



## City of Racine, Wisconsin

### AGENDA BRIEFING MEMORADUM

**AGENDA DATE:** September 12, 2022 – Finance and Personnel Committee  
September 20, 2022 – Common Council

**SUBJECT:** Communication sponsored by Mayor Mason seeking approval to enter into a first amendment to the development agreement with HOVDE Properties, LLC, regarding the Redevelopment Site at and near 233 Lake Avenue

**PREPARED BY:** Kathleen Fischer Finance Director  
**Reviewed By:** Paul Vornholt

**EXECUTIVE SUMMARY:**

In September of 2021 the Common Council approved a development agreement between the City of Racine and HOVDE Properties, LLC regarding the redevelopment of the Site at 233 Lake Avenue. The development agreement imagines approximately a 202-unit market rate residential development on the site. The amendment requested will cover one item discussed below.

**PROJECT BACKGROUND:**

As contemplated in the original development incentive agreement, the developer will construct a multifamily residential building containing a total of approximately 202 units of market-rate rental housing. The building will boast beautiful views of Lake Michigan/Harbor. The project will incorporate many amenities including a community space overlooking the lake, a fitness center, a pet wash, and will be sustainable including a solar array. The development will include a mix of enclosed and surface parking. In addition, the project will include a public connection to the lakefront including public art, landscaping, sidewalks, benches and grassed areas. Total project costs are estimated to exceed \$28,000,000.

The amendment requests one item discussed below.

**REQUEST:**

1. The original agreement listed a commencement date of September 1, 2022. The project has been delayed to allow for design revisions to mitigate cost increases caused by inflationary pressures and environmental conditions discovered during the due diligence process as well as , time to allow for completion of DNR approvals. We are therefore requesting the commencement date be changed to February 1, 2023. While the developer intends for construction to commence before year end, they are requesting additional time to ensure DNR approvals are completed, and the redesigned project can be bid out by the contractor locking into an acceptable project budget.

**RECOMMENDATION:**

Staff recommends that the Finance and Personnel Committee allow the Mayor and City Clerk to enter into the First Amendment to the Tax Increment Financing Agreement with HOVDE Properties, LLC and execute all necessary documents therein.

**FISCAL NOTE:**

None.