

CITY OF RACINE, WISCONSIN

REDEVELOPMENT AUTHORITY RESOLUTION 17-09

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 66.1337(2m)(a) in need of rehabilitation or conservation in accordance with the provisions of Wisconsin Statutes Section 66.1105, and adopted District Boundaries (the “Project Area”) and 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;

WHEREAS, The Project Plan classifies the property located at 615 Marquette Street and 922 Sixth Street (collectively, the “Property”) for inclusion in the District as “remove or prevent the spread of blight or deterioration”;

WHEREAS, The Project Plan is an urban renewal plan, which provides for acquisition of real property and to otherwise remove or prevent the spread of blight or deterioration and to provide the necessary incentives needed to promote rehabilitation or conservation and encourage economic development;

WHEREAS, the Project Plan anticipates that “*the City will enter into agreements with property owners, lessees, or developers of land within the District for the purpose of sharing costs to encouraged the desired kind of improvements and assure tax base is generated sufficient to recover project costs*”. The plan notes that “*no cash grants will be provided until the City executes a developer agreement with the recipient of the cash grants.*”

WHEREAS, the Project plan anticipates that the RDA and City Council has the duty of conducting more detailed planning and engineering studies and recruiting developer;

WHEREAS, in October 2016, the Redevelopment Authority issued a Request for Proposals (Official Notice #19-2016) seeking developer qualifications and financial proposals for the redevelopment of the former Case Plow Works Building at 615 Marquette and 922 Sixth Street properties and received 5 responses from highly qualified development teams;

WHEREAS, City of Racine staff and the Redevelopment Authority reviewed the responses, interviewed finalists, and recommended the selection of General Capital Group, LLC because the

RDA felt that General Capital proposed the most financially beneficial redevelopment proposal and had experience to fully implement the project;

WHEREAS, the RDA and General Capital met twice in closed session meetings negotiate a general term sheet agreement on purchase price, timeline for redevelopment, and redevelopment expenses for 615 Marquette Street/922 Sixth Street;

WHEREAS, the result of these discussions is the development of an Option to Purchase and a Predevelopment Agreement (the "Agreement") between the City of Racine Redevelopment Authority and General Capital Group, LLP;

WHEREAS, the Redevelopment Authority wishes to enter into the Agreement with General Capital Group, LLP in order to partner on the redevelopment of the property in exchange for the consideration of \$100;

WHEREAS, the Agreement stipulates that once certain terms are met the Redevelopment Authority will accept \$750,000 for the property;

WHEREAS, the Redevelopment Authority acknowledges that certain expenses will arise during the predevelopment term and only desires to expend predevelopment monies if those expenditures would benefit the redevelopment of the property for any developer that would partner with the RDA and does not wish to expend predevelopment monies that benefit only General Capital LLP; and

WHEREAS, for example, the RDA would agree to pay for interior building surveys, historic preservation studies, and environmental studies because those expenditures benefit the redevelopment of the property and not a particular developer;

WHEREAS, the Redevelopment Authority acknowledges that an extensive list of activities must take place during a predevelopment phase to position the property for redevelopment, such as historic preservation studies, environmental studies, interior building surveys, pro forma and financial model development, and conceptual architecture and engineering and, further, these activities take significant time.

BE IT THEREFORE RESOLVED that the City of Racine Redevelopment Authority recommends to the Common Council and its Finance and Personnel Committee the approval of an option to purchase and predevelopment agreement between the RDA and General Capital Group, LLP regarding the redevelopment of the 615 Marquette Street and 922 Sixth Street properties.

FURTHER, the RDA recommends that the City of Racine Common Council and its Finance and Personnel Committee agree to authorize approximately \$87,000 of predevelopment expenses from the City's Intergovernmental Revenue Fund to the RDA Budget for the expenses proposed within the Predevelopment Agreement and authorize the RDA Executive Director to expend the allocation for the purposes of redevelopment of the subject property.

Fiscal Note. The agreement stipulates that the RDA would expend approximately \$87,000 in predevelopment expenses. The RDA requests that those funds be allocated to the RDA budget through the City Intergovernmental Revenue Fund.

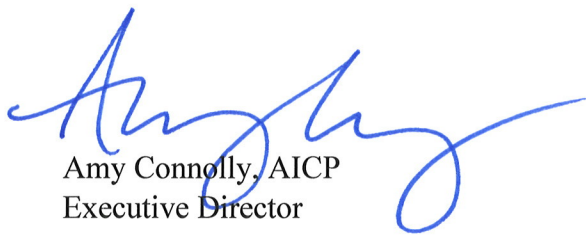
Adopted on: February 6, 2017

Seal

By a Vote of

For:	4
Against:	0
Abstain:	0

Attest:



Amy Connolly, AICP
Executive Director

