



City of Racine

City Hall
730 Washington Ave.
Racine, WI 53403
www.cityofracine.org

Meeting Minutes - Final

Redevelopment Authority of the City of Racine

Monday, May 20, 2019

4:30 PM

City Hall, Room 307

SPECIAL MEETING

Call To Order

Chairman Spangenberg called the meeting to order at 4:30 p.m.

PRESENT: 6 - Jen Adamski, Doug Nicholson, John Crimmings, James DeMatthew, Cory Mason and Trevor Jung

EXCUSED: 1 - Robert Anderson

Misc. Notes/Arrivals

James Spangenberg were also present (member not listed in the attendance).

0596-19

Subject: Resolution 19-13 approving an option agreement, access agreement, and the Report of the Executive Director for the lease of property at 233 Lake Avenue to Hovde Properties, LLC.

Attachments: [\(0596-19\) Executive Directors Report Regarding Lease of 233 Lake Avenue](#)
[\(0596-19\) Hovde Access Agreement](#)
[\(0596-19\) Hovde Option to Purchase - 05202019](#)
[\(0569-19\) Resolution 19-13 Option & Access Agreement](#)

Executive Director Connolly explained the request. She stated the request relates to the announcement that was made last Tuesday regarding Hovde Properties, LLC and 233 Lake Avenue. She introduced Randy Guenther from Hovde Properties, LLC.

Connolly reviewed the documents provided to the RDA. She stated two different access agreements were mentioned in the resolution, however, only one was provided in the packet. Connolly explained the second access agreement which would be between Hovde Properties, LLC, the RDA, and We Energies. She stated language was added in the resolution that "approves and directs the Executive Director to execute the RDA-Hovde Access Agreement..."

Connolly stated that We Energies has a lot of underground infrastructure and easements on the property and that the access agreement also lays out how certain materials on the site would be disposed of. She stated that the agreement also allows Hovde access to secure storage for any waste materials they come across.

Mr. Guenther stated that the reason that access is needed is because some of the materials will need to be stored until their disposal. He stated We Energies will be

doing the disposal of materials.

In response to Nicholson, Mr. Guenther stated that because of the site is capped and is building a podium project so they have two types of systems and everywhere put a column will need to be supported and tested. DNR is aware of the plan and agree that it is an additional cap. Need to make sure that they can building what they need to build or rework the project. They will be doing a lot of compaction and boring.

Connolly reviewed the report to the Council regarding the lease of the property. She stated statute requires that a report be made to the Common Council regarding the terms of the transaction. She stated that a hearing will also be done in front of the Common Council to provide transparency on the project. She stated there a lot of covenants that exist on the property related to the groundwater monitoring system that is in place.

DeMatthew asked if the Downtown Master Plan referred to the plan that was adopted by the City in 2005. He stated that the plan lists the site as a catalyst for employment, not residential. He stated he is concerned that we are basing decisions on a plan that was created 15 years ago and is also concerned about the different residential projects that are coming in and how the apartments and condos will be filled. He stated nothing has been done since the Roger Brooks presentation and he feels that places are being built before we know whether or not people will fill them. He expressed concern about the potential of jumping ahead with projects only have them fall flat. He stated that we need to have a master plan regarding development.

Connolly stated that market studies have been done and has committed

Crimmings stated that the Racine County Economic Development Corporation (RCEDC) conducted a study that showed there was a housing shortage of about 10,000 units within the County of Racine. He stated developers are not acquiring properties for the sake of acquiring.

Connolly stated the plan calls for a mixed use development and the proposed development is conducive and in-keeping with the Downtown Plan.

Crimmings stated the State and Main project was the first time development of that type proposed in the City. He asked Guenther if he has ever done a residence and hotel combination.

Mr. Guenther replied that he has not, however, it is a very common development. He stated that it is about how the interaction is set up. He stated there needs to be interaction, but a separate residence and hotel space. He stated walkability is extremely important for multifamily units.

In response to DeMatthew, Mr. Guenther stated that they are speaking with several different type of hotel services. He stated they are putting a lot of time with the design and the architecture of the site. He stated they want to make sure the hotel mingles well with their space. Mr. Guenther stated they are looking to work with a mid-service hotel with at least a 3-4 star rating.

Connolly informed the Authority that the option agreement is to allow for due diligence studies.

Randy stated the interim period between potential construction will allow them doing

In response to DeMatthew stated they have to lay out the \$200,000 to see what is available. They have already spent a lot of money regarding the site.

Chairman Spangenberg reminded the Authority that we are at the beginning stages of looking at the request. He stated that we are giving the applicant access to the property so that they can make their assessments.

In response to Nicholson's question about liability, Connolly stated that in the covenants and restrictions we do have some responsibilities make sure the cap is maintained, make sure that nothing happens to the site or the underground water monitoring system and that if something does happen, the RDA can become liable to repair any damage. She stated, as the RDA, we do take on risk so that the private sector can redevelop properties that may not otherwise be developable.

Jung stated he is excited for the opportunity of the project. He stated tourism helps to create a good downtown.

In response to Crimmings, Connolly stated that Exhibit B of the agreement lays out the conditions in which the money would not be refundable.

A motion was made by Crimmings, seconded by Jung, to adopt RDA Resolution 19-13 approving an option agreement, access agreement and the Report of the Executive Director for the lease of property at 233 Lake Avenue to Hovde Properties LLC with changes to the resolution to authorize the Executive Director to execute the RDA-Hovde Access Agreement. The motion PASSED by a Voice Vote with DeMatthew voting "no".

[0602-19](#)

Subject: Resolution 19-14 approving a demolition bid process for the property at 1425 N. Memorial Drive (Racine Steel Castings).

Attachments: [\(0602-19\) Official Notice 7 2019 1425 N Memorial Dr Raze and Removal](#)
[\(0602-19\) Resolution 19-14 RSC Demo BID](#)

Connolly introduced the request. She stated that we are asking for permission to go out for bid for the demolition of the large Racine Steel Castings building and the garage structure. She stated we may or may not move forward, however, we would like to obtain bid amounts.

She stated that we have a desire to get the property cleaned ASAP however, the project was budgeted in next year's Capital Improvement Plan budget so there is a possibility that we may have to go for a budget amendment to the Common Council.

Connolly stated there are a lot of options regarding the bid; to do the garage, the main building, abatement of the environmental conditions. She stated at this stage we are just gathering information on the bid; we will return to the RDA with the costs proposed.

A motion was made by DeMatthew, seconded by Nicholson, to adopt RDA Resolution 19-14 approving a demolition bid process for the property at 1425 N. Memorial Drive. The motion PASSED by a Voice Vote.

Adjournment

There being no further business, the meeting adjourned at 5:09 p.m.