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City of Racine, Wisconsin
COMMON COUNCIL

AGENDA BRIEFING MEMORADUM (ABM)

COMMITTEE: Finance and Personnel **LEGISLATION ITEM #:** 0607-18

AGENDA DATE: June 11, 2018

DEPARTMENT:

Prepared By: Amy Connolly, RDA Executive Director/Director of City Development

Reviewed By: James M. (Jim) Palenick, City Administrator

SUBJECT:

Request from the Redevelopment Authority of the City of Racine to recommend to the Common Council that remaining funds allocated to the Event Center and Hotel Phase I project be placed into the RDA's professional services budget, to be used for redevelopment work.

BACKGROUND & ANALYSIS:

In February 2017, the Common Council and the RDA approved resolutions (RDA resolution 17-12) funding a Phase I study for of the property at 233 Lake Avenue for use as an Event Center and Hotel. \$600,000 was allocated from the City's Intergovernmental Fund for Owner's Representative services and third party consulting costs. These funds were put into the RDA's accounts and were managed by the RDA and the RDA Executive Director.

Hammes Company Sports Development was hired as the City's/RDA's owner's representative to conduct the Phase I study. The study was completed in October, 2017.

There remains approximately \$53,000 in funds that were not expended as part of the Phase I Event Center/Hotel development project. This was due to maintaining a healthy "contingency" fund and not expending the amount of legal services and environmental services budgeted that would have been required had the City moved forward to a development agreement.

City staff recommends that the remaining funds allocated to the Event Center and Hotel Phase I be moved to the RDA's account for professional services. These funds would be used for financial analysis,

30 TID analysis and creation, proforma/underwriting analysis, feasibility/market analysis, and other similar
31 professional services in support of large-scale redevelopment projects currently under development.

32 At the June 7 RDA meeting, the Authority voted unanimously to request the reallocation of funds.

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34 **BUDGETARY IMPACT:**

35 There would be no budgetary impact to moving the remaining funds allocated to a particular project to
36 the RDA's professional services budget. These funds are currently held within the RDA's budget, but the
37 RDA is seeking permission to spend the monies on other sites and for professional services.

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39 **RECOMMENDED ACTION:**

40 That the Finance and Personnel Committee recommends that Common Council approve that the
41 remaining funds allocated to the Event Center and Hotel Phase I project (approximately \$53,000) be
42 placed into the RDA's professional services budget, to be used for redevelopment work.

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