

Master Redevelopment Implementation Plan for Water Street Redevelopment Area

SUBMITTED FOR CITY OF RACINE COMMON COUNCIL APPROVAL

June 18, 2019

PROJECT RE-START Scope of Work

Client: City of Racine; Redevelopment Authority of the City of Racine

Our Team:

- GRAEF – Urban Planning and Engineering Support*
- Perkins+Will – Urban Design**
- SB Friedman – Market Real Estate Consulting***

This scope of work included below represents the items already approved under the existing professional services contract and several additional items added at the request of the client. Additional items include the following:

- Concept Realignment with Market Reality
 - o Concepts need to be downscaled in terms of density and uses will change, parking assumptions will change, phasing will change
- Public Engagement
 - o 1x 12 hour workshop plus preparation of materials, and 1x final presentation plus prep of materials.
- Re-Kick Off Meeting in May
- Pro Forma Analysis
- One Additional Workshop to Refine Concept to Match Pro-Forma for Phase 1 Implementation
- RFQ/P authorship
- Schedule Extension
 - o +5 months through November 2019

The corresponding fee adjustment to include all additions listed above is a net increase of +\$64,534 (adjusting from \$150,000 to \$214,534 total project fee). All values include labor, materials, expenses and are lump sum.

The following tasks comprise the scope of work for the project.

Task 1: Media Strategy

Task 2: Market + Absorption Strategy ***

The goal of this task is to define the mixture of potential land uses that will inform the design concept.

- Task 2.1 - Project Initiation and Discussions. We will review relevant project materials and issue a data request to the City.
- Task 2.2 – Market Assessment
 - o Assess Competitive Market Supply. For multifamily residential and retail uses, we will assess the competitive supply using data sources such as CoStar and

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Esri Business Analyst. We will work with the City to understand the status of proposed projects and market absorption.

- Assess Competitive Market Demand. We will analyze demographic trends, pull retail leakage reports and use other, supplemental data to assess the Site demand potential for multifamily rental and retail uses. We will estimate demand from several sources, including projected population growth and retail leakage. We will consider the impact of potential large-scale employment increases in the surrounding area in two alternative scenarios, outlined below.
- Assess Overall Market Potential. We will prepare a near- to middle-term development program for the Site based on our assessment of existing supply and demand. This program will include unit counts/building square footages and absorption assumptions for multifamily rental and retail uses. We will consider Site conditions such as available physical constraints, infrastructure access and visibility to inform the program. We will then convert our program into development acreage using typical land/pad requirements for the considered uses.

The prospect of a large-scale employment and population boost from the potential Foxconn development in Racine County could significantly alter the development trajectory of Racine and lead to more favorable market assessment conclusions. However, a fuller consideration of the impacts of Foxconn on Racine's market potential would require a more detailed assessment. Such an assessment would evaluate the largely uncertain impacts of Foxconn under two scenarios:

1. Higher-Impact Scenario. This scenario would consider the full employment and population impact projected by Foxconn and the State of Wisconsin.
2. Lower-Impact Scenario. This scenario would consider that the employment and population impact from Foxconn is a certain percentage less than the full impact projected by Foxconn and the State of Wisconsin.

For both scenarios, a more detailed assessment would consider:

- Reasonable estimates of large-scale increases in employment and population in the nearby area
- Demographics of new area workers and residents
- Residential preferences of new area workers and residents
- Retail preferences of new area workers and residents

Deliverable: Briefing book to provide a preliminary overview of market conditions and opportunities with supporting charts/tables/graphs/maps.

Deliverable: Written narrative to provide a preliminary overview of market conditions and opportunities with supporting charts/tables/graphs/maps.

Task 3: Illustrative Design Plan **

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- Task 3.1 – Existing conditions assessment. Our team will analyze existing physical conditions and review the City's summary of previously completed studies and other relevant documents. Existing conditions include: land use, topography, water systems, parcels, circulation, open space, vegetation, historic features, important views, built character.
- Task 3.2 – Concept redevelopment plan alternatives. Our team will prepare three alternatives for the Water Street Redevelopment Area that illustrate the intent of the design principles and address the project issues, goals and objectives. We will integrate the appropriate projected mix of land uses defined in the market analysis into the redevelopment plan in a manner that will maximize the potential for market synergy and to reinforce the urban design and economic development objectives. Considerations in completing the alternatives will include:
 - Density, scale and sustainable infill development within the historic waterfront setting
 - Yield study showing quantities and locations of different uses within each of the mixed-use plan alternatives (e.g. residential, commercial-office, commercial-retail, entertainment/event, hotel, etc.)
 - Placemaking, open space network, and public realm enhancements
 - Traffic circulation and parking
 - Pedestrian friendly orientation and circulation
 - Streetscape/ visual character
 - Integration of urban and passive greenspace and public access to the riverfront
 - Compliance with LEED-ND rating system
 - Architectural characteristics that either enhance surrounding environment, or create a distinct character for the site
 - Potential sustainable design principles and strategies
 - On-site stormwater management techniques
- Task 3.3 – Program and Concept Alignment – Revise concept plan alternatives presented in Workshop #3 to reflect outcomes of Task 2: Market + Absorption Strategy. Assume density and mix of uses to conform to current and near term real estate market.
- Task 3.4 – Preferred illustrated plan – Working with the client, our team will select a preferred concept to move forward with into the final deliverable. Our team will prepare final rendered illustrative design plan and perspective sketches to illustrate the concepts and for public presentation. The final plan will include an illustrative representation of public spaces, private development, utility and stormwater, seawall, transportation framework, and phasing. Design drawings will also include graphic three-dimensional renderings, and a 3D digital model.
- Task 3.5 – Pro Forma Analysis – Working from the Preferred Concept (and excluding the land in the Expanded Study Area), we will develop a pro forma model to evaluate the Preferred Concept's financial feasibility. Our model will include:

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- 1) Projected achievable revenues for the Project based on market comparable research
- 2) Projected financing and operating expenses based on market research
- 3) Projected project capital costs including:
 - Estimated vertical development costs for the Preferred Concept.
 - Preliminary framework of private-side site improvement costs (e.g., extraordinary footings/foundations, water and sewer line laterals, structured parking spaces, mass grading and other private side site improvements)
 - Preliminary framework of public-side site improvement costs (e.g., seawall, watershed stormwater detention, public plaza and Riverwalk/riverfront park space/boat slips and other public site improvements)
- 4) We will also prepare incremental property tax revenue projections based on the projected assessed values of the development program to seek to “solve for” any extraordinary cost issues identified in the pro forma exercise.

Deliverable: Two (2) concept alternative master site plan drawings, two (2) concept alternative master plan 3D massing studies depicting density and use, one (1) preferred concept master plan site illustration, one (1) preferred concept aerial perspective rendering, (1) preferred concept human-eye level perspective, six (6) to eight (8) existing condition diagrams; (1) financial pro-forma model.

Task 4: Site Development Guidelines **

Our team will generate site development guidelines that depict the following for the preferred concept plan:

- Building heights and uses
- Forms and massing standards
- Façade standards
- Build to lines/zones and setbacks
- Location of right-of-way easements
- Location of public outdoor spaces

Deliverable: One (1) 3D site diagram per urban block (estimated number of blocks 4-6) that indicates the following: building location, heights, uses, forms/massing standards, façade standards; one (1) site plan diagram delineating boundaries/edges of public outdoor spaces, riverwalk, written narrative, photo examples/case study precedents.

Task 5: Riverwalk Concept Visualizations */**

Our team will develop conceptual design ideas for the riverwalk areas within the Water Street Redevelopment Area. Two (2) to Three (3) alternatives for different riverwalk layouts and design will be developed for review with City staff. Components of the riverwalk will include:

- Access points and egress concept

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- Path/walkway concept
- Significant feature concepts
- Public space connection concepts
- River ecology concepts
- Program/activity use concepts

Additionally, our team will review the existing seawall/dock wall, provide a preliminary evaluation of dock wall stability, and provide preliminary opinions of probable cost for the physical modifications to the seawall/dock wall as envisioned in the conceptual design ideas for the riverwalk.

Deliverable: *One (1) illustrated site plan drawing depicting the riverwalk within the Water Street Redevelopment Area, One (1) memorandum outlining the preliminary evaluation of dock wall stability, Two (2) illustrated site plans showing specific area/portion of riverwalk and preliminary opinions of probable cost, One (1) perspective rendering, descriptive narrative of design intent, descriptive narrative of program/active use concepts*

Task 6: Redevelopment Plan *

Our team will provide content narrative and provide visuals to City staff for their completion of the Redevelopment Plan pursuant to Wisconsin State Statutes.

Deliverable: *One (1) written narrative document in Microsoft Word file format*

Task 7: Materials for TID Amendment *

Our team will package the work completed in prior tasks and deliver to Ehlers for the purposes of amending the existing Tax Incremental District which touches the Water Street Redevelopment Area.

Deliverable: *One (1) Microsoft Word file containing materials for Ehlers to incorporate into its TID Amendment*

Task 8: RFQs/RFPs for Site Development *

Our team will prepare one (1) RFQ or RFP for national-level developer solicitation. This document will describe the redevelopment intent and the community's vision, goals, and objectives for the Water Street Redevelopment Area. It will contain relevant concept plans and designs created during previous tasks. This document will also describe the qualifications, criteria, timeline, deliverables, performance metrics, and legal/contract stipulations required for developer response.

Deliverable: *One (1) RFQ or RFP document in Microsoft Word format*

Task 9: Team + City One-Day Workshops/On-Site Meetings and Public Engagement

Our team will conduct five (5) one-day workshops, for our team and City staff, consisting of a sequence of meetings/presentations/walking tours/charrettes/interviews over the duration of the project. The estimated cadence of workshop is one per month for a total

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of five months. Each workshop will focus on various elements of Tasks 1-8 depending on project schedule. The following describes the intent for each of the workshops plus additional public engagement and presentations:

- *Done - Workshop #1 – Project Kick-Off, including vision/goal-setting session, site tour, existing conditions assessment, including Tasks 1-3*
- *Done - Workshop #2 – Analysis, including Tasks 1-3*
- *Done - Workshop #3 – Concept, including Task 3 and 5*
- *Done - Design Presentation at City Hall (January 15, 2019)*

- Project Re-Start Meeting at City Hall (to be scheduled July 2019)
- Workshop #4 – Draft Market+Absorption Presentation (Task 2), Concept Options, including Task 4 and 5 (September 2019)
- Public Engagement Day (September 2019)*
 - Conduct 3-5 stakeholder meetings during the day and 1 public presentation in the evening showing concept options and obtaining input
- Workshop #5 – Final Market+Absorption Presentation (Task 2), Preferred Option Development, including Tasks 4-5 (September 2019)
- Workshop #6 – Refinement of Final Concept, including Tasks 6-8 (October 2019)
- Final Plan Concept Public Engagement Presentation (mid-October)
- Final Plan Presentation to Common Council, RDA, Planning Commission (November 2019)

*Consultant Team to provide all large format printing, handouts, and interactive materials for meetings. Client Team (City of Racine) to coordinate all logistics including: meeting venue, time, invite, advertisement, announcement of event, refreshments, audio/visual equipment.