

CITY OF RACINE, WISCONSIN

REDEVELOPMENT AUTHORITY RESOLUTION 18-04

A resolution authorizing the RDA Executive Director and the RDA Chairman to sign and execute a Purchase and Sales Agreement for RDA-owned property at 1418-1422 Washington Avenue to the Racine Revitalization Partnership.

WHEREAS, the Redevelopment Authority (RDA) purchased property at 1418-1422 Washington Avenue in 2007 through resolution 07-23 for \$109,000;

WHEREAS, acquisition of the property a part of the implementation of the adopted Uptown Improvement Plan;

WHEREAS, since 2007, the RDA has attempted to sell the property through brokerage services and through a \$1 building program and has been unsuccessful in finding a qualified buyer for the building;

WHEREAS, the RDA was approached by the Racine Revitalization Partnership, a Community Housing Development Organization (CHDO) about redeveloping the building by improving the apartments upstairs and white boxing the first floor commercial space;

WHEREAS, the RDA approved a predevelopment agreement/option to purchase the subject property through RDA resolution 17-19;

WHEREAS, the RRP conducted demolition, evaluations, and architectural studies of the building and has financing in place to undertake the redevelopment of the property;

WHEREAS, through Resolution 17-31 the RDA authorized the RDA Chairman and Executive Director to negotiate a development agreement for the property following the terms of the predevelopment/option agreement and we have arrived at a purchase and sales agreement for the RDA to consider.

WHEREAS, the RRP has determined that they will stabilize and rehabilitate the building to create a mixed-use commercial property that includes two first-floor retail suites and two second-floor apartments.

WHEREAS, the property is being sold “AS IS” and is currently tax exempt, however, the property will become taxable on or after January 1, 2019 and the agreement states that the RRP agrees not to apply for a tax exemption any time after the closing date;

BE IT THEREFORE RESOLVED that the RDA authorize the RDA Executive Director and the RDA Chairman to Sign and Execute a Purchase and Sales Agreement for RDA-owned property at 1418-1422 Washington Avenue to the Racine Revitalization Partnership.

***Fiscal Note:** The purchase price of the property is \$101 and those monies would come back the RDA as revenue, however, the RDA has agreed to credit \$100 of the option consideration back to the RRP at closing. Therefore, the total revenue received by the RDA will be \$1. Closing costs and any expenses incurred to close on the property are allocated as follows: RRP is responsible for title insurance policy, gap coverage and all endorsements to the title policy, transfer taxes, special assessment letter fees, and the closing fee and document preparation fee of the Title*

company, recording fees on the deed transferring the title to the buyer and the fees of their attorney. City will pay their own attorney fees. Not that the City of Racine has also committed HOME Rental Rehabilitation funds to this project.

Adopted on: February 1, 2018

Seal

By a Vote of

For:

Against:

Abstain:

Attest:

Amy Connolly, Executive Director
City of Racine Redevelopment Authority