

Item 23-0051: Authorization to Apply and Accept Rebuilding American Infrastructure with Sustainability and Equity (RAISE) discretionary grant
Item 23-0076: Authorization to Utilize Stafford Rosenbaum LLP as legal counsel for the Transit Center Joint Development project

Fox Cities Transit Commission
Tues, Jan 24, 2023 3:00PM

George Dearborn (Chairman) 08:12

Next item is authorization to apply and accept Rebuilding American Infrastructure Sustainability and Equity discretionary grant. I need a motion to put this on the floor please.

Carol Kasimor (Commissioner) 08:30

So moved.

Mike Patza (Commissioner) 08:32

Second.

George Dearborn (Chairman) 08:33

Motion and a second. Ron if you could go through this, please.

General Manager Ron McDonald (Valley Transit) 08:37

Sure. Thank you, Chair. So, we've been talking about redevelopment of our transit center for quite some time. The first thing we did is we did a space needs assessment and master plan. That is nearing the end. You should have received a copy of the a this is a draft rendering of what the facility could look like. There's no actual design work, no approved plans. This is just a conceptual drawing of what it could look like. And then on the second page is what it could look like on the interior underneath the covered area for the bus passengers.

General Manager Ron McDonald (Valley Transit) 09:18

We are now to the point is we're nearing the end of our master plan. The schedule we put together with the master plan—we want it almost done around the end of the year so we would have enough information to start applying for grants to assist us with a transit portion of this facility. That's where we're at right now.

General Manager Ron McDonald (Valley Transit) 09:38

The first grant that we want to apply for is a RAISE grant. That's a Federal Transit Administration grant to through the through the FTA, and it's called Rebuilding America's Infrastructure Through Sustainability and Equity. And this grant is due—the applications are due by February 28. There's a maximum of \$25 million that you can apply for. It's likely, at the scope of the project, we will likely apply for that and see where we end up on it.

General Manager Ron McDonald (Valley Transit) 10:11

The whole premise of this project—this is this is a joint development between Valley Transit and a private developer. And what we want to do is we want to develop the first floor using federal transit administration dollars. And what's critical to that is, we have to get a developer on board before we start that process because we need to figure out what type of foundation we need to put in there—if we need a three-story structure versus a seven-story structure that the developer is going to need. So, we need to get start getting all these things in line.

General Manager Ron McDonald (Valley Transit) 10:47

What we want to do is apply for the grant, and simultaneously, we're going to be moving forward to do a joint development agreement with somebody who's interested in partnering with us. Again, the whole premise with this whole thing was as a joint development, there has to be a fair share in expenses and revenue. The idea is we want to be able to put up this structure without any significant cost to any of the local municipalities. We want to be able to have enough revenue coming—a revenue stream from the structure—to pay for whatever debt there might be for the transit portion of it. And then the developer can take care of their own things.

General Manager Ron McDonald (Valley Transit) 11:20

So that's kind of the plan. We're now to the point we want to apply for the grant to continue this planning process. And so what we're asking for is authorization to apply for up to \$25 million in the RAISE grant and then accept that, if it's awarded to us. If anybody has any questions.

George Dearborn (Chairman) 11:43

So, when is the—the did you say when the award was anticipated?

General Manager Ron McDonald (Valley Transit) 11:46

The Federal Register says that they have to make a determination and an announcement by June 28. So, it's due February 28. They have to make an announcement by June.

Rick Detienne (Commissioner) 11:57

This is a big chunk of money. What's plan B, if we don't get this grant?

General Manager Ron McDonald (Valley Transit) 12:05

We'll have to go back after other grants. So there's also a 5339b bus and bus facilities grant that will be opening up as soon as the federal government goes through a funding mechanism. They keep extending it. But that's a grant we received for a number of buses a few years back. So that's another grant that's out there that we'll likely apply for and see if we're able to get some money from that also.

General Manager Ron McDonald (Valley Transit) 12:32

And if it doesn't work, and then we'll have to come back and regroup and try again next year. But you know, it's part of the process to get it moving. We have a lot of work in front of us. We have to get a developer, which by the way, I've talked to a number of developers who are very interested in this project. And I know Community and Economic Development has talked to a number of developers who are very interested in this joint development project to make this happen. So this is just the first step, and to Rick's point will apply for other grants, and if we're not successful, we'll come back again and figure out what we did wrong.

Diane Dexter (Commissioner) 13:07

Who writes our grant applications?

General Manager Ron McDonald (Valley Transit) 13:10

For all of our previous grants, depending on how far back we'd go, it was a combination of Dave and Deb. This particular grant, we have a consultant who is part of the team that did the design work on this. SRF is a sub consultant. They're actually preparing the vast majority of his grant for us to put together. The RAISE grant is a very sophisticated grant. It's far more difficult than most grants that we put in. They ask for a lot more data. So, they will be assisting with this project as part of this contract that we already have with them. They've had a number of successful opportunities previously with this grant. We remain hopeful.

George Dearborn (Chairman) 13:57

Anyone else? Okay, we have a motion second on the floor.

Unknown Commission Member 14:06

The \$25 million, is that the maximum allowable that we can apply for? Or is that just what you think we'll need for the project?

General Manager Ron McDonald (Valley Transit) 14:16

That's both. The maximum allowable for this particular grant is a \$25 million expenditure. We were we were thinking we were gonna come in a little bit under that, but we've we're trying to increase the multimodal component and pedestrian walkway areas. And so, we're inching up to that 25 million. So, I think we probably will end up at the 25 million. But that is the cap that you can request with this particular grant.

George Dearborn (Chairman) 14:54

There's no one else. Then we have a motion and a second on the floor. All those in favor to apply for this grant application, please say aye. Any opposed? Thank you. Motion carries.

George Dearborn (Chairman) 15:08

The second item is authorization to utilize Stafford Rosenbaum LLP as legal counsel to for the transit center joint development project. I need a motion and a second to put this on the floor please.

Rick Detienne (Commissioner) 15:23

So move.

Larry Wurdinger (Commission Member) 15:24

Second

George Dearborn (Chairman) 15:24

Motion and a second. Ron, can you explain this please?

General Manager Ron McDonald (Valley Transit) 15:27

They're—the attorneys that will be working on this are primarily going to be their partners. The rate will be \$310 an hour. When they have an associate attorney it will be \$265 an hour. And law clerks, paralegals, and legal assistants would be \$130 an hour.

General Manager Ron McDonald (Valley Transit) 15:27

I can. Thank you Chair. So, this goes right in line to the last discussion we're having about this joint development project. Simultaneous to the grant, we're going to be developing an RFP to get a private developer on board. This is a very sophisticated real estate development partnership, and we need somebody with some real estate and government expertise, who's able to protect the interest or watch out for the interest for the entire Transit Commission. So I'm asking that we utilize the services of Stafford Rosenbaum to do this for us.

General Manager Ron McDonald (Valley Transit) 16:30

I did have a meeting with Stafford Rosenbaum team last Friday with City Attorney Behrens. We both felt very comfortable that they'd be very good in representing the interest of every one of the Transit Commission. This agreement has to be put together in the correct manner to make sure all of our interests are protected. So, I would highly recommend that we move along in this regard to continue the project.

George Dearborn (Chairman) 16:56

Yes, please. Go ahead.

Diane Dexter (Commissioner) 16:57

Where are they located?

General Manager Ron McDonald (Valley Transit) 17:00

The main office is in Madison.

Rick Detienne (Commissioner) 17:04

Do we have an idea of what the cost might be for this service?

General Manager Ron McDonald (Valley Transit) 17:09

I don't have a cap on it, Rick, and that's a good question. You know, we want to utilize them at this point for the development of the RFP and then working on a development agreement. I don't know how many hours that will take. We can certainly keep you updated as we're going through that as what we're paying them because it's a valid question. So, we can certainly talk through that. Where we're at in the project. I would expect conversations are going to ramp up now as we're starting to get into the nitty gritty of things. But what they've said is it's a per rate charge at this point, and we'll continue to work on the development agreement.

General Manager Ron McDonald (Valley Transit) 17:50

You know, I can tell you how important this is. There's another city in Wisconsin, who started a project like this and did not seek outside counsel. Had a developer on board but the developer was able to walk away, and now that city is sitting with a one story structure with a grant that was given to them to support a housing facility on top of it and they don't have a developer on board and they're begging people to come on board and it's going to cost them well more than they would have in the first place. It's critical that we do this correct the first time and protect all of our interests. Because if the if this isn't done right in the in the front end, we can't continue the project. We have to get all of our I's dotted and T's crossed.

[Someone said something off microphone.]

General Manager Ron McDonald (Valley Transit) 18:40

I'm sorry, what was that, Sir?

Unknown Commission Member 18:41

How was it selected?

General Manager Ron McDonald (Valley Transit) 18:42

That's a good question. I've had I had conversations with the regional director of the Federal Transit Administration in Chicago, who referred me to other transit properties. One of them was Indigo in Indianapolis. Talked to a couple of consultants, and basically everything ran into a dead end that was able to help us. And one of the critical concerns for what we wanted to do is whatever firm we wanted to pursue had to have some sort of significant real estate experience, real estate work, experience working in governmental entities, and probably more critically able to practice law in the state of Wisconsin. In case there's a problem, it can be dealt with here. So, with that, Attorney Behrens from the City of Appleton and I talked through a few different places. The only one that even responded to us was this one, and we had a discussion with them and we both felt very comfortable with them. Attorney Behrens has worked with them on previous activities and had a very good experience with their professionalism.

General Manager Ron McDonald (Valley Transit) 20:09

That's correct.

George Dearborn (Chairman) 20:14

Yes please.

Diane Dexter (Commissioner) 20:15

If we approve them, is that approving them from beginning to end no matter how much the cost is? Or is it done in phases where you might ask approval for a little bit more at some point? Or what does it exactly mean if we approve it right now?

General Manager Ron McDonald (Valley Transit) 20:32

I think right now you're granting authorization for us to continue to utilize their services. We can certainly come back to you on and talk about where we are at—you know, what did it cost us to get the joint development agreement done? What will it cost us to continue the project with them? We can certainly cancel this agreement with them at any time if it starts getting crazy. So right now, it's able to utilize their services, and if we come back to you, and you're getting heartburn over something, we certainly will have a discussion about that. And, yeah, it's certainly something that we're keenly aware of. You know, I don't want to have carte blanche for everything and think that it's doesn't matter what you spend, because clearly it does.

George Dearborn (Chairman) 21:20

What kind of—Ron what kind of billing would this be a monthly billing? Or how will, you know, cost controls?

General Manager Ron McDonald (Valley Transit) 21:27

I would assume it'll be monthly billing. I would have to check for sure, but that's what I would anticipate.

George Dearborn (Chairman) 21:33

There should be the ability to look at it and see variations.

Rick Detienne (Commissioner) 21:37

I don't know if you'd be able to get a "not to exceed" arrangement with them, but consultants are really important and really helpful, and they like to do business. And I've seen initial contracts just double when you get to the next phase and well we need to keep using you and. And you look back and you realize, this is a ton of money that we spent on that, and it feels like it was necessary, but did we really expect that? So I don't know if it's possible, but I think having some control over where we at least say we've got to revisit what we've got, what we've got ahead of us, and.

General Manager Ron McDonald (Valley Transit) 22:18

Yup. What I would recommend is we work through the joint development agreement, and as we're working through that, we'll certainly come in with what our expenditures are. And we can monitor those. And if it starts getting to be a concern for all of us, we can reenter conversations with them and say, "Let's talk about this."

General Manager Ron McDonald (Valley Transit) 22:40

You know, I want to emphasize the, you know, the magnitude of this project. I mean, if we're looking at the first floor being \$25 million, or thereabouts, it's going to be a significant project. And there is going to be a cost associated with protecting our interests. And one of the biggest interests we're going to have to maintain through the Federal Transit Administration as well is a fair share of expenditures and revenue from the

developers. So somebody with the expertise in getting these agreements in place for the revenue agreement, is going to be critical to make this project happen. So I, you know, I clearly have an expectation that there's going to be a significant bill attached by the time we're done. I can't tell you what that is, but we'll certainly keep you abreast of what's going on.

Unknown Commission Member 23:34

Are we at least including specific milestones along the way?

General Manager Ron McDonald (Valley Transit) 23:39

We haven't yet. We haven't yet, Ron. Again, we met with them talked about their fee structure. And that's where we left it. So if we got authorization from the Transit Commission and then the Council to proceed with this, we will be having conversations of what our expectations are as we move along.

Unknown Commission Member 24:00

Does this include specifics?

General Manager Ron McDonald (Valley Transit) 24:06

And I think right now is getting us a development—helping us with the RFP, so we can get a developer on board. And part of that is we have to determine what is the structure of the facility, so we're going to work on that too. In other words would we build an outside shell and just rent out the interior? Would we have those as condo units to the developer? I mean, we have to have a lot of conversations as to what's most advantageous for the Transit Commission and Valley Transit. So, I think those are the two critical discussions immediately.

Aldersperson Maiyoua Thao (District 7) 24:43

Thank you chair. I don't remember if I hear this, but um, do we have a budget or like amount that set for the consultation?

General Manager Ron McDonald (Valley Transit) 24:52

We—I think that goes back to what Rick asked. We don't have a set dollar amount. We have some original, smaller grants or several hundred thousand dollars to start this project, and that's how we've been funding all of this all along. And this would get folded into that. But we don't have a finite dollar amount set on this yet, because I don't have a way to determine that until we get into it.

Greg VandeHey (Commissioner) 25:22

So, February is the deadline the 28th. When do they expect the grants to be awarded, again?

General Manager Ron McDonald (Valley Transit) 25:25

June 28.

Greg VandeHey (Commissioner) 25:25

So, let's say we don't get the money. They're aware of this too the contractors? Do they—like a suspension or wait till the next year, or is there, I mean, they're aware of that? Like, if we don't get the money, then, you know, they'll be less work or whatever?

General Manager Ron McDonald (Valley Transit) 25:43

Well, again, so from the attorney's perspective, they will help us develop an RFP to get a developer on board. So that's really where they're—well, a developer and a structure of how we build a facility, how do we set it up.

Once that's done, I can't see where they'd have a lot to do in the meantime. It's billable hours, so if they're working, we have to pay for him. If we're not working with them, there's nothing to bill us for.

George Dearborn (Chairman) 26:10

Anyone else? Alright, I guess if there are no other questions. All those in favor, please say aye. Opposed? Thank you. Motion carries.

George Dearborn (Chairman) 26:29

Thank you very much.

George Dearborn (Chairman) 26:31

I trust you to bring back details as we proceed. Thanks, Ron.