



City of Racine, Wisconsin
AGENDA BRIEFING MEMORADUM

AGENDA DATE:	March 25, 2019 – Finance and Personnel Committee April 3, 2019 – Common Council
SUBJECT:	0299-19 Developer’s Agreement between City of Racine and Racine Harborside, LLC (Royal Capital Group, LLC, Manager) relating to public improvements proposed for the @North Beach Development at 1129 Michigan Blvd.
PREPARED BY:	Amy Connolly, Director of City Development
SUMMARY:	City staff recommends approval of the proposed Developer’s Agreement, as proposed
PROJECT BACKGROUND & ANALYSIS:	<p>A developer’s agreement is the document that lays out the public infrastructure development required to be installed by the developer and determines under what conditions the City accepts the infrastructure built for the project and makes it officially “public infrastructure” to be afterwards owned and maintained by the City of Racine.</p> <p>In particular, this document applies to the public infrastructures intended to be built as a result of the @North Beach Development, including:</p> <ul style="list-style-type: none">• streets• lighting• sewers (sanitary and storm)• water• grading, erosion, and silt control• Public right of way landscaping• street signs and traffic control <p>The Developer’s agreement discusses each of the infrastructures and for each on of these infrastructures, notes that:</p> <ol style="list-style-type: none">1. Developer has to meet City standards2. Developer must install infrastructure according to plans approved by the City3. All infrastructures must be inspected and then presented for acceptance to Common Council4. Developer must guarantee/warranty work for two years after acceptance, so if something fails, developer pays and not the City <p>The Developer’s Agreement also covers some general provisions including:</p> <ol style="list-style-type: none">a. Contractors have to clean up (and street sweep, etc.)b. Developer must provide “as built” to the City and Utility

5. Occupancy permits won't be issued until several infrastructure elements are completed (*for example, you cannot occupy a building until the sewer lines are finished and tested*)
6. Vacant lot maintenance requirements for areas of the site not yet developed
7. Easements and survey monuments must be granted and set/recorded

EXTRAORDINARY COSTS:

In order to ensure that we are building/placing appropriately designed and sized infrastructure to avoid tearing up public streets in the future and to ensure that our infrastructure investments benefits the entire development area, the City is requiring certain design features for the proposed infrastructure.

The Developer's agreement says that If the City requires certain design features that will benefit the general public (upsizing of infrastructure or certain design elements) to serve other private properties, and the infrastructure incentive negotiated in the Tax increment Financing agreement is not sufficient to pay for these design features/upsizing, the City will pay the extraordinary costs associated with these extra design features, specifically:

1. **Sanitary sewer** – install at a lower elevation to serve potential future development to the south
2. **Water** – provide a loop for fire hydrants and adequate fire suppression serving the neighborhood
3. **Street design** – streets may be constructed in concrete as opposed to bituminous which benefits the entire neighborhood in the long term

FISCAL NOTE:

City is waiving all fees and costs incurred by City to observe, test, inspect, and dedicate infrastructure and it is likely that the City will hire a construction related services firm to provide resident project representative services. This engineer will represent the City on site and ensure that infrastructure meets all City requirements and standards. The fact that the City will be waiving these fees and incurring those expenses is spelled out in the Developer's Agreement.

There is an addendum that is in the form of a contract with the water utility relating to the installation of water infrastructure to the Development. In this agreement, the Developer agrees to pay all inspection costs to the Water Utility.