



**City of Racine, Wisconsin**  
**AGENDA BRIEFING MEMORADUM**

<b>AGENDA DATE:</b>	May 2 - Redevelopment Authority
<b>SUBJECT:</b>	Approval of contract with TerraVenture Advisors to facilitate the purchase of properties in Uptown for the Uptown Triangle Park project
<b>PREPARED BY:</b>	Amy Connolly, Director of City Development

**SUMMARY:**

City staff seeks RDA approval to hire a consultant to assist the RDA in the purchase of properties in Uptown for the Triangle Park Project. City staff recommends hiring a consultant in order to ensure the purchases of property are done in compliance with the Uniform Relocation Act and to ensure that the properties are acquired without running afoul of state and federal laws. TerraVenture Advisors is currently the City’s consultant related to relocation issues.

**BACKGROUND:**

The City adopted the Uptown Strategic Development Plan in 2014 and also approved a tax incremental district in 2016 to implement the Uptown – both plans refer to an “Uptown Triangle Park” as part of their work plans.



The Triangle Park is a triangle shaped area bounded by 16<sup>th</sup> Street on the north, Junction Avenue on the west, and the railroad tracks on the east.

The Strategic Development Plan notes that the function of the Junction Triangle Park is to:

*“Enhance the existing parking area to replace gravel lots and vacant railroad frontage and create enhanced organized parking and additional and green space. The Junction Avenue Triangle project is a near-term project focused on public/private cooperation to improve the area aesthetically and provide amenities to the community and property owners including improved organized parking, rain gardens, green space, bicycle parking and a public shelter/gazebo to help create appeal as a distinctive sub-area and destination within Uptown.”*

The City of Racine has approved funding to acquire property and build the Junction Triangle Park in the last two Capital Improvement Plans. In fact, the City’s approved 2019 CIP has budgeted approximately \$1,400,000 for the acquisition of land and construction of this project, beginning in 2020.

In order to begin this project, the land to construct the park must first be acquired for the purposes of public park. As the RDA is aware, property to be acquired by the RDA or the City of Racine for a public purpose must follow the federal and state laws regarding Uniform Relocation Act.

The properties that would be targeted for acquisition include the following:



- 1445 Junction Avenue
- 1503 Junction Avenue
- 1509 Junction Avenue
- 1529 Junction Avenue
- A property assumed to be Railroad ROW

We have had initial discussions with the property owners and all seem willing to sell their properties to effectuate the project. However, some of the property owners use their property for parking for second story residential units. So while the properties are technically relatively unimproved, they are being used for a residential parking use and the uniform relocation act may apply. Therefore, our potential acquisition of the properties may be more complicated than a traditional property acquisition.

Additionally, one of the properties has delinquent taxes and all of the properties require Phase I Environmental Assessments completed prior to acquisition to ensure that

the RDA/City has protection from federal environmental liability. The City plans to begin Phase I ESAs as soon as access can be granted by the property owners. The City's EPA Site Investigation funds can be used to complete the site assessments.

The many complicating factors requires a professional property acquisition firm to assist the RDA/City in acquiring these properties.

TerraVenture proposes to conduct relocation interviews and research, create relocation plans and provide relocation services for the City, negotiate sale terms and provide closing services to the City. Scott Dellebach, principal at TerraVenture, is a registered real estate broker with the State of Wisconsin.

We have also proposed to have TerraVenture Advisors provide title reports from local title companies and also obtain independent appraisals of the properties and any leasehold interests. These services will add approximately \$8,200 to the total cost of the services, however, TerraVenture will provide coordination on all these services on behalf of the City.

**FISCAL NOTE:**

The contract with TerraVenture Advisors is proposed to be \$26,200 plus any expenses or services required that arise due to the complexity of the acquisition, not to exceed \$30,000. Funds are available in the City's Intergovernmental Revenue Fund, Professional Services line item.

Fees include approximately \$18,000 of services from TerraVenture Advisors and approximately \$1,200 for title reports and approximately \$7,000 for appraisal services.

Acquisition of the properties would not occur until January 2020 at the earliest, in keeping with the proposed CIP budget for acquisition of the properties.

**RECOMMENDATION:**

City staff recommends that the RDA direct the Executive Director to engage in a contract with TerraVenture Advisors to research, negotiate, and acquire properties for the Junction Triangle Project, subject to review of the contract by the City Attorney's office.