

CITY OF RACINE, WISCONSIN

REDEVELOPMENT AUTHORITY RESOLUTION 18-38

AUTHORIZING A THIRD AMENDMENT TO AN OPTION AGREEMENT WITH
CARDINAL CAPITAL FOR THE FORMER AJAX PROPERTY LOCATED AT 1520 AND
1536 CLARK STREET

WHEREAS, in June 2017, through Resolution 17-18, the Redevelopment Authority authorized the RDA Executive Director and Chairman to sign all documents, on behalf of the RDA, to enter into an option agreement for the former Ajax Property (1520 and 1536 Clark) with Cardinal Capital Management, Inc. of Madison, Wisconsin for the purposes of redeveloping the property;

WHEREAS, in July 2018, through Resolution 18-17, the Redevelopment Authority authorized the RDA Executive Director and Chairman to sign a first amendment to an option agreement with Cardinal Capital to extend the option to September 21, 2018;

WHEREAS, on October 4, 2018, through Resolution 18-29 the Redevelopment Authority authorized the RDA Executive Director and Chairman to sign a second amendment to an option agreement with Cardinal Capital to extend the option to December 14, 2018;

WHEREAS, Cardinal Capital Management, Inc. has requested an extension of the existing option agreement to May 31, 2019;

WHEREAS, Cardinal Capital has asked for additional time to conduct due diligence, conduct further environmental studies, find suitable financing, and further negotiations with the RDA on a development agreement;

WHEREAS, Cardinal Capital will need this extension in order for their applications for financing and tax credits to be approved;

WHEREAS, the City Attorney's office has reviewed the first amendment document and finds it acceptable as to form;

BE IT THEREFORE RESOLVED that the Redevelopment Authority authorize the RDA Executive Director and Chairman to sign a third amendment to an option agreement with Cardinal Capital, on behalf of the RDA.

Fiscal Note: RDA purchased the property in December 2016 for \$4,500. We expend approximately \$5,000 a year maintaining the property (grass, snow removal, security). The option agreement would add \$100 to the RDA's budget in 2019 and would add the agreed upon purchase price to the RDA's budget in 2019. The RDA may incur attorney fees as part of this transaction, including the closing of the property.

Adopted on: December 6, 2018

Seal

By a Vote of

For:	0
Against:	0
Abstain:	0

Attest:

Amy Connolly, AICP
Executive Director, Redevelopment Authority of the City of Racine