



For Immediate Release

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Mayor Mason and Hovde Properties Announce Partnership on Lake Avenue Site *Investment in Racine's Downtown to Exceed \$40 Million for New Housing and Hotel*

City of Racine – Hovde Properties is excited to partner with the City of Racine in exploring options to revitalize a 3.55-acre redevelopment site steps away from all downtown Racine has to offer at 233 Lake Avenue near Racine's Lake Michigan harbor. The project is envisioned to include two multi-family buildings, a hotel, a green center courtyard and an enclosed parking facility with a total value exceeding \$40 million once completed.

Hovde Properties is also pleased to work on incorporating features of the Smart City initiatives being introduced by the City of Racine into the development to improve overall quality of life. Depending on the results of the development evaluation, construction could begin as soon as the spring of 2020 with the first phase of housing being delivered by the summer 2021.

"I am very excited to announce this partnership with Hovde Properties. We have an amazing Downtown, but it needs more high quality housing and hotel space. Hovde's investment of \$40 million will provide nearly two-hundred new housing units and a hotel with lake views in the heart of the Downtown. With developments like this, Racine will be the community of choice for people to work, live, and play in Southeastern Wisconsin," said Mayor Cory Mason.

The two multi-family buildings, 4-5 stories tall, with sweeping views of Lake Michigan will include approximately 190 market rate units with a mix of studio, one-bedroom and two bedrooms as well as a dedicated amenity building, workout facility, club room and outdoor activity centers. The multifamily buildings would be owned and managed by Hovde Properties with onsite management.

The hotel is expected to be developed in partnership with Hovde Properties by a separate owner/operator and is projected to accommodate up to 100 guest rooms as well as a potential restaurant.

Eric Hovde, CEO of Hovde Properties, commented "Hovde Properties has developed a strong and collaborative relationship with Mayor Mason and his staff and our team looks forward to continuing our joint efforts to explore a building development that will advance the revitalization of the City of Racine and provide housing and hotel space to meet the needs of the area's growing economy."

"There is a lot happening in Racine, and I want to thank Hovde Properties for their investment in our historic downtown," said Alderman Jeff Coe. "Our downtown is a destination and I take great pride in representing it. Adding new housing and a hotel will draw more residents and tourists to the area."

The Racine Redevelopment Authority (RDA) will vote on Thursday, May 14th, to approve granting site control to Hovde Properties. The option agreement includes a payment to the Redevelopment Authority of \$40,000. The developer is seeking an option agreement with the Redevelopment Authority to have exclusive rights to the property from date of approval to April 30, 2020 and also seeks access to the property for the purposes of due diligence studies, such as geotechnical investigations and engineering studies. Hovde plans to spend approximately \$200,000 in due diligence explorations on the site.

The due diligence period May 9, 2019 through April 30, 2020 will allow the Redevelopment Authority, the City of Racine, and Hovde Properties time to work together to develop financial terms that would assist in the development of the property.

About Hovde Properties

Hovde Properties is a Madison, WI based 3rd generation private family owned company founded in 1933 which develops, owns and manages properties for long term investment. Hovde Properties is evaluating the site in conjuncture with CG Schmidt as the general contractor, Kahler Slater as the architect and GRAEF as the project engineer.

About the City of Racine

With a population of 78,000, Racine, Wisconsin is the fifth largest municipality in the state of Wisconsin. It is home to manufacturing businesses that enjoy world-wide reputations such as SC Johnson, CNH Industrial, Twin Disc, Modine, and In-Sink-Erator. Racine is also home to diverse cultures, a thriving downtown, and world-class beaches along the shores of Lake Michigan.

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