

**CITY OF RACINE, WISCONSIN**

**REDEVELOPMENT AUTHORITY RESOLUTION 19-13**

**WHEREAS**, by Resolution 12-16 the Redevelopment Authority of the City of Racine (“RDA”) resolved to pursue due diligence, obtain a Phase I ESA, and acquire the property addressed 233 Lake Avenue (the “Property”) based upon an offer of purchase provided to the RDA by We Energies;

**WHEREAS**, by Resolution 12-3415 of October, 2012 the Common Council approved the RDA’s acquisition of certain property in the City of Racine with street address of 233 Lake Avenue;

**WHEREAS**, the RDA acquired the Property by Special Warranty Deed recorded on December 15, 2014 as Document No. 2396239, to allow the City to control a prominent property within the Downtown Area to assure its appropriate reuse and contribution to the health, vitality and economic development of the Downtown Area;

**WHEREAS**, the RDA is authorized by Wisconsin Statute 66.1333 to hold and lease property and exercise other powers as required or necessary to prevent blight, bring about redevelopment and otherwise effectuate the purposes of the statute;

**WHEREAS**, on December 4, 2018, the City of Racine adopted a Tax increment District 21 and a project plan encompassing the subject site and identifying the property as blighted and in need of redevelopment and without a tax incremental financings any redevelopment is uneconomical and substantial impairs or arrests the sound growth of the City;

**WHEREAS**, Hovde Properties, LLC (“Hovde”) is interested in acquiring and has negotiated with the Redevelopment Authority to obtain an option to lease the Property for future redevelopment (the “Option Agreement”);

**WHEREAS**, the Option Agreement will incentivize Hovde to make a significant investment in geotechnical testing of the Property and preliminary engineering design needed to calculate the cost of constructing Hovde’s proposed development at the Property;

**WHEREAS**, the RDA reviewed the Agenda Briefing Memorandum of the Executive Director dated May 20, 2019 describing the terms, conditions and other material provisions of the Option Agreement (the “Report”);

**WHEREAS**, the RDA has reviewed Hovde’s proposed development of the Property and determined that it is consistent with the City’s concept of appropriate reuse and contribution to the health, vitality and economic development of the Downtown Area;

**WHEREAS**, the RDA concludes it may lease the Property in accordance with the Option Agreement because the continued use of the Property as a hotel and market rate housing

complex would further blight prevention and redevelopment and is not inconsistent with the Downtown Plan or the approved tax incremental district plan;

**WHEREAS**, the Property is subject to a utility easement, restrictive covenant and remediation agreement by which Wisconsin Electric Power Company (“We Energies”) maintains and safeguards its extensive infrastructure at the Property;

**WHEREAS**, Hovde wishes to disrupt the Property by collecting subsurface samples for geotechnical review necessary for detailed engineering, design and pricing of its proposed development at the Property;

**WHEREAS**, the terms of the utility easement, restrictive covenant and remediation agreement require the Redevelopment Authority to coordinate with and obtain the approval of We Energies and the Wisconsin Department of Natural Resources before any disturbance of the Property may occur;

**WHEREAS**, the Wisconsin Department of Natural Resources has approved Hovde’s proposed geotechnical activities to proceed at the Property by issuing a Cap Disturbance Approval, dated March 29, 2017;

**WHEREAS**, the Redevelopment Authority, Hovde and We Energies have negotiated two access agreements to memorialize their respective roles and obligations in allowing Hovde’s proposed geotechnical activities to proceed at the Property;

**WHEREAS**, the Redevelopment Authority and Hovde have negotiated an access agreement to allow Hovde to remove materials from the subsurface at the Property in a manner consistent with the utility easement, restrictive covenant and remediation agreement recorded against the Property and in accordance with the March 29, 2017 Cap Disturbance Approval (the “RDA-Hovde Access Agreement”); and

**WHEREAS**, Hovde and We Energies have negotiated an access agreement to allow Hovde to access and store materials removed by Hovde from the subsurface at the Property at We Energies’ easement area at the Property (the “We Energies-Hovde Access Agreement”).

**BE IT THEREFORE RESOLVED**, that the Redevelopment Authority does hereby approve the terms, conditions and other provisions set forth in the Option Agreement and directs the Executive Director to execute the Option Agreement following approval of the Option Agreement by the Common Council and following the RDA’s proper notice and timely conduct of a public hearing pertaining to the potential sale of the Property pursuant to the Option Agreement;

**FURTHER RESOLVED**, that the Redevelopment Authority approves and directs the Executive Director to sign to indicate the RDA’s consent to the We Energies-Hovde Access Agreement.

Fiscal Note: Funds are available in the accounts identified for this purpose.

*Adopted on:* May 20, 2019

*Seal*

*By a Vote of*

For: 0

Against: 0

Abstain: 0

*Attest:*

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