown Master Plan. The community economic assessment and the market study made the following observations about Raton and the area within the MainStreet boundary.

THE CITY OF RATON AND THE REGION

The Community Economic Assessment noted Raton’s population decline, which has continued in the decade since the economic assessment was completed. The County’s population increased from 1990 to 2000 but has declined since. Projections prepared by the BBER for all counties in the state indicate that the County’s population will remain stagnant into the future. The estimated population in 2012 was 6,607 in the City of Raton and 13,223 in Colfax County.

Given BBER’s projections for Colfax County and historical population trends in Raton, two projections are provided to show the likely future without positive intervention on the part of local government, as well as MainStreet and local economic development organizations. **Projection 1** assumes that Raton will maintain its current share of Colfax County’s population, which is approximately half of the County’s entire population. Under this projection, Raton will remain fairly steady until 2030, when it will decline slightly to approximately 6,300 residents. **Projection 2** relies on an exponential growth model that assumes that Raton’s growth rate will follow recent historical trends and have a smaller share of Colfax County’s population in the future. This projection shows a gradual decline in population to approximately 5,839 people in 2040.



Source: US Census

The assessment noted a trend in loss of working age adults and in migration of retirees. As a result, per capita incomes are low compared to New Mexico, and a large share of Raton's households depends on fixed incomes, including Social Security and retirement benefits.

The economic assessment reported that weaknesses in Raton's economy were most notable among various amenity sectors. Gross receipts from food services and drinking establishments declined in spite of the town's location on I-25. Arts and entertainment also showed significant weakness. The assessment noted that these weaknesses created opportunities in those sectors, given strength in the accommodation sector and tourism.

THE MAINSTREET DISTRICT

MainStreet District businesses accounted for 20% of all of Raton's businesses and 13% of the town's employment. During the time period covered by the economic assessment, downtown's employment declined slightly as a share of the City's businesses.

The composition of downtown employment was balanced, but there were significant decreases in hospitality jobs downtown. The loss of these jobs was offset by increases in finance, insurance and real estate; administration; and professional and educational services.

Downtown's total employment has remained relatively stable, but downtown's role is shifting from amenity based jobs that benefit from or support tourism to administrative and service jobs. While the total number of jobs in downtown has been stable, one-third of ground floor commercial space is vacant. A significant increase in jobs is needed to fill vacant buildings, along with conversion of second floor and above spaces to residential. Amenity based jobs and continued increases in services are opportunities to improve downtown employment and commercial occupancy.

In spite of the low level of economic activity in downtown, and the indicators of economic decline, there are opportunities associated with the City's role as a commercial center for the region and a tourist attraction based on downtown's exceptional Victorian era buildings and cultural and historical amenities. In addition, downtown has existing and potential pedestrian links to the network of trails in Climax Canyon Park and to trails, the interpretive garden, the Aquatic Center and other facilities in Roundhouse Park. Designation of the MainStreet district as a Metropolitan Redevelopment Area would enable the City to actively invest in ventures that could improve local economic conditions and put downtown's historic resources to productive use.

IV. Findings

G. ANALYSIS SUMMARY

The City of Raton in its Comprehensive Plan, the 2009 Downtown Master Plan and the Arts & Cultural District Plan stressed the importance of Downtown as the cultural and economic center of the City. The City has invested in streetscape improvements which are being designed and/or constructed.

The analysis contained in the report shows that in spite of public investment and the work of the City and Raton MainStreet, the following conditions exist that inhibit new development and redevelopment and have substantially impaired the sound growth of Downtown and, therefore, the economic health and well-being of the City of Raton and the entire region.

Deteriorated or deteriorating structures, including a number of vacant buildings

There are 29 vacant and eight partially vacant buildings in the study area. In addition, there are 23 occupied buildings in need of repair and vacant lots where historic structures have collapsed or burned. According to participants in public meetings and interviews, some buildings are deteriorating because of leaking roofs or other structural problems that may not be visible from the street. Out of 90 buildings, only one-third are occupied and appear to be in good condition.

Deterioration of site or other improvements

Building facades are generally maintained in decent condition, but there has been little recent obvious investment in older buildings. During interviews and public meetings, people who are familiar with downtown noted that buildings have deteriorating roofs and structures, even if the façade is maintained. There are signs of neglect, including peeling paint, faded signs, and similar. This creates a poor image of the study area.

Diversity of ownership, which while typical of a downtown, make coordinated redevelopment efforts difficult

The study area encompasses approximately 150 acres, not including public rights of way, and 728 parcels. There are over 600 separate owners. The smallest parcels are less than a tenth of an acre. The City is the largest landowner with 23 acres in 19 parcels. Within the Arts and Cultural District Phase 1 focus area are 166 parcels and 34 acres. There are 125 separate owners with an average

holding of 0.27 acres. Again, the City of the Raton is the largest property owner, with 12 parcels totaling 7 acres. The large number of owner and small amount of property held by any single owner makes coordinated redevelopment difficult.

Low levels of commercial or industrial activity or redevelopment

The economic analysis shows low levels of commercial activity and the conditions analysis shows low levels of redevelopment. Recent studies note the decline in tourism oriented and retail employment in Raton. The BBER Community Economic Assessment noted that from the period from 1995 to 2004, there were significant losses in health care and social assistance, hospitality and retail trade jobs in the MainStreet area. The economic assessment recommended an emphasis on businesses such as restaurants and drinking establishments and arts and entertainment venues. The Shuler Theater and El Raton provide entertainment options in downtown, but there is still a lack of restaurants and drinking establishments.

H. SUMMARY OF FINDINGS

The area within the boundary of the proposed Metropolitan Redevelopment Area and the subject of this designation report, is downtown Raton, which has historically been the center of commerce for the City and the surrounding ranches and small communities. It is the City's civic center and its center of arts and culture. It also is home to some of New Mexico's most significant historic buildings. The recently expanded downtown historic district contains 78 contributing buildings.

According to existing City policies, including the City's Comprehensive Plan and its Arts and Cultural District Plan, the downtown area should be a walkable, mixed use district with an attractive mix of commercial, civic, residential and arts and cultural activity. The downtown should present an opportunity for amenities, goods and services that are oriented to tourism and capitalize on the arts and entertainment amenities within downtown. However, the downtown has lost almost all jobs in those categories over the past 20 years.

Physical conditions of many downtown properties have impaired and arrested the sound growth of downtown and the economic health of the City as a whole. The presence of so many vacant buildings in the heart of the City is a detriment to the City's fiscal well-being and to the ability of the City to meet the needs of its residents. Even when a building is occupied, poor building condition may be a detriment to the tenant business.

In spite of supportive policies and public investment in parks, streetscape improvements and entertainment, there is evidence of declining private investment and decreasing economic activity or redevelopment. Over the past ten years, restaurants have virtually disappeared from downtown.

The analysis demonstrates that the property included in the analysis exhibits a combination of factors that contribute to blight in the study area. The redevelopment and development of the study area is necessary in the interest of the welfare of the residents of the municipality. The powers granted to municipalities in New Mexico through the Metropolitan Redevelopment Act are intended to enable municipalities to promote economic activity in areas like the study area, where growth and

development is hindered by physical and other conditions. Based on the findings of the designation report, a development/redevelopment plan should be carried out to aid in the elimination and deterrence of blight.

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