

CITY OF RACINE, WISCONSIN

COMMUNITY DEVELOPMENT AUTHORITY RESOLUTION 20-09

WHEREAS, by Ordinance 0025-19 the Community Development Authority of the City of Racine (“CDA”) replaced the Redevelopment Authority of the City of Racine (“RDA”) and assumed all programs, projects, properties, contracts, and indebtedness held by the RDA.

WHEREAS, by Resolution 12-16 the 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 and CDA are authorized by Wisconsin Statute 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, by Resolution 19-13 the RDA approved an option agreement, access agreements between the RDA and We Energies, and the Report of the Executive Director outlining specifics to Hovde Properties, LLC for the long-term lease of the property at 233 Lake Avenue for the redevelopment and build-out of the site to include at least multi-family units and a stand-alone, limited service hotel; and

WHEREAS, Hovde Properties, LLC was to complete their due diligence on the project; negotiate and execute and Incentive Agreement, and exercise their Option for property control by April 30, 2020 and it is now obvious, largely due to the pandemic, that such timeline was not achieved; and

WHEREAS, through the adoption of Resolution 20-02 the Community Development Authority of the City of Racine authorized and approve an amendment to the Offer to Purchase the parcel of real property commonly referred to as 233 Lake Avenue with Hovde Properties, LLC extending the expiration date for exercising the Option from April 30, 2020 to September 1, 2020.

WHEREAS, Hovde Properties, LLC was to complete their due diligence on the project; negotiate and execute and Incentive Agreement, and exercise their Option for property control by September 1, 2020 and it is now obvious, largely due to the pandemic, that such timeline was not achieved; and

BE IT THEREFORE RESOLVED, that the Community Development Authority of the City of Racine does hereby authorize and approve an amendment to the Offer to Purchase the parcel of real property commonly referred to as 233 Lake Avenue with Hovde Properties, LLC extending the expiration date for exercising the Option from September 1, 2020 to July 1, 2021.

FURTHER RESOLVED, that the Community Development Authority approves and directs the Chairman to execute the Option on behalf of the Seller/Lessee.

Fiscal Note: There is no budgetary impact to extending the date for expiration of the Option to Purchase by 9 months. All terms of the Option Agreement remain unchanged. This extension merely allows the Purchaser/Lessee to have some additional time to complete due diligence activities.

Adopted on: October 1, 2020

Seal

By a Vote of

For:	0
Against:	0
Abstain:	0

Attest:

Billy J. Bowers, Executive Director
Community Development Authority of the City of Racine