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## **Sheraton Hotel and Expanded Festival Hall Convention Space Proposed in Downtown Racine**

*Group of bipartisan legislators work together to make sure project is a success*

**City of Racine** – Today, Racine Mayor Cory Mason was joined by Gatehouse Capital developer David Rachie, State Senators Van Wanggaard and Bob Wirch, State Representatives Bob Wittke and Greta Neubauer, and members of the Common Council to announce a proposal to expand Festival Hall and connect it to a new Sheraton Hotel, with no less than 173 rooms, totaling a minimum investment of at least \$48 million dollars.

“I have said repeatedly that I want Racine to be the community of choice in Southeastern Wisconsin, not only for people to live and work, but people to visit and convene. Doubling the usable convention space at Festival Hall and pairing that with a Sheraton Hotel that will have amazing lakefront views will be a game changer for City,” said Mayor Cory Mason.

Under the proposal, Festival Hall will see an increase in usable convention space from about 17,000 square feet to more than 27,000 square feet and meet a need that the current facility does not have – break out rooms and ballrooms that can be sectioned off or combined to accommodate events of varying sizes. The expanded convention space which will include the first floor of the hotel will continue to be owned by the City. The City will lease the air-rights above the first floor to the developer for the hotel.

“This is the project Gatehouse always wanted to do in Racine. Two years ago when the City was thinking about another multi-purpose arena, we proposed a project like this but it just wasn’t the right time. Gatehouse appreciates working with Mayor Mason and his team to now realize this vision: expand Festival Hall, create the space we need for conventions, and pair it with a destination hotel on this beautiful lakefront,” said Gatehouse Capital developer David Rachie.

The hotel, under the Sheraton flag, will include a minimum of 173 rooms and be at least six stories tall. The hotel will be home to a ground floor coffee shop, and the top floor will include a large bar/restaurant with outdoor observation deck and patio facing Lake Michigan. The coffee shop, bar, restaurant, and observation deck will all be open to the public. The hotel will be built on the parking lot directly south of Festival Hall on the corners of Festival Park Drive and Sam Johnson Parkway.

In order to finalize the project, and because the hotel would be built on a plot of land governed by a “lakebed grant”, the City worked with local legislative leaders including Senators Wanggaard and Wirch, Representatives Wittke, Neubauer, McGuire, and Speaker Vos to craft legislation that allows for public-private development while protecting and promoting public access to the lakefront.

"I'm very excited about the development opportunities in the downtown and lakefront area, and I'm happy that we have a bipartisan group of local legislators behind the proposal to make this happen," said Senator Van Wanggaard, who is the lead author of the bill in the State Senate.

"I am very happy to be working with the City and my colleagues in both houses on this bill. We are promoting much needed development in our downtown, creating jobs, and increasing investment and usability of public spaces on the lakefront. I can't wait to enjoy the revitalized lakefront with the Racine community," said Representative Greta Neubauer, who represents the area of Racine where the hotel would be built.

The legislation, which was circulated for co-sponsorship earlier today, maintains that all land granted to the City within the lakebed grants remains publicly owned, and that the ground floor of any building must be owned by the City. The City can lease the air-rights above the ground floor to private developers. The legislation requires that all lands east of Pershing Park Drive cannot have private investment on them, but allows for up to 49% of the lands west of Pershing Park Drive (including the lands where the hotel will be built) to include private investment. The bill also requires the City to use a minimum of 20 percent of the property taxes collected from the private development to make improvements to the land that increase the public's access to the lakefront.

"Helping provide the City of Racine an opportunity to enter into a public-private agreement to develop the downtown lakefront would be very positive for the economic growth of the community at large. I'm pleased to do my part in moving Racine forward," said Representative Bob Wittke, who is the lead author of the bill in the State Assembly.

"This project creates a hybrid of a public-private partnership and allows for greater access and use of the lakefront," said Senator Bob Wirch, who represents the area of Racine where the hotel would be built.

Pending passage of the bill and approval by the Common Council, construction of the hotel and convention space could begin in the spring of 2020 and be completed in about 18 months.

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