

CITY OF RACINE, WISCONSIN

REDEVELOPMENT AUTHORITY RESOLUTION 17-32

WHEREAS, the Redevelopment Authority (RDA) purchased property at 1418-1422 Washington Avenue in 2007 through resolution 07-23 for \$109,000;

WHEREAS, acquisition of the property a part of the implementation of the adopted Uptown Improvement Plan;

WHEREAS, since 2007, the RDA has attempted to sell the property through brokerage services and through a \$1 building program and has been unsuccessful in finding a qualified buyer for the building;

WHEREAS, the RDA was approached by the Racine Revitalization Partnership, a Community Housing Development Organization (CHDO) about redeveloping the building by improving the apartments upstairs and white boxing the first floor commercial space;

WHEREAS, the RDA approved a predevelopment agreement/option to purchase the subject property through RDA resolution 17-19;

WHEREAS, the terms proposed for the option to purchase included:

- Purchase price of \$101.
- Option fee of \$100 (to be credited to the RRP at purchase)
- Option period: June 1, 2017 through December 31, 2017
- RRP may conduct light demolition, tests, studies, and evaluations in order to help evaluate final construction costs, but must follow lead-safe regulations/methods
- City of Racine Department of City Development will conduct a Federal Environmental Review
- RDA will supply an ALTA survey as part of our predevelopment due diligence
- RRP proposes to spend up to \$37,900 of predevelopment expenses
- Closing costs: Will be determined through a future development agreement, which will be forthcoming this summer, once final construction costs are known.

WHEREAS, the RRP conducted demolition, evaluations, and architectural studies of the building and has financing in place to undertake the redevelopment of the property;

WHEREAS, the RRP now wishes to purchase the property and implement a development agreement, as specified in the option agreement;

BE IT THEREFORE RESOLVED that the RDA authorize the RDA chairman and Executive Director to negotiate, on behalf of the RDA, a development agreement for the property located at 1418, 1420 and 1422 Washington Avenue with the Racine Revitalization Partnership following the terms of predevelopment/option agreement approved by RDA Resolution 17-19.

Fiscal Note: The purchase price of the property is \$101 and those monies would come back the RDA as revenue, however, the RDA has agreed to credit \$100 back to the RRP at closing. Therefore, the total revenue received by the RDA will be \$1. Closing costs and any expenses incurred to close on the property would be a negotiated between the RDA and the RRP and staff's recommendation would appear in the proposed development agreement and purchase agreements, which would come before the RDA in January 2018.

Adopted on: December 7, 2017

Seal

By a Vote of

For: 0

Against: 0

Abstain: 0

Attest:

Amy Connolly, Executive Director
City of Racine Redevelopment Authority