

CITY OF GRANTS

DOWNTOWN METROPOLITAN REDEVELOPMENT
AREA DESIGNATION REPORT

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*Economic data provided from UNM Bureau of Business and Economic Research (BBER)
Grants MainStreet: Community Economic Assessment (2007).*

December, 2014

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through technical assistance from Community By Design*

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INTRODUCTION

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 designated Metropolitan Redevelopment Areas.

Designation of a Metropolitan Redevelopment Area 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 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.

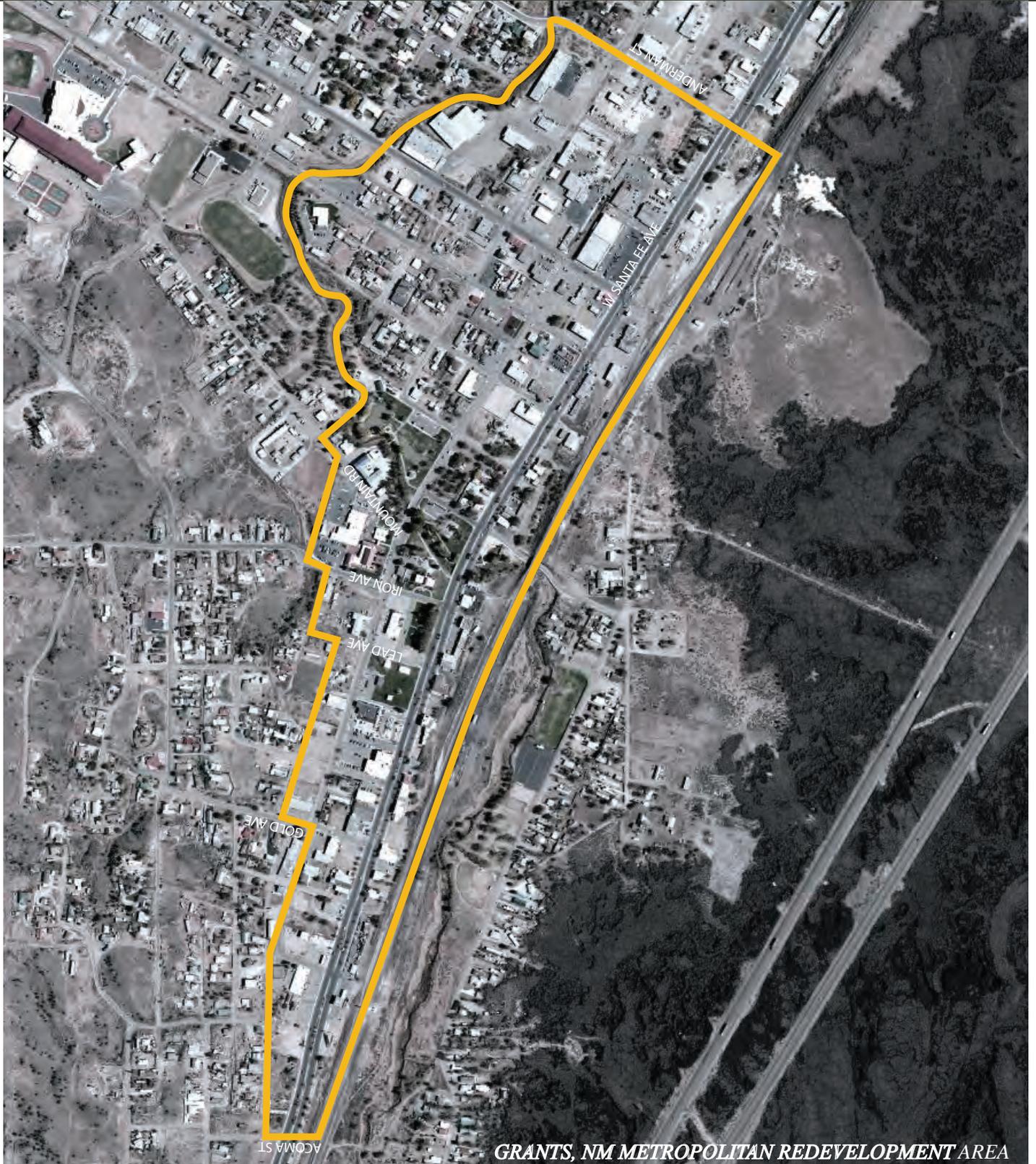
This report proposes that Downtown Grants be designated a Metropolitan Redevelopment Area (MRA). The MRA boundaries include Downtown and the majority of the Grants MainStreet District.

The following analysis demonstrates that Grants’ 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 in downtown all point to the need for the City to pursue alleviating the conditions of blight and implement revitalization efforts in these neighborhoods.

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PROPOSED MRA BOUNDARY



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PROPOSED MRA BOUNDARY

The proposed GRANTS Downtown Metropolitan Redevelopment Area boundary is defined within these borders, from the terminus of Anderman Street and the Rail Road tracks just south of West Santa Fe Avenue:

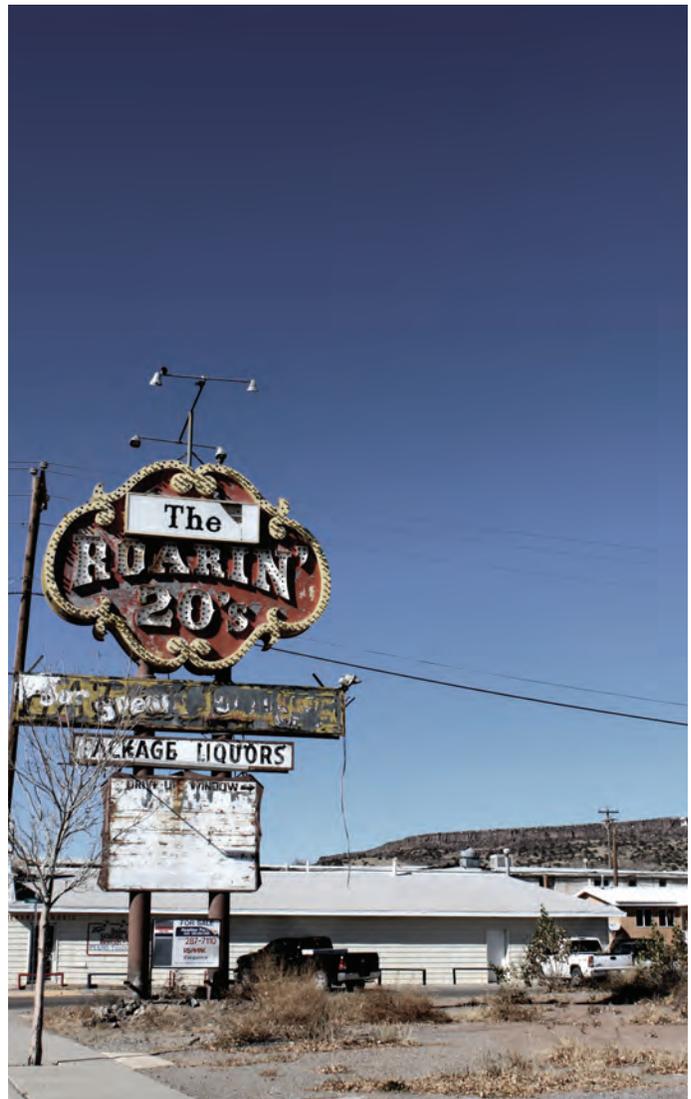
- Northeast along Anderman Street to the Rio San Jose
- Northwest along the Rio San Jose to Amphitheater Park
- Northwest from Amphitheater Park to Mountain Road
- Southwest along Mountain Road to the northern edge of the Cibola County Sheriff Office parking lot
- Northwest along the north edge of the parking lot to Iron Avenue
- Southwest along Iron Avenue to Hill Street
- Northwest along Hill Street to Silver Avenue
- Southwest along Silver Avenue to W High Street
- Northwest along W High Street to Wayne Ave
- Northwest along Wayne Avenue to Peel Street
- West along Peel Street to Acoma Street
- South on Acoma Street, across W Santa Fe Avenue to the rail road tracks
- Southeast along the rail road tracks to the terminus at Anderman Street

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EXISTING CONDITIONS ASSESSMENT

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



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PHYSICAL CONDITIONS

Grants is the county seat of Cibola County. An early ranching community, it was built along the railroad and historic Route 66. The community's wealth has fluctuated with the mining industry leading to a boom in building in the 1950s through the 1970's. The closure of the uranium mines in the early 80's led to a steep decline of population, and many vacant or abandoned structures in the downtown area.

The Metropolitan Redevelopment Area boundary includes the historic center of Grants. The MRA follows the railroad line from Central east to 2nd, north to include High Street and Stephens Avenue, and west past Mountain Road to Hill Street and back to Central. Santa Fe Avenue, the gateway to the city, hosts many boarded and abandoned structures, the remnants of the traveler services, much dating to the height of Route 66 and to the uranium boom. Included within the boundary are vacant parcels, blighted structures, warehouse and industrial sites, motels, civic uses and a few retail and restaurant establishments. Residences are mixed with the commercial activity, especially in the northern portions of the MRA area. Vacant and weed filled lots, sidewalks missing or in poor condition and deteriorating or abandoned buildings are found within this area. These conditions impair the sound growth and economic health and well-being of the area.

BUILDING CONDITIONS

Many of the structures within the MRA boundary were constructed in the mid-20th century for Route 66 travelers and to support the uranium mining boom. The end of mining the early 1980's led to a population decline and stagnation of the city and its infrastructure. The downtown area includes an assortment of architecture in varying conditions, ranging from old adobe to wood frame to brick commercial buildings to newer contemporary buildings.

The structures act as important reminders of Grants' history. Older buildings range from good condition to deteriorating and dilapidated. The presence of many vacant and dilapidated buildings and properties is noted in a visual survey of the downtown neighborhood. Functional obsolescence is another problem noted in the visual survey. Unattractive appearance, dilapidated conditions and a lack of amenities within the buildings were identified as problems with obsolescent buildings.

Poor building maintenance, vacant structures, an accumulation of weeds and litter, unmaintained lots, broken and non-existent sidewalks and boarded facades are examples of the general deteriorated conditions. Deteriorating structures are located throughout the downtown neighborhood. Most are vacant, but some occupied buildings are in need of maintenance and minor repairs. The combination of poor structural conditions, poor pedestrian circulation and poor visual appearance are factors affecting the decline of the entire downtown area.

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BUILDING CONDITIONS



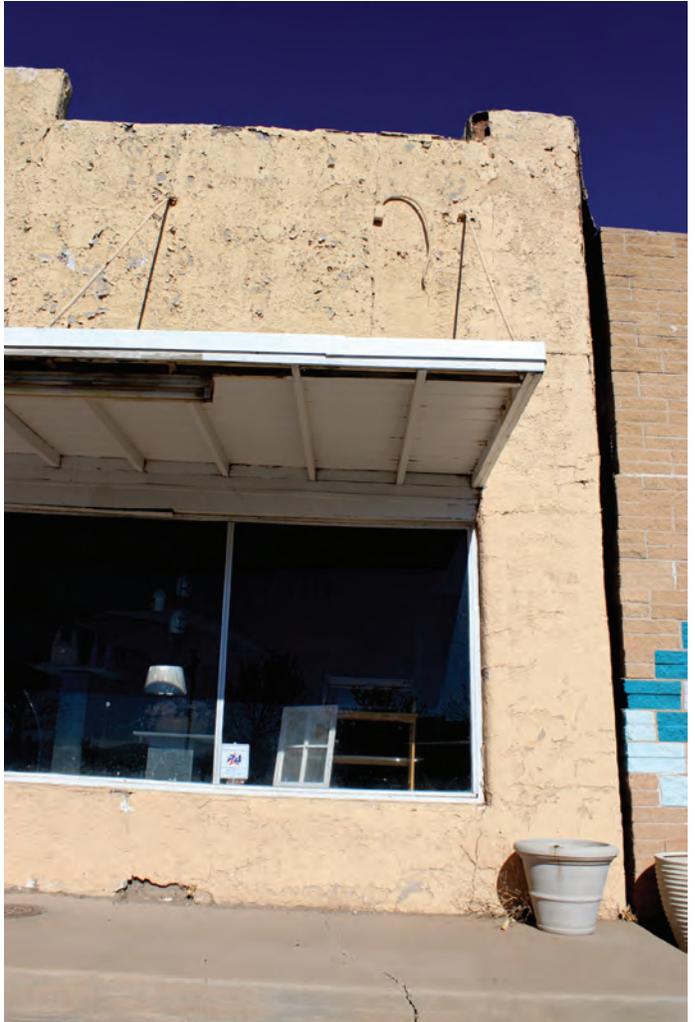
Range of building conditions downtown from well-maintained, occupied buildings to deteriorating and vacant buildings.

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VACANT & UNDERUTILIZED BUILDINGS

A considerable number of commercial businesses have closed or significantly reduced their operations in the downtown. This has resulted in vacant commercial structures that contribute to the deteriorated appearance of parts of downtown Grants. Multiple vacant storefronts and some industrial buildings are scattered throughout the MRA. In addition to vacant buildings are a number of underutilized properties that are vacant or used for storage. Trash, weeds, litter and remains of collapsed structures clog this vacant land, creating a general sense of neglect to the neighborhood.



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VACANT & UNDERUTILIZED BUILDINGS



Numerous vacant business fronts and shuttered buildings along W Santa Fe create a sense of neglect, contribute to visual blight and are evidence of Downtown's flagging economy.

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VACANT BUILDINGS & LOTS



Vacant buildings and storefronts are frequent sights across the whole of the proposed MRA; not just along W Santa Fe but throughout the proposed MRA.

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SIDEWALKS

Sections of sidewalk within the MRA are broken, weed infested and deteriorating. Sidewalks are not continuous from one block to the next, sometimes not even within the same block. Other areas within the MRA, especially areas within or adjoining residential neighborhoods, are without sidewalks at all, creating dangerous pedestrian conditions.



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VACANT & UNDERUTILIZED PROPERTIES



Outside downtown's core vacant lots are a frequent sight and contribute to an overall sense of desolation and neglect in the downtown area.

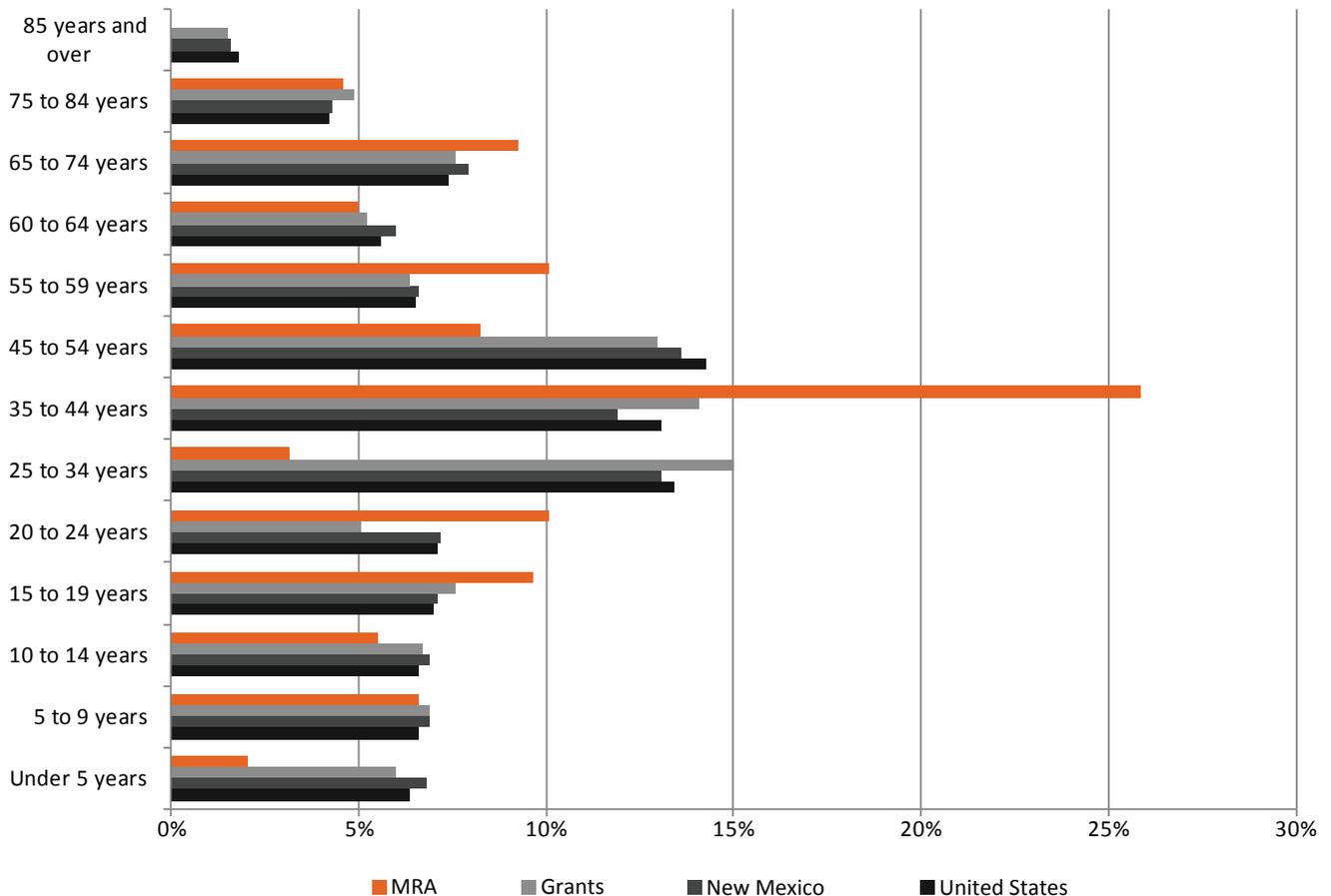
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SELECTED DEMOGRAPHIC CONDITIONS

As indicated by the numbers of vacant buildings in the downtown area of Grants, businesses have closed or moved out of downtown creating an area with a lower level of economic activity than is preferred for a community's downtown. Erosion of the downtown's business base has followed the collapse of the uranium mining industry and the development of new shopping centers in the outlying areas and the relocation of anchor businesses to these centers. The outflow of businesses has contributed to neglect and deterioration of the central business district. In its current condition, downtown Grants is attracting limited private investment.

The demographic data in this report were derived based on US Census block group data (Cibola County, New Mexico, census tract 9744, block group 3). The land area described by block group 3 is larger than the area described by the MRA borders, however there is little to no development in most of the land area within the block group but outside the MRA boundaries, and what development does fall within the block group but outside the MRA boundaries can be considered as being served by MRA improvements.

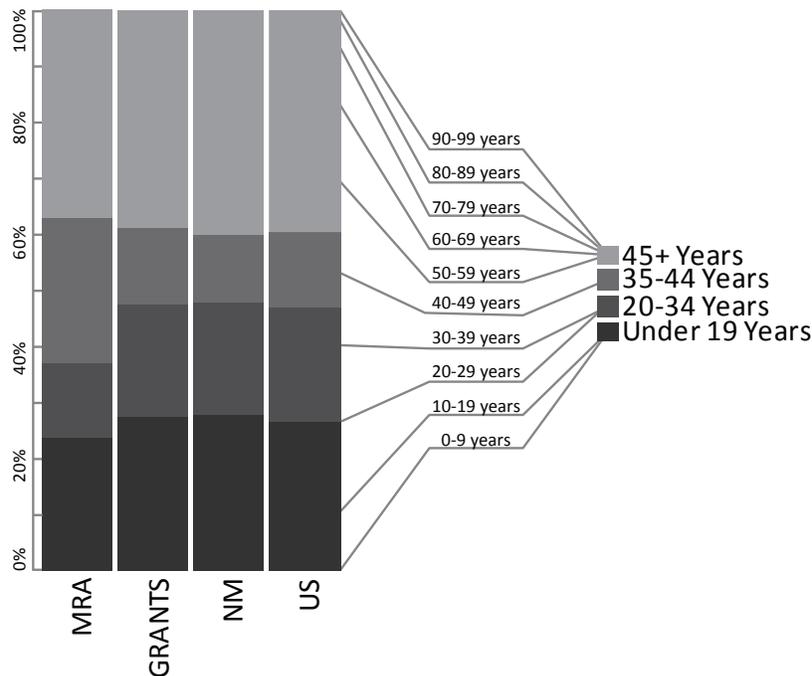


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DEMOGRAPHICS

The residential population of the proposed metropolitan redevelopment area was 983 in 2013, according to the US Census American Community Survey (ACS) 2009-2013 estimates. Compared to Grants as a whole, the population of this area is somewhat younger, slightly more likely to be Hispanic and somewhat more educated, particularly at the postsecondary level. Incomes in the district are about on par with the City of Grants with a median household income less than 2% lower than the city as a whole. Ethnically, compared to Grants as a whole, the MRA neighborhood has a larger Hispanic population (62.7%) than all of Grants (54.6%). Significantly, households closest to the MRA area are more likely to be homeowners and much more likely to be long term residents of Grants.



Age Distribution: Grants MRA, Census ACS 2009-2012

Compared to all of Grants, residents within the MRA area less likely to be of working age and less likely to have children under 19 years of age: only 23.8% are 19 years old or younger, compared to 27.2% for all of Grants. The share of the downtown population that is between 20 and 39 years old – often seen as critical to redevelopment initiatives – is significantly less than that of Grants as a whole: 15.7% compared to 21.7%, however another 25.8% of downtown residents are between the ages of 35 and 44. The percentage of individuals age 45 and up is about equal between downtown and the City of Grants at 37.1% and 38.6%, respectively. (All data, Census ACS 2009-2013)

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POPULATION GROWTH

Grants' population growth has averaged less than 1 percent per year since 1990. Growth from 2000 to 2010 was 4.3% a period in which the state population increased over 13%. From 2010 to 2013 the growth rate dropped again below 1% (0.3% from 9182 in 2010 to 9217 in 2013). In the MRA population growth rate was -1.38% from 2000 to 2010 while the growth rate for Grants was 0.42% and for New Mexico 1.25%.

POPULATION AND GROWTH	MRA	Grants	New Mexico
Total Population, 2000	231	8806	1819046
Total Population, 2010	201	9182	2059178
Annual Growth Rate	-1.38%	0.42%	1.25%

Source: U.S. Census Bureau, Decennial Census 2000 and 2010; calculations by CBD.

ECONOMICS

Although Grants' overall economy is on reasonably solid ground, the strength of the city's economy has not benefited the MRA area. Public sector employers provide stability to the area, restaurants bring a steady stream of customers and service businesses are key to the area economy. These types of businesses function as single 'destinations' with few spillover benefits for the neighboring businesses. The University of New Mexico Bureau of Business and Economic Research's November, 2007 study, Grants Mainstreet: Community Economic Assessment reached the conclusion that what is missing is development of a retail and services cluster and pedestrian traffic within the MRA area. Services for nearby residents deserve particular attention. The estimated 2013 median household income was \$41,143 per year, considerably less than the state of New Mexico at \$44,927.

Educational attainment in the MRA is just slightly higher than Grants at the Bachelor's level (9.2% versus 9.1%) but are significantly higher than both the state (11.1%) and Grants (4.7%) at the Graduate or professional degree level with 17.7% holding such a higher degree.

EDUCATIONAL ATTAINMENT	MRA	Grants	New Mexico
Population 25 years and over	650	6242	1347229
High school graduate (includes equivalency)	37.20%	32.2%	26.4%
Bachelor's degree	9.20%	9.1%	14.7%
Graduate or professional degree	17.70%	4.7%	11.1%

Source: U.S. Census Bureau, American Community Survey, 5 year estimate - 2009-2013.

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ECONOMICS

Employment numbers indicate an unmet need in the MRA area. The percentage of individuals in the labor force, employed and unemployed are all higher in the MRA than in Grants or the State. The high percentage of all three of these categories could be due to the high percentage of individuals between the ages of 35 and 44 and this coupled with the high percentage of highly educated people in the area could indicate that there is a large group of career people, especially professionals within the MRA and the high unemployment number indicates a shortage of professional jobs to absorb the needs of the population. The implication is that there is a highly qualified, experienced workforce in the MRA who's employment needs are currently unmet and who could serve as an important driver of economic redevelopment.

EMPLOYMENT STATUS	MRA	Grants	New Mexico
Population 16 years and over	831	7183	1612730
In labor force	65%	58.2%	60.7%
Civilian labor force	65%	58.2%	60.2%
Employed	58%	51.5%	54.4%
Unemployed	7%	6.7%	5.8%

Source: U.S. Census Bureau, American Community Survey, five year estimates, 2009-2013.

Despite the high unemployment, poverty levels in the MRA are lower than state and national averages for individuals earning below 200% poverty level. However, there are significantly less households earning \$75,000 or more per year in the MRA (9.2%) compared to Grants (19.0%) or the state (28.4%) and no households earning \$200,000 or more, compared to 1.5% and 2.9% in Grants and the state, respectively. There are also more households bringing in less than \$10,000 (15.1%) in the MRA than in Grants as a whole (13.3%) or in the state ((9.4%). The bulk of households in the MRA are earning \$25,000 to \$74,999 (60.9%) with the majority of those (45.1%) earning between \$35,000 and \$74,999. These categories are, again, higher than all of these same categories for Grants and the state. Similarly, there are fewer households earning between \$10,000 and \$24,999 in the MRA than in either Grants or the state. This supports the conclusion that there is a strong professional and working class population residing in the MRA. But the data also illustrate that there is a higher than average percent of households in the area living well below the 2014 U.S Federal Poverty Guidelines for a single person per household (\$11,670) in an area where average household size is 2.41. This suggests that many families in the MRA are making due with incomes far below the Poverty Guidelines for their household size.

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ECONOMICS

INCOME AND POVERTY	MRA	Grants	New Mexico
Income			
Total households	424	3078	761938
With income			
less than \$10,000	15.1%	13.3%	9.4%
\$10,000 to \$14,999	3.1%	6.5%	6.4%
\$15,000 to \$24,999	6.1%	12.5%	12.9%
\$25,000 to \$34,999	15.8%	9.8%	11.4%
\$35,000 to \$49,999	25.1%	19.3%	14.4%
\$50,000 to \$74,999	20.0%	19.6%	17.2%
\$75,000 to \$99,999	7.3%	9.4%	11.3%
\$100,000 to \$149,999	0.5%	5.9%	10.6%
\$150,000 to \$199,999	1.4%	2.2%	3.6%
\$200,000 or more	0.0%	1.5%	2.9%
Median household income	\$41,143	\$41,293	\$44,927
Per capita income	\$18,866	\$19,218	\$23,763
Poverty			
Population for whom poverty status is determined:	979	8,480	2,028,611
All Individuals below:			
50 percent of poverty level	6.7%	10.6%	8.9%
100 percent of poverty level	17.5%	23.3%	20.4%
200 percent of poverty level	35.8%	48.4%	42.5%

Source: U.S. Census Bureau, American Community Survey, five year estimates, 2009-2013

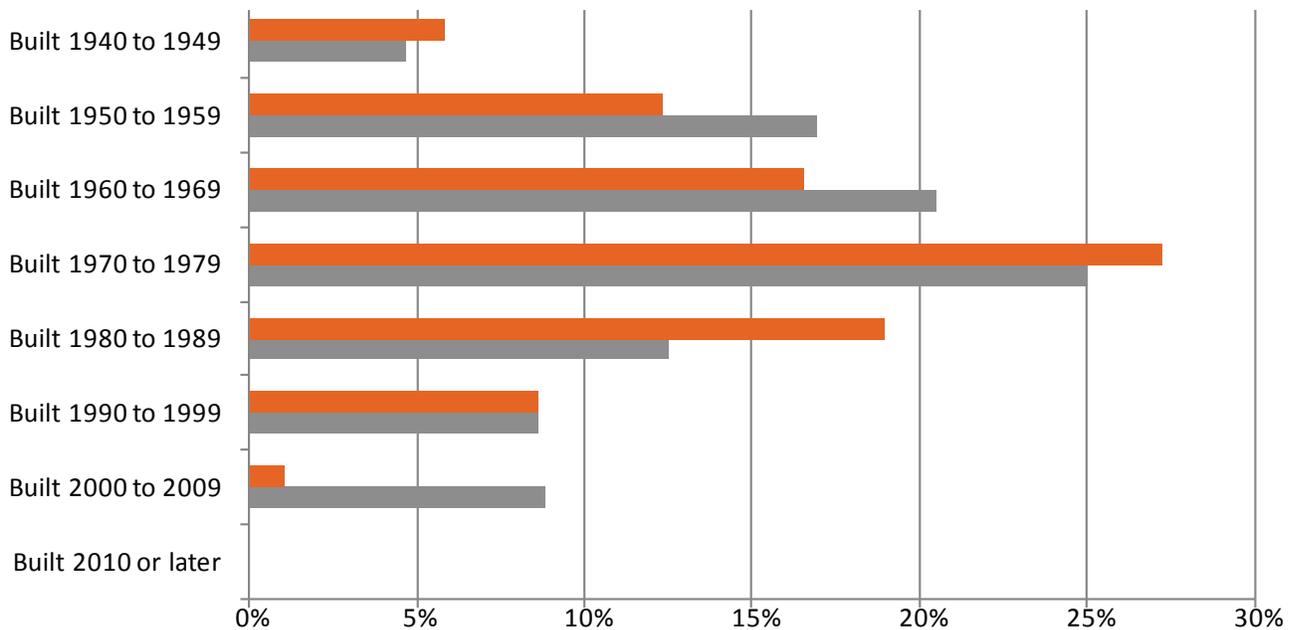
HOUSING	MRA	Grants	New Mexico
Total housing units	569	3804	901,388
Occupied housing units	74.5%	87.5%	87.8%
Vacant housing units	25.5%	12.5%	12.2%
Housing Tenure			
Occupied housing units	424	3327	791,395
Owner-occupied housing units	79.9%	62.8%	68.5%
Renter-occupied housing units	20.0%	37.2%	31.5%
Source: U.S. Census Bureau, Decennial Census, 2010.			
*Source: U.S. Census Bureau, American Community Survey, five year estimates, 2009-2013.			

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HOUSING

The housing stock in downtown Grants is slightly older than the City of Grants as a whole; downtown has more structures built before 1949, more built in the 1970's and 1980's and far less built after 2000. Vacancy rates are higher (25.5% versus 16.9%) but owner occupied units more common (79.9% of units compared to 62.8% for the city). Median values of owner-occupied housing are lower than the City median value (\$78,900 compared to \$98,500). But despite lower property values, rental housing was less affordable downtown than in other Grants neighborhoods: the median contract rent downtown was \$504 compared to \$433 for the City as a whole.



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CONCLUSIONS



This report demonstrates the existing conditions within Grants 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 Grants 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 Grants 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 Grants area.

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