



# City of Racine

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

## Meeting Minutes - Final

### Redevelopment Authority of the City of Racine

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Thursday, June 6, 2019

6:00 PM

City Hall, Room 303

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#### Call To Order

*Vice-Chairman Adamski called the meeting the order at 6:01 p.m.*

**PRESENT:** 6 - Jen Adamski, John Crimmings, Robert Anderson, James DeMatthew, Cory Mason and Trevor Jung

**EXCUSED:** 1 - Doug Nicholson

#### Approval of Minutes for the May 2, 2019 Meeting.

A motion was made by Jung, seconded by Crimmings, to approve the minutes for the May 2nd meeting. The motion **PASSED** by a Voice Vote.

#### Approval of Minutes for the May 20, 2019 Meeting.

A motion was made by Mason, seconded by Jung, to approve the minutes for the May 20th meeting. The motion **PASSED** by a Voice Vote.

#### Approval of Minutes for the May 29, 2019 Meeting.

A motion was made Crimmings, seconded by Jung, to approve the minutes for the May 29th meeting. The motion **PASSED** by a Voice Vote.

#### [0657-19](#)

**Subject:** A request by Heliodoro Guzman for review of a façade renovation project at 2300 Douglas Avenue.

**Attachments:** [ABM on Facade Grant 2300 Douglas Avenue](#)  
[2300 Douglas Avenue FG Application](#)  
[2300 Douglas Avenue FG Rendering](#)  
[2300 Douglas Avenue Recommendation](#)

*Executive Director Connolly briefly explained the request. She stated the applicant, Heliodoro Guzman, will not be appearing and Planning Manager Matt Sadowski was present if the Authority had questions. Sadowski stated that the application will be postponed to the July meeting. He stated that the applicant has made changes to the materials, none of which staff agrees with.*

*In response to Anderson, Connolly stated that the project will have to be reviewed by the Douglas Avenue Business Improvement District (BID). Sadowski stated the application is still under review by the Douglas Avenue BID.*

*Connolly reminded the Authority that the RDA reviews any façade renovations and*

*grant requests outside of the downtown area.*

**This item was deferred to the next meeting.**

[0658-19](#)

**Subject:** A request by Heliodoro Guzman for a façade grant for a façade renovation project at 2300 Douglas Avenue.

**Attachments:** [ABM on Facade Grant 2300 Douglas Avenue](#)  
[2300 Douglas Avenue FG Application](#)  
[2300 Douglas Avenue FG Rendering](#)  
[2300 Douglas Avenue Recommendation](#)

*See the discussion for 0657-19.*

**The item was deferred to the next meeting.**

[0659-19](#)

**Subject:** Resolution 19-15 requesting approval of a Brownfield Cleanup Revolving Loan Fund loan of \$1,263,000 and additional terms and conditions to Racine Harborside, LLC and directing the Mayor, City Clerk, City Attorney, and City Staff, to execute loan documents to facilitate the loan.

**Attachments:** [ABM BCRLF Loan for @NorthBeach Racine Harborside LLC](#)  
[City Presentation -Final](#)  
[Resolution 19-15 BCRLF Loan to Racine Harborside LLC.pdf](#)

*Executive Director Connolly stated the item was approved at the previous Common Council meeting. She stated this particular loan goes through the City of Racine, not the RDA; however, it is important for the RDA to see the terms and the conditions of the loan. She stated the site is owned by the city.*

*Racine Harborside LLC (aka Royal Capital) is asking for a loan in the amount of \$1,263,000.00 for hazardous materials. She stated this program was created by the US EPA (Environmental Protection Agency) and the monies are to facilitate the remediation of the properties through a loan pool. She stated the funds sat in a loan pool for quite some time and explained how the loan is organized. She stated the city talks with developers and then if there is a need, the Racine County Economic Development Corporation (RCEDC) is brought in to provide underwriting assistance. She stated RCEDC makes sure that the documents are in place and then receives approval through their loan approval process. Connolly reviewed the Agenda Briefing Memo and the terms and conditions of the loan.*

*Connolly explained that the city borrowed \$150,000.00 from the loan fund to do some interim cleanup on the site. She stated that once the site is closed, then the city will have to repay the loan. She stated the borrower has to meet all of the requirements of the Brownfield Cleanup Revolving Loan Fund program and 20 percent matching funds have to be provided.*

*In response to DeMatthew, Connolly stated that this is just a recommendation because the RDA does a lot with brownfield properties. She stated there is still money in the loan pool in the amount of \$500,000, only for petroleum cleanup.*

*In response to Jung, Connolly stated that the Petroleum Environmental Cleanup Fund Award (PECFA) is ending soon, so there are a list of properties that are eligible for funding.*

*Connolly stated the total cost of remediation is \$1,500,000.00.*

*Crimmings asked if the developer had to come up with funds first.*

*Connolly stated that the funds are underwritten, however, the work has to be done first and then they will be paid based on the invoices provided.*

**A motion was made by Crimmings, seconded by DeMatthew, to adopt RDA Resolution 19-15 approving the request. The motion PASSED by a Voice Vote.**

[0660-19](#)

**Subject:** Resolution 19-16 authorizing the RDA Executive Director and RDA Chairman to sign and execute a subordination agreement related to an existing Small Business Development Revolving Loan Fund (CDBG) loan at 1900, 1909, and 1945 Clark Street owned by Biddle Enterprises, LLC.

**Attachments:** [33167\\_WI Subordination of Mortgage](#)  
[RDA MEMO-RLF\\_RBGrinding](#)  
[Resolution 19-16 R&B Grinding Subordination.pdf](#)

*Connolly introduced Matt Rejc, Manager of the Neighborhood Services Division. Rejc explained the request and stated that the loan to R&B Grinding is the first small business loan fund that was conducted by the RDA. He stated the loan was approved in the amount of \$506,000.00 to pay for equipment and retain jobs. He stated the owner of the building is interested in refinancing and staff is recommending a subordination to the same position just with a new lender. Rejc explained that we would hold a second place mortgage on the building, and second place on the equipment. He stated the loan is for a larger amount, however, it is being used for improvement on the structure. Rejc stated refinancing will not impact the applicant's ability to repay the loan, which they have been doing faithfully.*

*Connolly added that R&B Grinding has retained all of the jobs that have been provided.*

*In response to DeMatthew, Rejc stated the loan will be taken out for deferred maintenance on the property. He stated putting money into the building is a sound investment and will also improve our collateral that we have in the building.*

**A motion was made by Jung, seconded by DeMatthew, to adopt RDA Resolution 19-16 authorizing a subordination agreement related to an existing Small Business Development Revolving Loan Fund for R&B Grinding. The motion PASSED by a Voice Vote.**

[0533-19](#)

**Subject:** Communication from Alder Perez requesting that the office of the City Attorney develop for review and approval a Memorandum of Understanding (MOU) between the City of Racine and its Redevelopment Authority (RDA) covering and allowing for the use of RDA property by the City and specifying the associated insurance requirements and liability provisions protecting each party as associated therewith.

**Recommendation of the Public Works and Services Committee on 05-14-19:** Direct the City Attorney's Office to create a Memorandum of Understanding (MOU) between the City of Racine and its Redevelopment Authority (RDA) that covers all areas of liability and services between both entities.

**Fiscal Note:** N/A

**Attachments:** [#0533-19 Resolution](#)

*Connolly explained the request. She stated Alderman Perez wants to see a blanket approach to the use of property, however, she is concerned about the use of RDA property because of the possibility of contamination. She stated the use of RDA property should be looked at on a case-by-case basis.*

*City Attorney Scott Letteney explained the agreements between the City and the RDA that have expired. He stated there is a related issue by the statute and resolution that sets up the RDA. He stated the City and RDA can have a MOU regarding city staff. He stated past agreements were approved for a one year term. He stated the 2009 agreement recognizes the City Attorney as the counsel for the RDA and recognizes the Executive Director and work to be done by the Department of Public Works (e.g. bidding, demolition, etc.). He stated the Public Works and Safety Committee has deferred the request for two meetings and the appropriate action of the RDA would be to defer the request. He stated that per the state statute between cities and the RDA, the City is to provide the services.*

*Mason explained that the context of the request was the bulky waste drop-off event that came to the RDA for approval. He stated Alder Perez wanted to the process easier and more streamlined.*

*Connolly stated the bulky waste events were extended for the time.*

*In response to DeMatthew, City Attorney Letteney stated there is currently not an agreement between the City and the RDA; however, there does not have to be one. He stated there is no time limit on agreements as defined by statute and not having one does not give peril to anything that was done in the past.*

*DeMatthew suggested having an indefinite type of agreement between the City and RDA drawn up.*

*Connolly stated that the RDA owns a variety property in different environmental states. She stated she is more concerned about the City service with the RDA.*

**A motion was made by Jung, seconded by DeMatthew, to defer the request. The motion PASSED by a Voice Vote.**

## **CLOSED SESSION**

*Vice-Chair Adamski read the closed session notice.*

It is intended that the Redevelopment Authority convene in Closed Session pursuant Wisconsin Statutes Sec. 19.85(1)(e), to consider strategy where bargaining reasons require a closed session.

**At 6:27 p.m. a motion was made by Crimmings, seconded by Anderson, to convene into closed session. The motion PASSED by the following vote:**

**AYES:** 6 - Jen Adamski, John Crimmings, Robert Anderson, James DeMatthew, Cory Mason and Trevor Jung

**EXCUSED:** 1 - Doug Nicholson

[0674-19](#)

**Subject:** Communication from the City Attorney seeking to meet with the Redevelopment Authority in Closed Session pursuant to Wisconsin Statutes section 19.85(1)(e), to address a matter that, for competitive or bargaining reasons, requires a closed session, specifically regarding the transfer of real property located at 1520 and 1536 Clark Street, Racine, Wisconsin, from the Redevelopment Authority to Cardinal Capital Management, Inc., and/or its assignees, pursuant to an Option to Purchase Agreement.

**Staff Recommendation to the Executive Committee:** None at this time.

## OPEN SESSION

**At 6:59 p.m. a motion was made by Jung, seconded by DeMatthew, to reconvene into Open Session. The motion PASSED by the following vote:**

**AYES:** 6 - Jen Adamski, John Crimmings, Robert Anderson, James DeMatthew, Cory Mason and Trevor Jung

**EXCUSED:** 1 - Doug Nicholson

The Redevelopment Authority will return to Open Session and may take action regarding any Closed Session item.

[0674-19](#)

**Subject:** Communication from the City Attorney seeking to meet with the Redevelopment Authority in Closed Session pursuant to Wisconsin Statutes section 19.85(1)(e), to address a matter that, for competitive or bargaining reasons, requires a closed session, specifically regarding the transfer of real property located at 1520 and 1536 Clark Street, Racine, Wisconsin, from the Redevelopment Authority to Cardinal Capital Management, Inc., and/or its assignees, pursuant to an Option to Purchase Agreement.

**Staff Recommendation to the Executive Committee:** None at this time.

**A motion was made by Crimmings, seconded by Jung, that the RDA authorizes the City Attorney to affect the closing date under the option agreement with a**

closing date no later than October 3rd. The motion PASSED by a Voice Vote.

### **Adjournment**

*There being no further business, the meeting adjourned at 7:01 p.m.*