



City of Racine, Wisconsin
Agenda BRIEFING MEMORADUM

AGENDA DATE:

August 7, 2024

SUBJECT:

Communication sponsored by Mayor Mason requesting authorization of a resolution of official intent to issue general obligation bonds, notes, or other debt instruments in support of the Lincoln King Community Center Clinic Project and to negotiate and execute a Master Development Agreement with Lincoln King Community Center Development Partners, LLC.

PREPARED BY:

EXECUTIVE SUMMARY:

To authorize a resolution of official intent to issue general obligation bonds, notes, or other debt instruments in support of the Lincoln King Community Center Clinic Project and to negotiate and execute a Master Development Agreement with Lincoln King Community Center Development Partners, LLC.

Background and Analysis:

The City of Racine is developing a new multi-use development of approximately 77,835 gross square feet for the Lincoln-King neighborhood and larger Racine community. The vision is to create a campus-like hub for the neighborhood and the adjacent Julian Thomas Elementary School. The City's goal for this development is to construct net zero energy buildings for long-term operational resilience, environmental stewardship, and to inspire future sustainable developments. The development will achieve net zero through a combination of renewable energy sources (geothermal, photovoltaics), high performance building design, and other creative sustainable solutions.

The new development will consist of a community center, health clinic, and public health department. The community center will have a welcoming design with a lobby and lounge open to the public, multipurpose activity space, gymnasium, and community fitness area. The health clinic will offer medical, dental, behavioral health, mobile care, and other health-related services on the clinic's first floor. There will also be administrative space for the public health department as well as an accessible safe room for the surrounding area. Outside, the site will have multiple sports courts, a community plaza, and an open lawn to provide ample options for gatherings and play outdoors.

The project team includes the SmithGroup for architecture, The Concord Group for OwnerRepresentative services. Lincoln King Community Center Development Partners, LLC (LKCC Development Partners) was engaged as a development partner under a competitive RFQ process.

The architectural design and outreach process is substantially complete and initial pricing has been set, and construction plans have been substantially finalized. With passage of the funding resolution and execution of a Development agreement with Lincoln King Community Center Development Partners LLC (LKCC Development Partners) , mobilization and construction is anticipated to begin Q3 2024 with anticipated completion in Q3 2026.

Construction pricing is locked through August 31, 2024, ARPA funds MUST be encumbered before 12/31/2024. Delays in authorization will result in significant cost increases, and the inability to adequately encumber the funds prior to the Federal deadline.

BUDGETARY IMPACT:

Total project cost is projected to be \$68M. Project costs will be funded with grant funds from the State and Federal Government, New Market Tax Credit Equity, Private donations, energy credits and rebates, and local funding. 70% of the funding is fully available and bridge funding, in the form of a City issued debt instrument, up to \$21M will be required in advance of the availability of the energy credits, private donations, and federal and state grants still in the application status. Final debt issuance and amounts will come back to the Common Council for final authorization in Q4 2024 or Q1 2025 as the capital stack is finalized.

RECOMMENDED ACTION:

The Common Council authorize the resolution of official intent to issue general obligation bonds, notes, or other debt instruments in support of the Lincoln King Community Center Clinic Project and that the Mayor and City Clerk be authorized to execute a Master Development Agreement with Lincoln King Community Center Development Partners, LLC (LKCC Development Partners).