



Legislation Text

File #: 0742-16, **Version:** A

Subject: (Direct Referral) A request by the Executive Director authorizing a second amendment to the development agreement between FDP MR, LLC; Rodney A. Blackwell; the City of Racine; and the Redevelopment Authority of the City of Racine regarding the Machinery Row Development, subject to approval of the Amendment by the Common Council. (Res. No. 0305-16)

Recommendation of the Redevelopment Authority on 8-29-16: That the amendment to the development agreement be approved and that the Chairman and Executive Director of the Redevelopment Authority, Mayor, City Clerk, and City Staff be authorized to execute the Second Amendment, to expend funds in accordance with the Second Amendment, and to take such actions and make such decisions necessary to carry out the intent of the attached resolution.

Staff Recommendation to the Finance & Personnel Meeting on 8-31-2016: That the Finance and Personnel Committee recommend the Common Council approve, and authorize the Mayor and City Clerk to execute, the amendment to the development agreement to Common Council.

Fiscal Note: The second amendment to the development agreement extends the time frame of the existing development agreement to December 15, 2016 in order to allow the developer additional time to address development issues and secure a third party loan for the development. Developer will replenish the established mortgage escrow in the amount of \$22,500 to pay quarterly interest payments (1%) to the City for the mortgage established in the previous agreements. City and developer have entered into a purchase agreement where FDP will donate ½ of its interest in the 5.57 acres of land in the redevelopment site to the City and the City will purchase the remaining ½ interest in the land. The proceeds received by FDP from the sale will be escrowed for use at the sole discretion of the City to pay for costs related to the property, to redevelop the River promenade, and associated public rights-of-way. The City will be reimbursed for \$470,750 (½ of the purchase price for the land plus eligible real estate costs) by the Knowles-Nelson Grant. Closing costs will not be reimbursed and will be paid from account 45260-52340 (Intergovernmental Agreement - Redevelopment Activities) and there are sufficient funds available.