

**Racine Water and  
Wastewater Utilities**

Keith E. Haas, P.E.  
General Manager



City of Racine, Wisconsin

Michael L. Gitter, P.E.  
Chief of Operations

Charles A. Schweitzer, P.E.  
Chief Engineer

Kenneth M. Scolaro, C.P.A.  
Administrative Manager

September 23, 2008

Mayor Gary Becker  
and the Common Council  
City of Racine  
Racine, Wisconsin

Ladies and Gentlemen:

The Racine Water Utility purchased 49.5 acres of land in 2004 in the Village of Mt. Pleasant using its Water Utility reserves. The purchase price for this land was \$1,600,000.00. The cost per acre was \$32,323.23. The Utility constructed a booster station and ground storage tank on the site. The Utility has been contacted by numerous interested buyers of the property over the past several years. The Utility is not in the business to negotiate land sales. Disposition of this property would better be served by a Department such as City Development or the Redevelopment Authority. The Utility has no plans for the remainder of the property and wishes to offer the City of Racine the option to purchase it from the Racine Water Utility for the purchase price per acre that the Utility incurred in 2004. The Utility will retain 12 acres of the property for its use, at this time, and sell the remaining 37.5 acres to the City for \$1,212,121.00. This arrangement is similar to how the City of Racine came into possession of the Walker site on Michigan Boulevard.

The sale and transfer of this property to the City of Racine will allow the Utility to transfer this asset from its audited financial statements and allow the City of Racine to book this asset in its audit.

This topic of selling the land to the City has been discussed at several Water Utility meetings over the course of the past year. There are a number of ways that the financing and transfer of this asset can be worked out. I would appreciate the opportunity to discuss this topic with the Finance and Personnel Committee at their earliest convenience.

Sincerely,

Keith E. Haas, P.E.  
General Manager

- c: D. Brown (City of Racine, Finance Director)  
B. O'Connell, (City of Racine, Director of City Development)