



Legislation Text

File #: 16-295, **Version:** 1

ACTION REQUESTED:

Communication from the City Manager with a Request to APPROVE the RIVERFRONT VILLAGE COOPERATION AGREEMENT. (Council District 1)

BACKGROUND: Riverfront Village was constructed in 1998 as part of a comprehensive redevelopment of the Peoria riverfront. The City owns the land, platform and parking lot at Riverfront Village, and is responsible for the repair and maintenance of these facilities. The Riverfront Village Developers own, lease and maintain the structures on top of the platform. The property currently has two tenants, New Amsterdam restaurant and the Greater Peoria Business Alliance / Greater Peoria Economic Development Council.

In 2012, the City commissioned a condition assessment and concrete testing of the Riverfront Village platform from Walker Restoration Consultants. The objective of the assessment was to review and document the condition of the structure through visual observations and material testing and to prepare an opinion of probable cost for the recommended conceptual repairs. The consultants found the deck to be in fair condition, with advanced deterioration for the age and construction of the structure. The consultants recommended repairs that would be necessary to restore the structure and maximize its remaining useful life. Their opinion of probable cost for the repairs was \$1,120,000. They also recommended that, as an interim protection, that the City shore up the platform with additional support. This shoring has cost the City approximately \$1,000 per month since its installation in 2012.

Over the last several years, the City has been focused on making Downtown, the Riverfront and the Warehouse District more vibrant. The City's Strategic Plan underscores this effort by making a "Vibrant Downtown" one of the City's four goals. The City created the Downtown Advisory Commission ("DAC"), helped launch the Downtown Development Corporation ("DDC") to facilitate development efforts in Downtown, and approved the Downtown Conversation TIF. Over \$25 million of State, Federal and local funds have been put into infrastructure investments, that to date, have been matched by significant private investment, especially in the Warehouse District. The 2015 Strategic Plan included as a major policy item that the City work on a Comprehensive Downtown Master Plan and Riverfront Greenspace.

On July 11, 2016, the DDC announced their plans to acquire full property rights to Riverfront Village from Riverfront Village Developers LLC in order to convert this key piece of land into part of a new linear park along the Illinois River. The DDC intends to transfer the acquired development rights and physical property to the City of Peoria. This transfer would occur pending City Council approval of the attached Cooperation Agreement ("Agreement").

The Agreement is a three party agreement between the City, the DDC and Caterpillar, on behalf of the business donors to the DDC. The business donors have raised all but \$1,000,000 for the purchase of the structures and development rights on top of the Riverfront Village deck. The Agreement calls for the City to contribute \$1,000,000 plus up to \$25,000 of acquisition costs to complete the purchase. Once the purchase has been completed, the DDC will transfer the development rights to the City. Upon such acquisition, the City shall demolish all improvements within Riverfront Village and convert the land into a passive greenspace, park-like setting for public use. Furthermore the Agreement calls for the City to commence with a public engagement process to develop plans for an active park from the Bob Michel Bridge to the Riverplex. Once funding has been secured for conversion of the greenspace to an active park, the parties would then mutually agree upon an implementation plan. Any disposition of the land or for any use other than for public use, would

require the approval of both the City and Caterpillar, on behalf of the business donors.

The City's acquisition of full rights to the approximately 112,000-square-foot parcel (2.6 acres) will be a critical step in a longer-term vision discussed in the City's Strategic Plan: Making Peoria's riverfront a sustainably designed, pedestrian-friendly, active park from the Bob Michel Bridge to the RiverPlex.

FINANCIAL IMPACT: The acquisition cost is \$1,025,000. The estimated cost of the demolition and conversion to greenspace is estimated by City staff at \$500,000. The cost of maintenance would be nominal, under \$15,000 for managing passive greenspace. Assuming that the estimated repair costs from Walker Restoration Consultants have grown with inflation, the acquisition and demolition costs are close to the City-obligated repair and restoration costs. The conversion to green space will also allow the City to address flood control, and this will reduce significantly the cost of future flood control efforts in this part of the Riverfront. The estimated cost to convert the 2.6 acres of Riverfront Village into an active park would be higher. The Office of James Burnett (OBJ), the consultants working on the Downtown Streetscapes Master Plan, estimate that an active park could cost up to \$1,000,000 per acre. Maintenance costs on an active park would be higher than a passive park as well.

NEIGHBORHOOD CONCERNS: The conversion of the Riverfront Village space into a park will afford the City a unique public engagement opportunity. Staff has prepared the attached memorandum that outlines four phases of the public engagement process: input gathering (September 1 - October 31); prioritization (November 1 - December 31); conceptual design (January 1 - March 31); and final design and implementation (April 1 - completion). Staff recommends a Steering Committee be created that would include interested stakeholders, including the Park District, DAC, DDC, Peoria Riverfront Association, the Downtown Living Association, the Peoria Area Convention and Visitor's Bureau, the Warehouse District Association, the Young Professionals of Greater Peoria, and other interested stakeholders.

IMPACT IF APPROVED: The development rights and structures of Riverfront Village would be acquired by the City, the structure would be demolished and a passive park would be established. The City would also embark upon a public engagement process to make the site a more active park.

IMPACT IF DENIED: If denied, the Riverfront Village structure is likely to remain in place. The public engagement efforts would cease and the DDC would have to move towards leasing up the vacant properties.

ALTERNATIVES: The City could wait to see if the business community raises the final \$1,000,000 to acquire the deck. However, since the City owns the land underneath the deck, execution of the Cooperation Agreement ensures a deliberative planning process for future open space on the Riverfront.

EEO CERTIFICATION NUMBER: Not applicable

WHICH OF THE GOALS IDENTIFIED IN THE COUNCIL'S 2014 - 2029 STRATEGIC PLAN DOES THIS RECOMMENDATION ADVANCE?

1. Vibrant Downtown: Riverfront/ Central Business District/ Warehouse District

WHICH CRITICAL SUCCESS FACTOR(S) FROM THE COMPREHENSIVE PLAN DOES THIS RECOMMENDATION IMPLEMENT?

1. Reinvest in neighborhoods.

DEPARTMENT: City Manager's Office