

CITY OF RACINE, WISCONSIN

REDEVELOPMENT AUTHORITY RESOLUTION 17-28

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 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, 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 Redevelopment Authority entered 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 stipulated that once certain terms are met the Redevelopment Authority would accept \$750,000 for the property;

WHEREAS, the Redevelopment Authority acknowledged that certain expenses would arise during the predevelopment term, 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.

WHEREAS, the in predevelopment agreement the Redevelopment Authority agreed to expend monies for due diligence (approximately \$86,500) to study the 615 Marquette property for its feasibility for redevelopment over the last year. During the due diligence, the Redevelopment Authority completed an Alta Survey (\$4,100), began – but did not complete an interior building survey (\$1,256.14), conducted an historic district nomination study and submitted a nomination to the State Historic Preservation Office (\$11,771.15) for a total of \$17,127.29 expended to date.

WHEREAS, the historic preservation survey was completed in summer 2017 and the authors found that it would be difficult for the property to qualify for historic preservation tax credits. Additionally, the State Historic Preservation Office did not feel that the 615 Marquette building would qualify for the tax credits.

WHEREAS, without the equity created by historic preservation tax credits, the expense of renovating and rehabilitating the 615 Marquette building is too extensive to support its reuse as a residential redevelopment.

BE IT THEREFORE RESOLVED that the City of Racine Redevelopment Authority and general Capital Group, LLC wishes to mutually end the option to purchase and predevelopment agreement for the redevelopment of the 615 Marquette Street and 922 Sixth Street properties.

FURTHER, The City of Racine Redevelopment Authority wishes to express our sincerest gratitude for General Capital Group, LLC for diligently working with City staff on the 615 Marquette project.

Fiscal Note. Funds were allocated for the predevelopment agreement expenses to the RDA budget through the City Intergovernmental Revenue Fund. Of the \$87,000 allocated, only \$17,127.29 was expended to date.

Adopted on: November 2, 2017

Seal

By a Vote of

For:	0
Against:	0
Abstain:	0

Attest:

Amy Connolly, AICP
Executive Director