



City of Racine

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

Meeting Minutes - Draft

Community Development Authority

Thursday, April 30, 2020

4:00 PM

Call-in Number: (701) 802-5180

Access Code: 6027300

Call To Order

Chairman Martin called the meeting to order at 4:02 p.m.

Roll Call

PRESENT: 7 - Mason, Adamski, Jung, Martin, Thomas, Pucci and Bukacek

Approval of Minutes for the March 5, 2020 Meeting.

A motion was made by Jung, seconded by Adamski, to approve the minutes of the March 5, 2020 meeting. The motion PASSED by a Voice Vote.

[0225-20](#)

Subject: Request to authorize and approve an amendment to the offer to purchase for the property at 233 Lake Avenue between the Community Development Authority of the City of Racine, seller/lessee, and Hovde Properties, LLC, buyer/lessor, for an extension of the option from April 30, 2020 to September 1, 2020.

Attachments: [ABM - 233 Lake Ave. Option Extension](#)
[Option To Purchase - 233 Lake Ave.](#)
[Amendment of Option To Purchase -- 233 Lake Ave.](#)

Interim Executive Director Sadowski stated this item was previously before the Redevelopment Authority (RDA). He stated the request is to extend the option of the property at 233 Lake Avenue with Hovde Properties, LLC. Sadowski introduced Jim Palenick, City Administrator, to further discuss the project.

Palenick described the request. He stated on May 3, 2019 the RDA entered into an option to purchase with Hovde Properties, LLC for a significant redevelopment opportunity at the old We Energies site at 233 Lake Avenue. He stated the site was formerly the city's arena project. Palenick explained Hovde spoke to the city in 2018 about developing market rate residential properties along with a limited service hotel. He stated that an option to purchase was entered into with the intent to enter into an incentive agreement. He stated Hovde approached the city to extend the option from April 30, 2020 to September 1, 2020. Palenick explained that there are some remediation efforts that still need to take place and the extension of the option would allow for Hovde to complete their due diligence and for the incentive agreement to be completed. He stated that Hovde feels that they will remain on schedule with groundbreaking occurring during 2020; the project continues to move forward and we

expect it to continue as planned.

Palenick explained the project itself. He stated that the project would include three new buildings – two market-rate, multi-family housing units and a stand-alone, limited-service hotel consisting of 90-100 rooms. He stated the investment would be \$50,000,000 or more.

Thomas asked how the RDA acquired the property.

Palenick stated the RDA acquired the property from WisPark which is the development arm of We Energies.

Thomas asked if the hotel were still on track to be built due to the Coronavirus issues.

Palenick stated the hotel would still be part of development, however, it might not move as quickly as the other parts of the development. He also explained that the development is only a block from where the new convention center will be built. He stated it will be a nice companion to the convention center.

Adamski stated that she noticed that the ABM mentioned that there would not be any budgetary impact. She asked about the possible complications of funding that may arise.

Palenick stated at this point in time, the nature of this project continues to look solid. He stated, while he cannot directly speak for the developer, Hovde is a long standing developer that self-finances much of their projects. He stated it is in an opportunity zone and the most speculative piece of the project would be the hotel. He stated hospitality will come back, it is just a matter of when.

Mason reminded the Authority that the request is for an extension of an option and other questions will be worked out in the additional time if the request is approved.

Bukacek asked about the remediation that needs to be done on the site.

Palenick stated there is not a significant amount of remediation that needs to be done. He stated there is monitoring going on and they are doing foundations that will penetrate the cap that is present on the site. He stated they will be constructing on a site that has been heavily remediated.

A motion was made by Adamski, seconded by Thomas, to adopt CDA Resolution 20-02 approving the extension of the option to Hovde Properties, LLC from April 30, 2020 to September 1, 2020. The motion PASSED by a Voice Vote.

Adjournment

There being no further business, the meeting adjourned at 4:16 p.m.

No public attendance at the meeting is permitted at this time, however you may listen to the meeting at the call-in number provided above. Public Comment is not yet accessible virtually, however if you would like to submit public comment via email please send to matthew.sadowski@cityofracine.org. Your comment will be put into the formal record of the meeting.

