

**CITY OF RACINE, WISCONSIN**

**REDEVELOPMENT AUTHORITY RESOLUTION 17-31**

**A RESOLUTION AUTHORIZING THE RDA EXECUTIVE DIRECTOR TO ENTER INTO AN ARM'S LENGTH NEGOTIATION FOR THE PURCHASE OF PROPERTY AT 1230 SIXTH STREET (GOSPEL LIGHTHOUSE PENTECOSTAL CHURCH OF GOD, INC, TAX ID 03578001 AND 03578002 AND CLARIFYING THE RDA'S INTENT TO NOT USE CONDEMNATION OR EMINENT DOMAIN.**

**WHEREAS**, The City created the Redevelopment Authority of the City of Racine (the "RDA") in 1974 in response to the recognized need within the City for blight elimination, slum clearance and urban renewal programs and projects;

**WHEREAS**, The City vested the RDA with all powers, duties and authorities extant in 66.431, Wisconsin Statutes, known as the "Blight Elimination and Slum Clearance Act" (renumbered to 66.1333, Wis. Stat.), including the authority to carry out the blight elimination, slum clearance and urban renewal projects in the City, prepare redevelopment plans and urban renewal plans and acquire property as necessary or incidental to a redevelopment plan or urban renewal plan;

**WHEREAS**, The City created the Tax Incremental District No. 18 ("District") as a "blighted area district as defined by Wisconsin Statutes Section 66.1105(4)(gm) based upon the finding that at least 50% of the property within the District Boundaries are blighted. The adopted Project Plan that was determined to be feasible and in conformity with the Master Plan of the City, all following public hearing duly noticed and conducted by the City Planning Commission on August 27, 2014;

**WHEREAS**, The TID 18 Project Plan is an blighted area plan and calls for property acquisition for redevelopment and directly states that the costs of property acquired and any costs associated with the transaction are eligible project costs;

**WHEREAS**, the Rootworks: Root River Corridor Redevelopment Plan (Rootworks Plan) was adopted by the Common Council on July, 2012 as an amendment to the Comprehensive Plan following public hearing conducted by the City Council and following the Planning Commission's public hearing and recommendation in favor of adoption;

**WHEREAS**, the Rootworks Area Wide Plan identifies the subject property, 1230 Sixth Street, as being within the boundaries of TID 18 and as currently blighted (partially vacant) and notes that the proposed use and improvements would be as Riverloop (walking/biking path) residential development, as well as used for 6<sup>th</sup> Street "pedestrian/bike bridge";

**WHEREAS**, The RDA is authorized by the City to undertake urban renewal projects, which are defined by Wisconsin Statutes Section 66.1337(2)(b) to include undertakings and activities for the elimination and for the prevention of the development or spread of slums or blighted, deteriorated or deteriorating areas and may involve any work or undertaking for this purpose constituting a redevelopment project or any rehabilitation or conservation work, or any combination of the undertaking or work;

**WHEREAS**, The RDA has commissioned an appraisal of the property at 1230 Sixth Street and has engaged with a relocation consultant in order to estimate the potential relocation expenses associated with a purchase of the property;

**WHEREAS**, the RDA has not yet studied the environmental condition of the property, but suspects that some or portions of the property may be environmentally contaminated; and

**WHEREAS**, The RDA has studied the facts and circumstances relating to the Property with consideration having been given, among other items, to the following matters:

- (i) The findings of the Wisconsin Legislature with respect to blight elimination set forth at Wisconsin Statutes section 66.1333;
- (ii) The definition of “blighted area” within the meaning of Wisconsin Statutes sections 66.1333(2m)(b) and 66.1105(2)(ae);
- (iii) The definition of “urban renewal project” within the meaning of section 66.1337, Wisconsin Statutes;
- (iv) The goals and purposes of the Tax Incremental District as set forth in the Project Plan, the Rootwork Plan (2012) and the Rootworks Area Wide Plan (2017) and City of Racine Comprehensive Plan, as amended, which specifically calls for acquisition and redevelopment of property adjacent to the Root River; and,
- (v) Visual inspection of the Property by the Department of City Development and its consultants.

**NOW THEREFORE, BE IT RESOLVED**, by the Redevelopment Authority of the City of Racine, Wisconsin, as follows:

1. The Property includes structures which by reason of age or obsolescence and the existence of environmental contamination are conducive to ill health or crime and is detrimental to the public health, safety, morals or welfare and therefore the Property is blighted and within a “blighted area” in accordance with Wisconsin Statutes sections 66.1333(2m)(b) and 66.1105(2)(ae);
2. The Property is in need of blight elimination and urban renewal in the form of rehabilitation or conservation to address the hazards presented by environmental contamination and prevent further blight and deterioration;
3. The history and condition of the Property indicate that private investment necessary to adequately rehabilitate or conserve the Property may not occur without public investment to eliminate blight by addressing the environmental issues or making required public improvements adjacent to the Root River, with respect to the Property;
4. The RDA can and must purchase the Property to eliminate and prevent blight and to address the environmental contamination and other blighting influences to encourage private redevelopers to rehabilitate, conserve and redevelop the Property;

5. The RDA authorizes the Executive Director of the RDA to negotiate with the property owners to purchase the Property, relocate any qualified tenants in the property, and to assist in its orderly redevelopment by addressing environmental concerns and, potentially, demolishing the buildings on the property in a manner that allows a private developer to take over the redevelopment and management of the property.
  
6. The RDA hereby authorizes the RDA Chairman and the Executive Director of the RDA to undertake the necessary work to negotiate for the purchase the Property for the purpose of blight elimination, to eliminate as required by law the environmental contamination and hazardous substances that serve as blighting influences on the Property.
  
7. The RDA states its intention to negotiate the purchase the property in an arms-length transaction and specifically declares that the RDA and City of Racine do not intend to use condemnation or eminent domain to acquire the property.

Fiscal Note: The appraisal ordered by the RDA lists the market value of the property as \$290,000. Environmental assessments for the property, including Phase I and Phase II assessments range between \$20,000 and \$45,000 depending on findings. The estimated relocation expenses range between \$50,000 and \$200,000. Attorney fees would be necessary to ensure that any negotiations and option agreements are written in a way that ensures local government environmental liability exemptions and protects the rights of any tenants. The purchase price for the property and any monies for due diligence would be paid for by the City's Intergovernmental Revenue Fund and, as such, any option agreement or purchase agreement would require approval of both the RDA and Common Council.

*Adopted on:*                      December 7, 2017    *Seal*

*By a Vote of*

For:	0
Against:	0
Abstain:	0

*Attest:*

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Amy Connolly, AICP, Executive Director  
City of Racine Redevelopment Authority