



City of Racine, Wisconsin
AGENDA BRIEFING MEMORADUM

AGENDA DATE: Finance and Personnel Committee, January 29th, 2024

SUBJECT: Communication sponsored by Mayor Mason, on behalf of the Transit & Mobility Director, requesting permission to enter into a professional services agreement with AECOM to complete a Kenosha-Racine-Milwaukee (KRM) Passenger Rail Transit-Oriented Development Value Capture Analysis. Contract #2023310

PREPARED BY: Trevor Jung, Transit & Mobility Director

PROJECT PURPOSE:

The KRM commuter rail line has been long planned and desired by the communities along Lake Michigan between Milwaukee and the Illinois State Line. It is one of the main commuter rail lines recommended by VISION 2050, the long-range regional land use and transportation plan prepared by the SEWRPC. The City of Racine and its partners wish to explore alternative forms of funding that have become available for passenger rail service as private-public partnerships have resulted in expanded rail service in other corridors across the country.

The Kenosha-Racine-Milwaukee (KRM) Passenger Rail Transit-Oriented Development Value Capture Analysis wishes to assess the impact of passenger rail on private development and how to best leverage that development in support of the project.

PROJECT SUMMARY:

Through the analysis, the City seeks to answer key TOD value capture questions, including:

- What are the baseline real estate market conditions within the KRM corridor for new multi-use-development?
- What is the potential for a new passenger rail service in the corridor to strengthen and create additional market demand?
- How much new development and new value capture is needed to bridge a funding gap between the capital and operating costs of the new passenger rail service and potential federal funding?
- What methods of value capture are available and how could they be applied to future development in proximity to passenger rail stations?
- Is it possible to fund significant percentages of total project capital and operating costs through TOD value capture, and what is the potential timeline for value generation in relation to when funding would be needed?

The selected consultant will assist in developing answers to these questions through completing the tasks identified in the project scope.

RFP RESPONSES AND EVALUATION:

A total of two consultants submitted proposals for this project, as follows:

- AECOM
- SB Friedman

Based on the City of Racine's published RFP process, the selection committee members comprised of representatives from the City of Racine, SEWRPC, and the Wisconsin Department of Transportation evaluated and scored each of the submitted proposals based on the following factors:

- Project Understanding and Approach
- Experience with Real Estate Market Analysis and Value Capture
- Knowledge of Land Use Planning and Real Estate Development Strategies and Scenarios
- Project Manager and Team Qualifications and Experience

An evaluation summary was compiled in a matrix format of proposal scores to rank the consultants. As a result of this evaluation, the consultant that received the highest score and ranking was AECOM. The selection committee agreed that AECOM was the preferred firm and recommended engaging AECOM to discuss modifications to the proposal and budget. City staff met with AECOM to further discuss its proposal and request modifications, including a reduction in the proposed budget. AECOM subsequently provided the City with revisions to its proposal and budget.

BUDGETARY IMPACT: Cost not to exceed \$320,000. Funding available in Federal Congressionally Directed Spending with no local match required. Org-Object: 60282011 57110 82010

RECOMMENDED ACTION:

That the Mayor and City Clerk be granted permission to enter into a professional services contract with AECOM to complete a Kenosha-Racine-Milwaukee (KRM) Passenger Rail Transit-Oriented Development Value Capture Analysis. Contract #2023310