



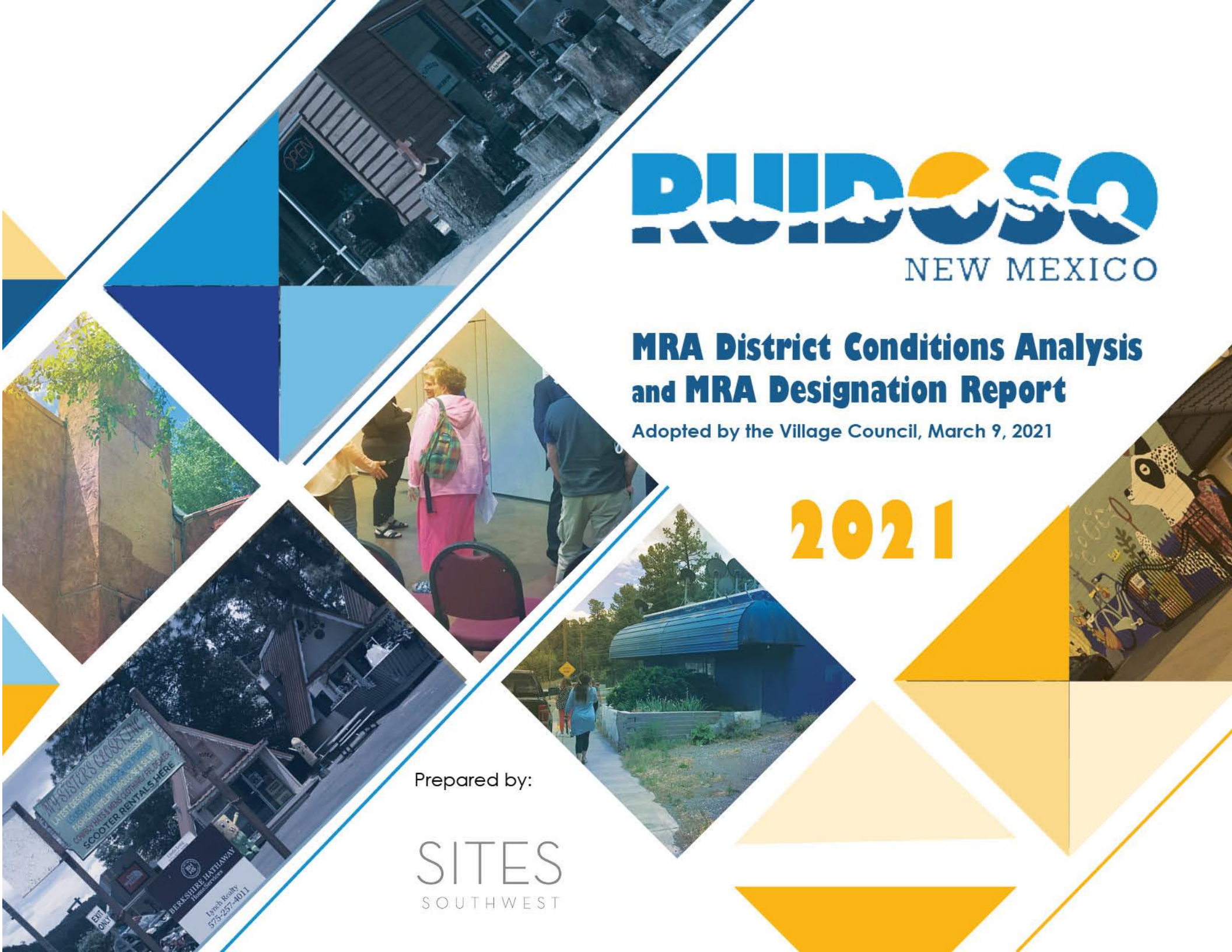
MRA District Conditions Analysis and MRA Designation Report

Adopted by the Village Council, March 9, 2021

2021

Prepared by:

SITES
SOUTHWEST



VILLAGE OF RUIDOSO
RESOLUTION NO. 2021-13

**METROPOLITAN REDEVELOPMENT AREA DESIGNATION:
MAKING CERTAIN FINDINGS AND DETERMINATIONS PURSUANT TO
THE METROPOLITAN REDEVELOPMENT CODE,
AND DESIGNATING THE VILLAGE OF RUIDOSO 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 determine the area to be a blighted area and designated the area as appropriate for a metropolitan redevelopment project."; and

WHEREAS, the Village of Ruidoso ("Village"), Ruidoso Midtown Association, and New Mexico MainStreet and its employees, have for some time engaged in a study of blighted areas within the Sudderth Corridor, and have submitted their findings and recommendations concerning the area detailed in the Designation Report which was included in packets for the March 9, 2021 Village Council meeting, a copy of which is attached hereto as Exhibit B; and

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

WHEREAS, the boundaries of the Village of Ruidoso Sudderth Corridor Metropolitan Redevelopment Area are explicitly delineated on Exhibit A; and

WHEREAS, the Village Council 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:

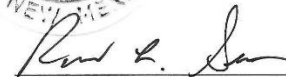
1. The Village Council finds and determines that within Sudderth Corridor there are many deteriorated and deteriorating structures, sites and other declining improvements, unsafe conditions, a lack of adequate housing, and low levels of commercial activity, including closed and vacant businesses, that substantially impair and arrest the sound growth and economic well-being of the area and the Village.
2. The Village Council finds and determines that this blighted 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 a Sudderth Corridor Metropolitan Redevelopment Area.

3. The Village Council designates the boundaries of the Sudderth Corridor Metropolitan Redevelopment Area to be as delineated on Exhibit A.
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 Village Council 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 9th day of March 2021




Ronald L. Sena, Village Clerk



Lynn D. Crawford, Mayor

Exhibit A: MRA Boundary
Exhibit B: MRA Designation Report

Acknowledgements

Mayor

Lynn D. Crawford

Village Council

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Councilor Dr. Gary Jackson

Councilor Joseph W. Eby

Councilor Tim Coughlin

Councilor Susan Lutterman

Councilor John Cornelius

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Ron Sena, Municipal Clerk

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Clayton Alred

Becky Brooks

Cecile Kinnan

Charles Meeks

James Russ II

Nathan Thomas

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Kendra King, RMA and Vice President of Ruidoso MainStreet

Steven Gomez, Cornerstone Bakery

Lane Adams, City Bank

Curtis Williamson, Schlotzky’s

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Introduction

The Village of Ruidoso and the Ruidoso Midtown District have embarked on an assessment of the commercial corridor along Sudderth Drive, which includes Ruidoso's MainStreet area and the gateway areas on either side leading into the MainStreet district. The goal of this report is to assess the area for designation of a Metropolitan Redevelopment Area (MRA). If so designated, a MRA plan will be completed for the designated district. The purpose of the Metropolitan Redevelopment Plan (MRA Plan) is to promote economic development in the Midtown district and the adjacent commercial districts that are the gateways into Midtown. The plan will provide opportunities for rehabilitation or redevelopment of designated areas by private enterprise. Commercial areas that are underperforming can benefit from the public investments that are enabled by the Metropolitan Redevelopment Code.

The plan for this area began with an assessment of the area, to assess the potential to designate deteriorating and economically stagnant areas of the corridor as an MRA. This designation will enable the Village to acquire property, invest in business improvements and provide incentives to stimulate productive use of the properties in these areas. Designation of an MRA enables the use of tax increment financing and metropolitan redevelopment bonds to finance public improvements in the MRA.

The New Mexico Metropolitan Redevelopment Code (§3-60A-1 to 3-60A-48 NMSA 1978) provides municipalities in New Mexico with the powers to correct conditions in areas or neighborhoods 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 (MRAs).

Designation of an 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 both physical 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.

Analysis Summary

The Village Comprehensive Plan stresses the importance of tourism to the local economy and the importance of the Midtown District and the Sudderth Drive commercial corridor as the economic center of the Village. Of particular importance are the “gateways” or entrances into the Midtown District from the east and west along Sudderth. The Village owns key properties along the corridor, which either already contribute or have the potential to contribute to the success of the corridor, including improving the visitor experience.

The analysis shows of the MRA shows that in spite of investment in public improvements and the work of the Midtown Association, the following conditions inhibit new development and redevelopment and have substantially impaired the sound growth of this commercial corridor, and therefore, the economic health and wellbeing of the Village and one of its most important economic sectors.

Deteriorated or deteriorating structures, including many vacant buildings

The Village of Ruidoso depends on a thriving commercial district to support its tourism-based economy. Within the corridor are vacant and occupied structures that are deteriorating because of a lack of investment. Even some occupied buildings have deteriorating facades and foundations. Signs of deterioration include boarded up windows, peeling paint, crumbling or poorly patched stucco, crumbling foundations, and deteriorated wood features.

Deterioration of site or other improvements

Deterioration of site or other improvements include crumbling asphalt parking lots, neglected landscaping, weeds, deteriorating retaining walls and cracked and broken sidewalks and steps,

Diversity of ownership

Diverse ownership of the properties within the study area, while typical of a commercial district like this one, makes coordinated redevelopment efforts difficult without a lead entity, like the Village, with the ability to adopt policy for the entire area.

Low levels of commercial or industrial activity or redevelopment in key areas of the corridor

There are 35 properties that are currently for sale or rent. Some buildings are vacant, and stores are closed, threatening the continuity of business activity along the corridor. A lack of investment in these properties is contributing to deteriorating conditions along the corridor and creating pockets of inactivity and neglect. There are also well-maintained buildings that are not for sale or rent but have been vacant or businesses have been closed for a year or more.

Summary of Findings

The area along Sudderth Drive that is the subject of this designation report encompasses the Midtown District and commercial corridors on either side is the nucleus of retail activity that supports Ruidoso’s tourism economy. The economic health of this district is critically important to the Village of Ruidoso and the surrounding region.

The Midtown Association is a designated MainStreet organization, employing the tools of the state and national MainStreet programs to accomplish its mission. The mission of the Midtown Association is to strengthen the downtown as the center of Ruidoso through organization, promotion, design, and economic vitality.

The Village’s role is to support the Midtown District through public improvements, tourism promotion. economic development activities. Village policies and programs support local businesses, a

diverse local economy, desired land use patterns, code compliance, building renovation and property redevelopment.

In spite of the efforts of the Midtown Association and the Village of Ruidoso's public investments and supportive policies, there is evidence of a lack of private investment and concerns about the economic health of the district illustrated by vacant buildings and buildings for sale.

The following analysis demonstrates the combination of factors that contribute to blight in the study area. The redevelopment and development of the area is necessary in the interest of the residents

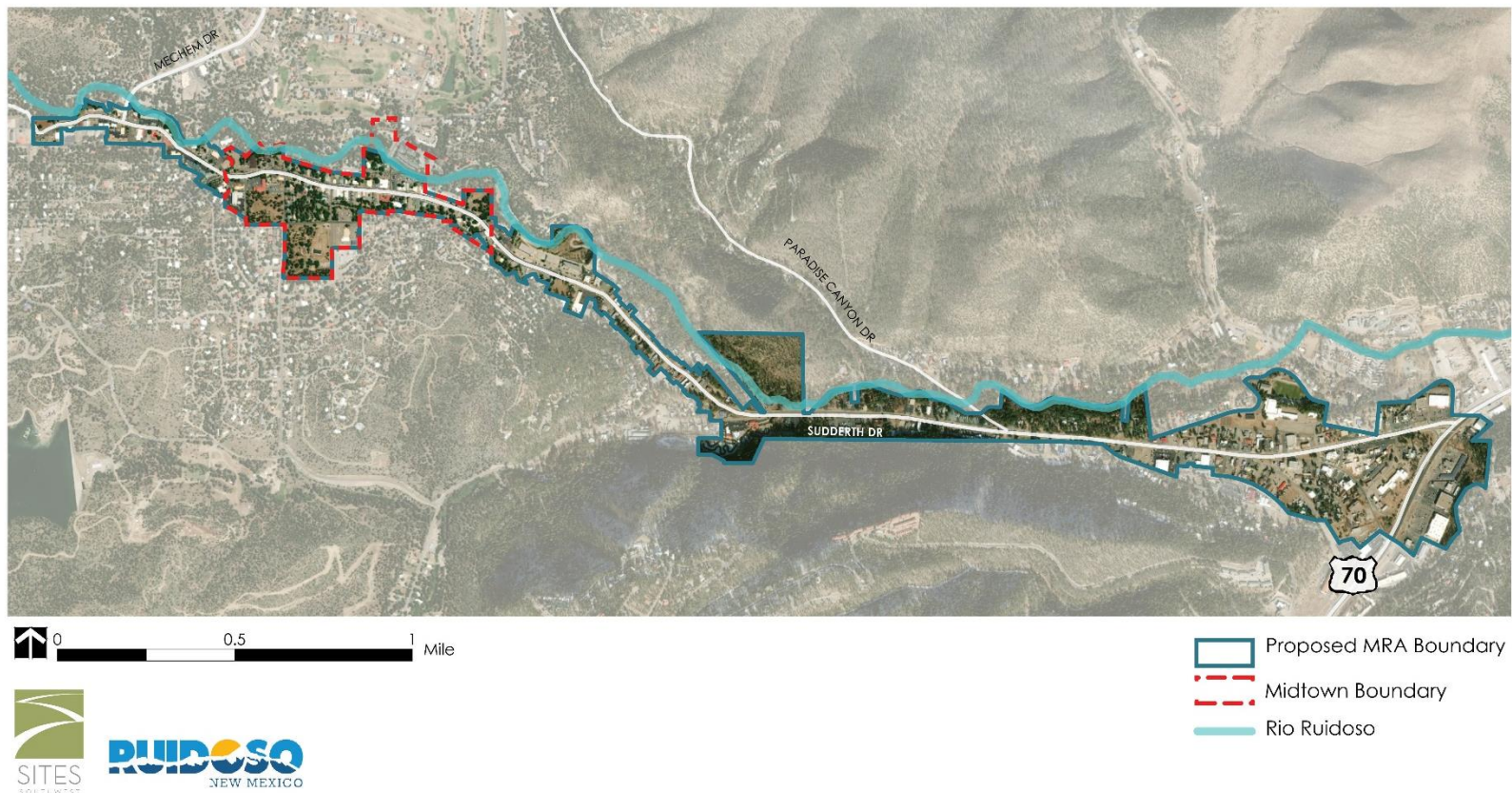
of Ruidoso. The powers granted to municipalities in New Mexico through the Metropolitan Redevelopment Act are intended to enable municipalities to promote economic activities in areas like this, where growth and development is hindered by physical and other conditions. Based on the findings of the designation report, a development/redevelopment plan that lays out opportunities for public and private investment in the district should be carried out to aid in the elimination and deterrence of blight.

Boundary of the Study Area

The boundary of the study area includes properties on both sides of Main Rd. and Sudderth Drive and extends from the traffic circle at Main Rd. and D Street on the west to the Y intersection of Sudderth and US 70 on the east. The study area, the Midtown District and the MRA boundary are shown in Figure 1.

This area includes the Sudderth frontage in the Midtown District and the commercial districts to the east and west that comprise the gateways into the Midtown District. The Midtown District, which is the Village's certified MainStreet area, is outlined in red.

Figure 1. MRA Boundary Map



Existing Conditions Assessment

Village Policy

The creation of an MRA and development of a Metropolitan Redevelopment Plan meets a Village of Ruidoso Strategic Plan goal to complete a plan to promote economic development in the Midtown district and its gateways. The plan and subsequent actions will help meet Comprehensive Plan Goal 5.2 to “prevent property from experiencing extended periods of vacancy or neglect.”

The Village of Ruidoso Strategic Plan 2020-2021 calls for two components:

1. Review the Midtown district and adjacent commercial districts to determine areas that meet the criteria for designation as Metropolitan Redevelopment Areas.
2. Develop an MRA plan for areas that are determined to be suitable for Metropolitan Redevelopment Area designation.

This designation report is the first component of the effort to create a plan for a Metropolitan Redevelopment Area.

Zoning

The study area is zoned for commercial use, as shown in Figure 2 and Figure 3. Some properties along Sudderth Drive within the Midtown are zoned C-3, which allows for dense commercial development and a residential apartment in a commercial structure. The corridor to the east and west of Midtown is zoned C-2 and C-3, which allows community scale commercial uses. A small portion of the corridor at River Crossing at Ruidoso is zoned PUD, Planned Unit Development.

Land uses are predominantly commercial. The comprehensive plan recommends that residential uses be allowed in the commercial districts to facilitate mixed-use development and apartments.

Figure 2. Zoning Map (West)

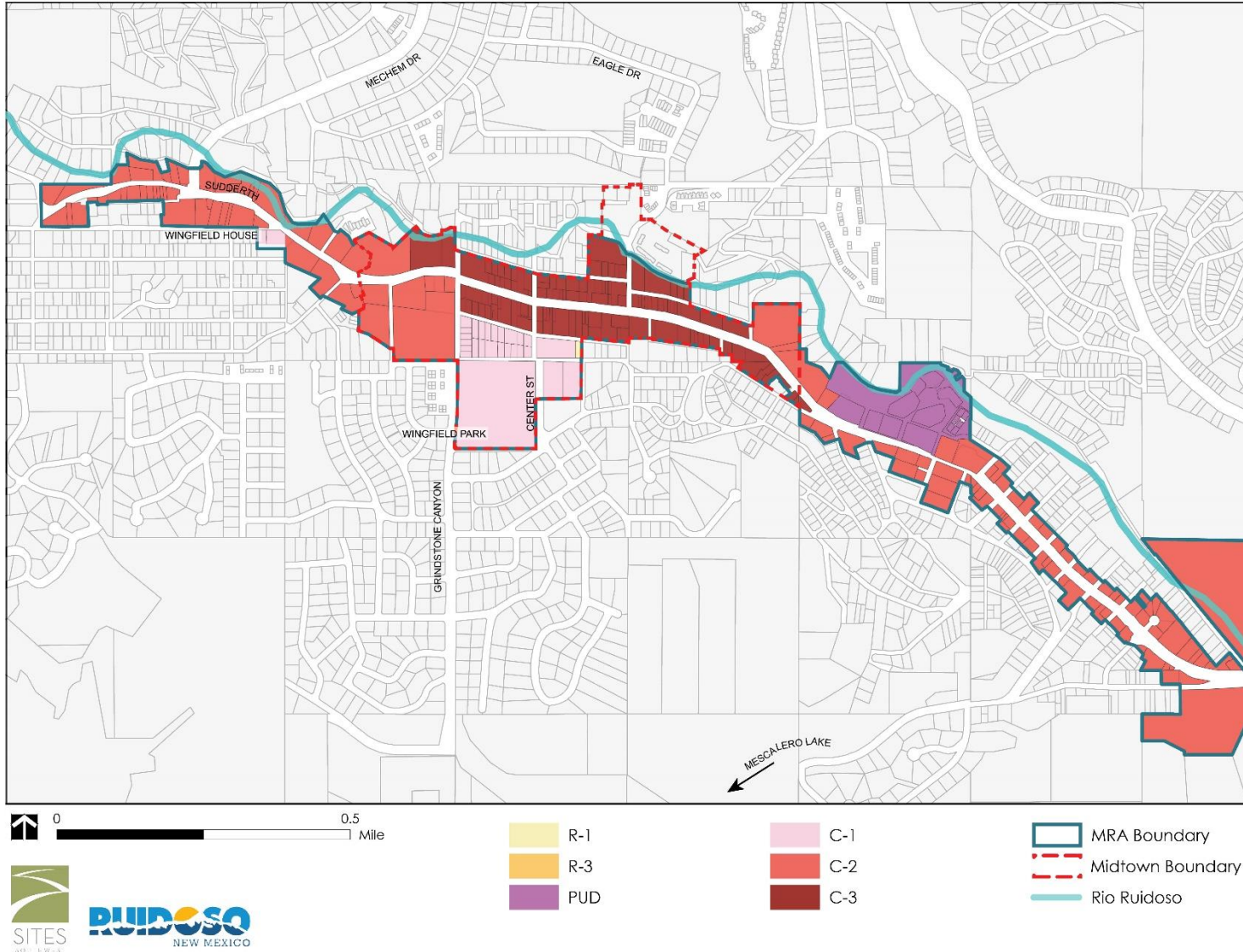
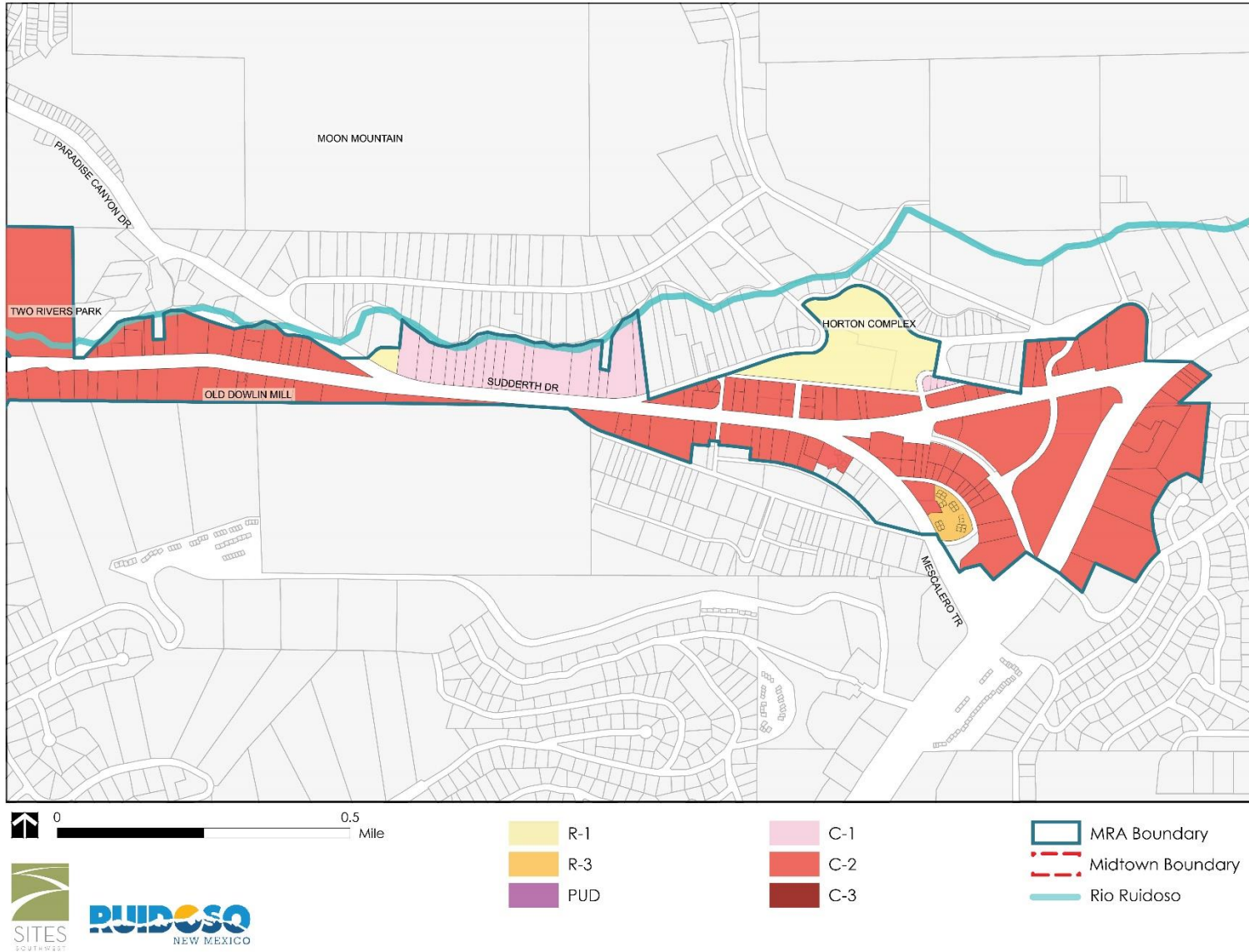


Figure 3. Zoning Map (East)



Physical Conditions

Building and Site Conditions

A field survey was conducted in June 2020 to document existing conditions along the Sudderth corridor, which is bounded on the west by the traffic circle at Main Road and Sudderth Drive and on the east by the Y at Sudderth Drive and US 70. Photo documentation was supplemented with notes on occupancy, general building condition, and site conditions on a parcel map of the study area. The field survey documented conditions that could be observed from the street. Many properties along the corridor, some of which are occupied, are for sale or rent. Other businesses have closed, but the properties are not for sale.

The site survey identified the following conditions:

- Deteriorated site conditions, such as parking lots, retaining walls, weeds, and other site features in poor condition
- Deteriorated or broken sidewalks making it difficult for pedestrians to access or pass by the site
- Deteriorated or dilapidated buildings based on external appearance.
- Property tagged by the Village Clean and Lien Program
- Vacant land and buildings

A total of 482 properties with addresses are in the study area.

- 215 properties are in good condition.
- 88 properties have some level of site deterioration. These include properties where improvements within the public right of way, such as sidewalks, need attention.
- 15 properties are deteriorated or dilapidated. Two of the dilapidated properties have been tagged by the Clean and Lien Program.

Some of the properties have more than one of these conditions. The property is identified by its most serious condition, from minor site deterioration to deteriorated and dilapidated. The results of the conditions inventory are shown in Figure 4 and Figure 5.

Following the maps are photographs that illustrate the deteriorated buildings and sites and closed businesses along the corridor.

Figure 4. Building and Site Conditions (West)

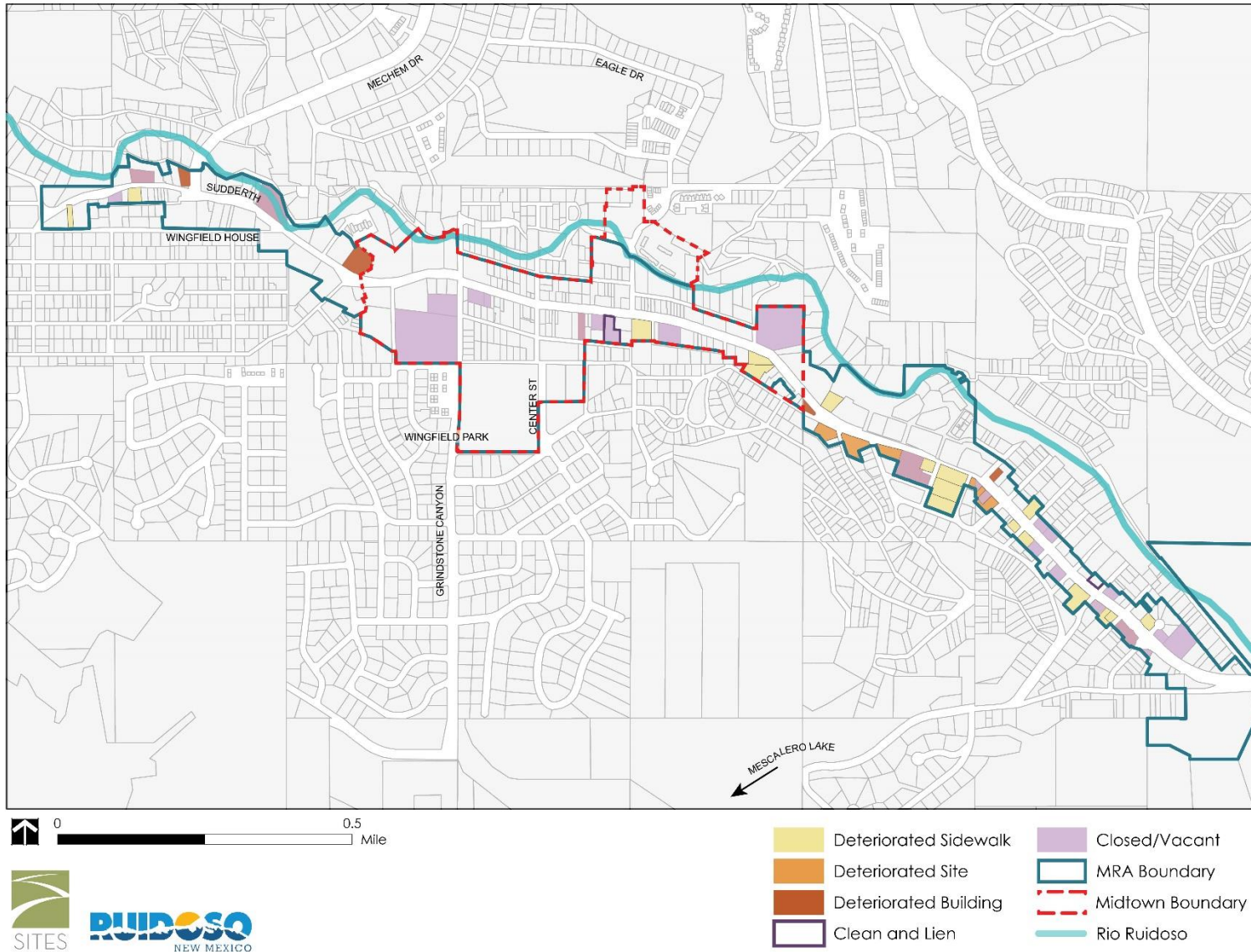
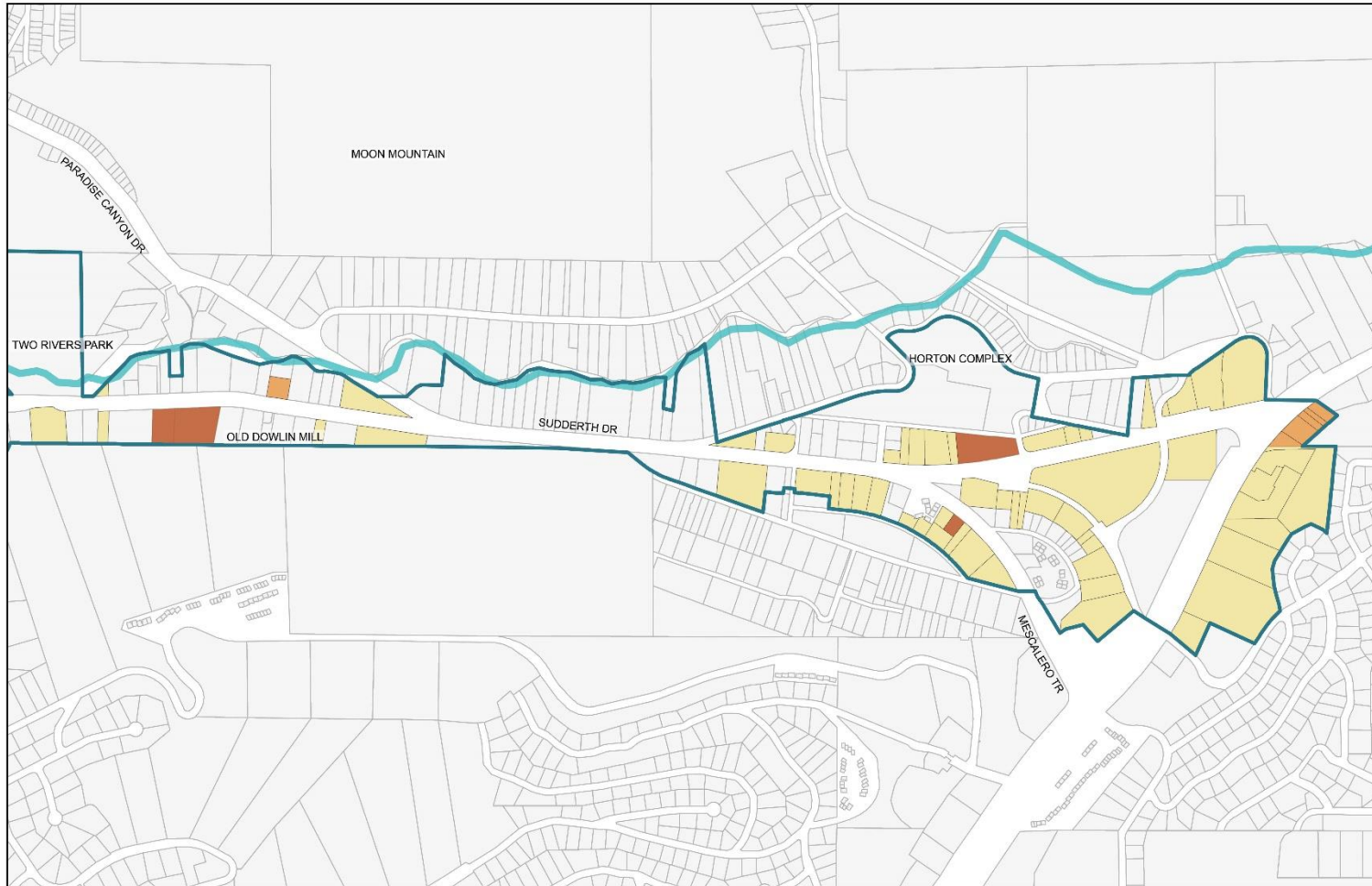


Figure 5. Building and Site Conditions (East)



0 0.5 Mile



- Deteriorated Sidewalk
- Deteriorated Site
- Deteriorated Building
- Clean and Lien
- Closed/Vacant
- MRA Boundary
- Midtown Boundary
- Rio Ruidoso

Deteriorated Buildings and Site Conditions



Deteriorated Site Conditions and Sidewalks



Vacant or Closed Businesses



Economic Conditions and Trends

Ruidoso's is a well-established tourist destination. While most businesses provide goods and services to visitors, new businesses have expanded from lodging, retail, and services to developing and producing products that are sold throughout the west and southwest.

The Village's Comprehensive Plan, completed in 2019, emphasized the economic health of the Village. The success of businesses along Sudderth Drive is an important asset to the Village economy. The Comprehensive Plan has the following observations about the economic trends in the Village and region and suggests things that the Village can do to diversify and enhance economic activity. The following are observations from the comprehensive plan.

The Village of Ruidoso and the Region

Local and regional trends since 2013 were identified in the Comprehensive Plan. Key trends are:

Population Demographics

- Declining Population. Ruidoso has experienced a slight population decline (3 percent) since 2013.
- Older Population. Ruidoso's median age is 52.4. The US average median age is 37.8.
- Millennial Talent. As communities outline their future economic development priorities, millennial talent is a coveted resource; they are the future workforce. Millennials make up 17 percent of the Village's residents. In a positive direction for the Village, Ruidoso's millennial population is up 14.7 percent since 2013. Young entrepreneurs have been driving economic growth by opening new businesses in the study area and developing new products that are sold locally and regionally.

- Racial and Ethnic Makeup. More than nine in ten Ruidoso residents identify as white, while the Village's Hispanic population is fast-growing – up 14 percent since 2013. This is a positive aspect because communities that are diverse are more likely to attract young people. The growing Hispanic population counterbalances the aging demographic.
- Immigrant Residents. Nearly 10 percent of Ruidoso's residents are foreign-born, another indicator of a vibrant and diverse population.

Income

Retail and service jobs are a significant component of the local economy. Many of these jobs have low wages. As a result, median household income is below the US average and has decreased since 2013.

Educational Attainment

Thirty-four percent of adult residents have associate degrees and thirty percent have bachelor's degrees or higher. The well-educated workforce has contributed to entrepreneurial activity in the region. Ruidoso Public Schools and Eastern New Mexico University-Ruidoso are local resources that contribute to the educated workforce.

Business Types

Retail trade is the largest category, with 22 percent of all business establishments, followed by accommodation and food service with 15 percent of business establishments. Other business types related to the tourism industry include construction, real estate and rental leasing, and arts, entertainment, and recreation. Together, these categories account for 19 percent of all business establishments.

The Study Area

The study area is Ruidoso's primary shopping and dining district for visitors, anchored near the center of the corridor by the Midtown District. At its western end is the intersection with Mechem Drive and at the eastern end, the corridor joins US 70 with more highway-oriented businesses.

Business types in and near the Midtown District include restaurants, specialty retail, lodging, and visitor services. Extending out from the Midtown District to the east and west, businesses are more diversified to include local retail and services such as real estate, banking and general retail, although lodging, specialty retail and restaurants are scattered throughout the district.

Signs of distress and indicators of lower than desired levels of commercial activity occur in pockets throughout the corridor, include vacant buildings and businesses that have closed. There is also vacant land, some of which is vacant because dilapidated buildings have been demolished. Many properties are for sale or rent, and properties tend to stay on the market for months or years. Characteristics that indicate a lower than expected levels of commercial activity include:

- Property for sale or rent, especially considering the length of time on the market
- Vacant buildings and closed businesses

Of the 482 properties with addresses are in the study area, 35 properties are for sale or rent, including 11 that are currently occupied, 24 that are vacant, or the business has closed and four vacant parcels.

- In addition to the properties that are for sale or rent, there are sixteen additional properties that are vacant buildings or closed businesses.

The Comprehensive Plan identified new construction in the area since 2006, a fifteen-year period. A closer look at the new construction shows that a total of 11 permits were issued for properties on Sudderth Drive during this time. Three of those were additions to existing properties, the Wingfield House, Budget Lodge and Cottage Central Cabins. Two of these properties are currently for sale, and the Wingfield House. Of the eight additional permits, two of Ruidoso's newer buildings are currently vacant but not for sale.

The locations of properties for sale and for rent are shown in Figure 6 and Figure 7. These properties are located throughout the corridor. There is no specific concentration of properties for sale or rent.

Figure 6. For Sale, Rent, or Lease Properties on Sudderth Drive (West)

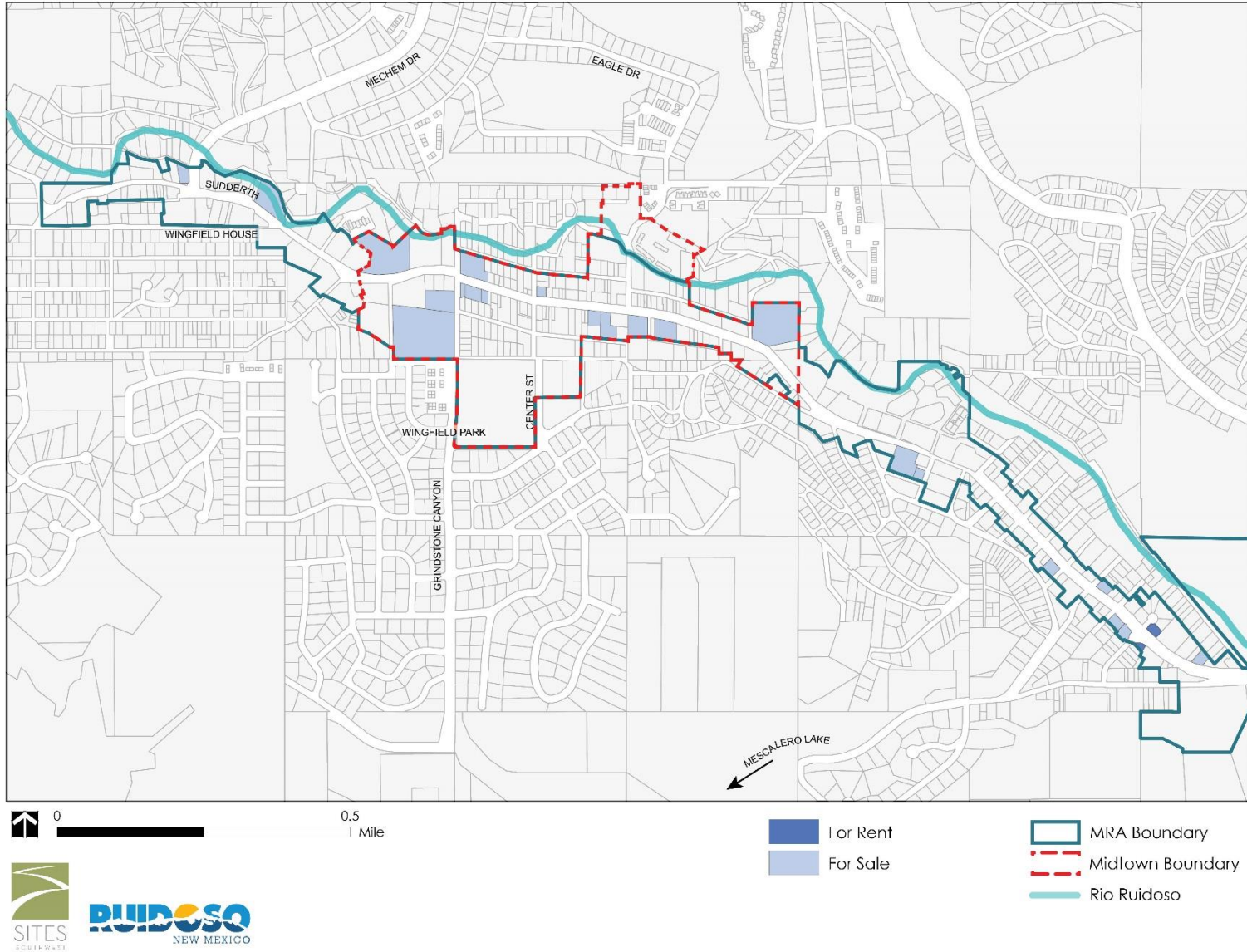
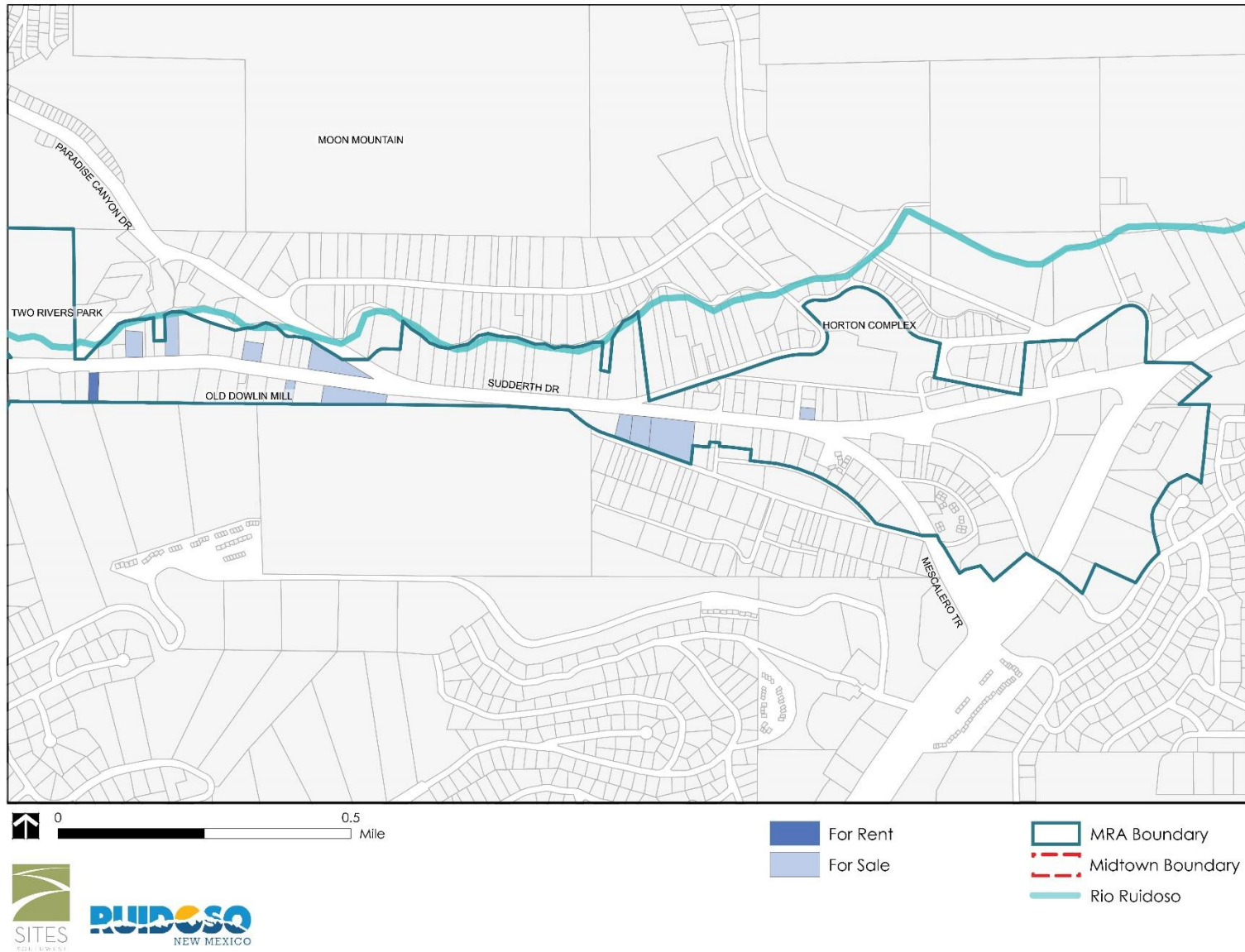


Figure 7. For Sale, Rent, or Lease Properties on Sudderth Drive (East)



Summary of Findings

The area within the proposed boundary of the Metropolitan Redevelopment Area designation report is approximately 3.5 miles of the Sudderth Drive corridor from the traffic circle at Main Rd. and D Street to the intersection of US 70. This corridor is a center for commerce in Ruidoso and includes the Midtown District, an accredited Main Street district. The economic activity along this corridor is an important contributor to the Village to the City's fiscal well-being, as it helps support the area's tourism industry as well as local retail and service needs.

The Comprehensive Plan support of the Midtown core and local businesses as an important function of the Village. The plan identifies the Midtown District as a charming element of the community that provides desired amenities such as restaurants and retail. Focused attention on supporting the existing businesses and catering to the local community is important. Designation of an MRA will enable the Village to better support Midtown and the local businesses along the corridor.

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

Despite public and private investment in the corridor, the following characteristics have impaired the success of the corridor as a whole: *The presence of deteriorating and deteriorated structures in the study area.*

- Deteriorating, deteriorated, and boarded up properties affect the appearance of the corridor and contribute to an image of neglect in some areas. This has the potential to negatively affect the business investments of other property owners in the study area.

Deterioration of site and other improvements throughout the corridor.

- Minor deterioration of both buildings and site improvements is evident throughout the corridor.
- The Village has invested in pedestrian amenities and outdoor space in the Midtown District, but some basic infrastructure, such as sidewalks, and aging streetscape amenities would benefit from renovation. The proliferation of vacant and deteriorated private properties has the potential to affect property values and the Village's ability to maintain and continue to improve public infrastructure.

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.

- Businesses have closed and businesses and buildings are for sale throughout the corridor, including in the Midtown District, the study area's retail center.

Diversity of ownership inhibits a coordinated effort to improve the area, except for within the Midtown District.

- It is not unusual for commercial districts to have diverse ownership, but this makes it difficult to carry out a coordinated private initiative to upgrade the area.
- Property owners in the study area are in 59 different communities in 16 states. Thirty percent of property owners live outside of Lincoln County.

The analysis demonstrates that property in the study area exhibits a combination of factors that contribute to blight. Physical improvements to deteriorating and deteriorated properties and the productive use of vacant properties are necessary in the interest of the welfare of the residents of the Village.

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.