



Community Development Authority

City of Racine

AGENDA BRIEFING MEMORANDUM

AGENDA DATE: September 29, 2025 – Community Development Authority
October 7, 2025 – Common Council

PREPARED BY: Jeff Hintz, CNU-A, Assistant Director of City Development

SUBJECT: Communication from the Assistant Director of the Department of City Development, on behalf of the Executive Director of the Community Development Authority submitting change order #2 to CONTRACT 2024175 DEMOLITION OF 725 LAKE AVENUE CDBG.

BACKGROUND & ANALYSIS: CONTRACT 2024175 DEMOLITION OF 725 LAKE AVENUE CDBG was executed in December of 2024 and work began in January of 2025. Change order #1 to this contract for \$236,0242.50 and was related to removal of hazardous waste not suitable for standard landfilling based on removal of building materials in preparation for building demolition. The demolition of the structure commenced on May 12 of 2025 and was essentially completed at the end of July with cleanup work and site grading completed in early September.

This request for change order in the amount of \$179,258.63 focuses on two issues as outlined below.

- Removal of chemicals stored onsite for pool treatment, ice melt, fire suppression, cleaning of the facility and similar purposes. These chemicals could not be landfilled given the type and overall quantities and were required to be handled professionally. **Total cost - \$18,008.38**
- The project specifications called for the western basement wall (along Lake Avenue) and the southern basement wall (along 8th Street right-of-way parking area) to be removed about 1-2 feet below grade and



left in place to help stabilize the site and adjacent rights-of-way. Upon demolition of the building's upper floors and removal of the basement interior walls the walls to remain for stability were observed to be unstable and compromised. The intent of leaving the western and southern basement foundation walls in place was to provide stability to adjacent rights of way until the site could be redeveloped.

Photo is looking north showing western wall collapse, closed sidewalk on Lake Avenue, collapsed site security fence, and damage to parking lot in 8th Street south of the building.

The original project specifications were not feasible with this discovery due to the observed damage and safety risks posed and proper stabilization was required. Removing the southern and compromised portions of the western wall when they were exposed was the most practical and cost-effective way to arrive at a development ready site for future redevelopment. Cost wise, this takes the following form.

- Below grade stabilization of property adjacent to right-of-way and total removal of southern and damaged portions of western basement walls, crushing of materials, and backfill. **Total Cost - \$132,202.00**
- Repair of restoration of 8th Street right-of-way parking area due to wall collapse. **Total Cost - \$29,048.25**

This change order #2 at \$179,258.63 will close out the project contract at a total project cost of \$1,497,588.13 for the demolition and grading of this site.

RECOMMENDED ACTION: Staff recommends that Change Order #2 to CONTRACT 2024175 be approved in the amount of \$179,258.63 to close out this project.

BUDGETARY IMPACT: \$179,258.63 will be shared from TID #9 (Johnson Building) to TID #17 (Porters) and then spent under the ½ mile provision out of TID #17. This expenditure is allowable within both the TID #9 and TID #17 project plans.

Final cost of the project will be \$1,497,588.13 with funding allocated as follows: TID #9: \$760,676.42 and CDBG: \$736,911.71.

Funds are available in TID #9 and have been anticipated in all TID modeling and [reports to the Joint Review Board](#).