



City of Racine

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

Meeting Minutes - Final

Community Development Authority

Thursday, March 5, 2020

6:00 PM

City Hall, Room 303

Call To Order

Chairman Martin called the meeting to order at 6:02 p.m.

PRESENT: 6 - Mason, Adamski, Jung, Martin, Thomas and Pucci

EXCUSED: 1 - Bukacek

Approval of the Minutes for the December 5, 2019 Redevelopment Authority Meeting

A motion was made by Jung, seconded by Adamski, to approve the minutes of the December 5, 2019 meeting. The motion passed by a Voice Vote.

[0130-20](#)

Subject: Overview of the statutory powers and duties of a Community Development Authority of the City of Racine.

Attachments: [CDA - RDA - HA Table](#)

Prior to the first agenda item, Mayor Mason had the Authority members and staff introduce themselves.

Interim Executive Director Matt Sadowski introduced the request. He reviewed the comparison chart related to functions of the Community Development Authority (CDA), the Redevelopment Authority (RDA), and the Elderly Housing Authority. He explained the charges of the CDA which include blight removal, slum clearance, housing projects, and urban renewal. He explained the powers and duties of the CDA and stated that the powers and duties are assumed from the Elderly Housing Authority and the Redevelopment Authority. He explained the membership makeup of the CDA consists of 7 resident members with interest in slum removal, blight clearance, etc. The chart containing additional information is attached to this agenda item.

In response to Mason, Sadowski stated that the CDA can do everything that the Redevelopment Authority and the Elderly Housing Authority can do.

A motion was made by Jung, seconded by Adamski, to receive and file the item. The motion PASSED by a Voice Vote.

[0132-20](#)

Subject: A request by Cary Manske, representing Mt. Royal Property Management, for review and approval of White Box grants for the property at 436 Main Street - Unit 1 and 436 Main Street - Unit 2.

Attachments: [436 Main Street Unit 1 WB Estimates/Application](#)
[436 Main Street Unit 2 WB Estimates/Application](#)

Sadowski gave a brief overview of the White Box program. He stated the White Box program was put in place to help commercial districts and property owners renovate their spaces to current standards with regards to plumbing, electrical, etc.

Sadowski stated the applications that were being reviewed were submitted prior to the program's end. He stated this will be the last of the applications for the White Box grant program.

Ralph Nichols, Building Inspector, briefly reviewed the request. He stated the amounts being requested are \$20,000.00 for each of the units. He stated staff has reviewed and approved the request.

Cary Manske from Mt. Royal Property Management, the applicant, explained the request. She stated the property has been vacant for a long time and is currently winterized. She stated both units are around 2,000 square feet with separate entrances.

In response to Mason, Manske stated the use would probably be retail. She stated the building does not currently have a retail feel and discussed the possibility of changing the exterior of the building, specifically the windows.

Martin asked if the property were listed with the National Register of Historic Places.

Sadowski stated it is a contributing property to the Main Street Historic District.

In response to Martin, Sadowski stated whether or not a change in windows or other treatments would be in alignment with city standards would depend on how it was executed. He stated the downtown design standards would like to see something done that would complement the second level and the historic character of the property.

Brief discussion about changing the windows to a more retail feel ensued. Manske stated when you look at the buildings across the street the property looks like it does not fit in. She stated the buildings in the area all have tall windows.

A motion was made by Jung, seconded by Adamski, to approve the White Box grant for the property at 436 Main Street Unit 1 for an amount up to \$20,000 or 50 percent of the total eligible costs, whichever is less, and the property at 436 Main Street Unit 2 for the amount of \$20,000 or 50 percent of the total eligible costs, whichever is less. The motion PASSED by a Voice Vote.

[0134-20](#)

Subject: A request by Yolonda Blair for review and approval of a White Box grant for the property at 1518 Washington Avenue.

Attachments: [1518 Washington Avenue WB Estimates/Application](#)

Nichols briefly explained the request. He stated the maximum grant award the project would be eligible for is \$14,430.00.

Yolonda Blair spoke regarding the request. She stated they love and would like to stay in Uptown. She explained someone purchased her current location and that this would be her new location in the future. Blair stated that the location for the proposed White Box grant is the old Tradewinds building. She stated that the roof on the building will be completed tomorrow.

In response to Thomas, Blair stated they have the kitchen leased for three years at

their current location and will have the retail space at the proposed.

A motion was made by Adamski, seconded by Thomas, to approve the White Box grant request for the property at 1518 Washington Avenue for up to \$14,430.00, or 50 percent of the total eligible costs, whichever is less. The motion PASSED by a Voice Vote.

[0135-20](#)

Subject: A request by Tyrone Buckley for review and approval of a White Box grant for the property at 1520 Washington Avenue.

Attachments: [1520 Washington Avenue WB Estimates/Application](#)

Nichols stated the maximum grant award for the project would be \$20,000.00. He stated all of the bids were received and approved by staff.

The applicant, Tyrone Buckley, stated the space is the old Tradewinds banquet hall. He stated he would like to have a banquet hall and a commercial kitchen in the space.

Adamski asked about the potential kitchen space and if they looked at the potential cost to renovate.

Buckley stated yes, he has received a lot of quotes to redo the kitchen space.

After the motion, brief discussion took place about the project and the White Box grant program.

A motion was made by Jung, seconded by Thomas, to approve the White Box grant for the property at 1520 Washington Avenue in an amount up to \$20,000.00 or 50 percent of the total eligible costs, whichever is less. The motion PASSED by a Voice Vote.

[0136-20](#)

Subject: A request by Tyra Edwards for review and approval of a White Box grant for the property at 1522 Washington Avenue.

Attachments: [1522 Washington Avenue WB Estimates/Application](#)

Nichols stated the maximum grant award is \$18,000.00 for the project.

Tyra Edwards, the applicant, explained her request. She stated she is a makeup artist and currently shares the building with Yogi's Pud'n. Edwards explained that she loves Uptown and is looking to turn the proposed space into her business.

In response to Jung, Edwards stated she has been in business for eight years and in Uptown for three.

A motion was made by Mason, seconded by Jung, to approve the White Box grant for the property at 1522 Washington Avenue for up to \$18,000 or 50 percent of the total eligible project cost, whichever is less. The motion PASSED by a Voice Vote.

[0137-20](#)

Subject: A request by Jim Chambers of FWC Architects, representing Comrge Properties, LLC, for review and approval of White Box grants for the properties 1322 Washington Avenue and 1324 Washington Avenue.

Attachments: [1322 Washington Avenue WB Estimates/Application](#)
[1324 Washington Avenue WB Estimates/Application](#)
[Water Main Fire Suppression BID #1](#)
[Water Main Fire Suppression BID #2](#)

Nichols stated the maximum grant award the project is eligible for is \$10,180.00 for 1322 Washington Avenue and \$20,000.00 for 1324 Washington Avenue.

Jimmy Larkin, one of the applicants, explained the request. He explained that the scope of work listed in the application is not the work that they would like to be approved. He explained that they are utilizing the white box grant for the water service and stated they have additional bids they would like to present.

Discussion ensued about allowing the additional bids for the water.

Mason asked if a deferral of the item were appropriate.

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

[0139-20](#)

Subject: Resolution 20-01 recommending that the CDA enter into a written agreement with the City of Racine for up to \$100,000 to be allocated for loans to eligible microenterprises as directed by staff through the Community Development Block Grant (CDBG) Microenterprise Revolving Loan Fund, and authorize the CDA Executive Director and Chairman to execute written agreements consistent with federal regulations with eligible microenterprises.

Attachments: [ABM Microenterprise RLF](#)
[CDA Resolution 20-01 Microenterprise RLF](#)

Matt Rejc, Manager of Neighborhood Services, introduced the request. He stated the item would allow the CDA to have access to \$100,000 of Community Development Block Grant (CDBG) funds to offer a Microenterprise Revolving Loan Fund. Rejc explained the program including the terms of the loan. He stated the loans are up to \$15,000 per applicant. Rejc explained the criteria for the loan. He stated applicants must be in the city of Racine with five or fewer employees on payroll including the payroll. He stated the owner/operator needs to be from a low/moderate income household. Rejc also explained the eligible expenses for the loan. He stated we like to use the funds for equipment and would also permit purchase of inventory, and limited working capital. Rejc explained the timeline for the loan. He stated the Notice of Funding Availability (NOFA) has already been sent out and March 31st is the application deadline. He stated that staff hopes to come to the CDA meeting in May with recommendations of funding.

In response to Mason, Rejc stated there were five recipients for last year's funding - Valid Kixx, Yogi's Pud'n, Adreanna's, I Love Tamales, and 2 Swift Suits.

In response to Jung, Rejc stated Adreanna's has a location on High Street.

Jung stated he was pleased with the geographic diversity of the recipients of the program.

Mason stated this is an important program for the city.

Thomas asked how much was in the loan fund.

Mason stated \$100,000.00.

In response to Adamski, Rejc stated there are five applications at the moment and other potential applications that staff is working with. He stated we are anticipating having at least 20 applications. Rejc stated we are open to marketing ideas and recommendations.

Chairman Martin asked if the loans were collateralized.

Rejc stated the equipment would be collateralized.

In response to Martin, Rejc stated that businesses cannot apply to receive assistance more than once.

A motion was made by Adamski, seconded by Jung, to adopt RDA Resolution 20-01 approving the request. The motion PASSED by a Voice Vote.

[0140-20](#)

Subject: Review of a memorandum of understanding (MOU) granting access to certain tax foreclosure properties by Racine County to the Community Development Authority of the City of Racine.

Attachments: [RDA Racine Cty Signed MOU](#)
[COR Council Resolution 0851-19](#)

Sadowski stated this item is an update regarding action taken last year by the RDA and the Common Council to gain access to tax foreclosed properties in a more streamlined manner. He stated last year there were 2,007 properties in the city at varying levels of tax delinquency.

Sadowski explained in the past every property would have had to be taken to the County Board to gain access. He briefly explained the process for entering and accessing the property. He stated the objective is to restore properties.

Sadowski explained the administrative procedures that have been set up through the Memorandum of Understanding (MOU) that was approved last year. He stated proof of insurance and liability waivers would have to be provided by the City, contractors, and all others entering the building. He stated there are liability protections and obligations stipulated in the MOU.

Sadowski stated that this only applies to buildings that are tax delinquent and that the CDA and/or a potential developer is interested in.

In response to Jung, Sadowski confirmed that this is the same agreement approved by the RDA. He stated the agreement transfers to the CDA as its successor.

Thomas asked who actually owns the properties.

Rejc explained the properties would not be owned by the county; they are privately held properties.

Adamski asked staff to speak on the concerns that the properties might be freshly

missing tax payments.

Rejc stated properties need to be at least three years' delinquent on taxes. He stated anything less than three years would not be eligible for a tax certificate.

In response to Thomas, Rejc stated the County can begin the in rem process after three years of delinquency.

In response to Pucci and Martin, Sadowski stated we would act as an agent of the CDA. He stated the CDA can bring in contractors or others into the properties, however, each party that enters has to sign a release and provide insurance.

In response to Martin, Mason explained that the CDA and RDA were created to play a quasi-legal status.

Brief discussion ensued about the representation of the CDA.

Adamski asked if the language needed to be updated to the CDA from the RDA.

Sadowski stated that it does not need to be, the ordinance that was passed has the CDA taking over all contracts held by the RDA.

A motion was made by Mason, seconded by Adamski, to approve the item accepting the MOU. The motion PASSED by a Voice Vote.

[0141-20](#)

Subject: Review of property ownership to be transferred from the Redevelopment Authority of the City of Racine to the Community Development Authority of the City of Racine.

Attachments: [CDA Property List 03.03.2020](#)

Sadowski explained the item. He stated there is a list of properties that are currently owned by the RDA that would be transferred over to the CDA. Sadowski reviewed some of the properties owned - Southside Industrial Park, 1511 Washington Avenue, Water Street properties, 734 Marquette Street, 233 Lake Avenue, 1425 N. Memorial Drive, 1014 Dr. MLK Dr., State Street properties, etc.

Martin stated a number of properties to be transferred fall within opportunity zones; capital gains tax discount needs to be made aware of. He stated the governor doubled the benefit this week; taxes can be reduced up to 30 percent.

In response to Pucci, Martin stated anything purchased after 2017 has a benefit, anything after 2019 can get the state benefit.

Thomas asked about where the opportunity zones are in Racine.

Martin stated there are three in the city and explained the locations. He stated there are tax advantage zones that will stay in place until 2047 and the benefit has to be used between now and 2037 and have ten years in.

A motion was made by Jung, seconded by Adamski, to approve the request accepting the properties to be transferred to the CDA. The motion PASSED by a Voice Vote.

[0142-20](#)

Subject: Review of US Environmental Protection Agency grants to be

transferred to the Community Development Authority of the City of Racine.

Sadowski described the grants that would be under the CDA's purview – the Water Street Cleanup Grant, Environmental Protection Agency (EPA) Site Assessment Grant, Racine Steel Castings – South Lot Cleanup Grant, and the City's Brownfield Cleanup Revolving Loan Fund (BC-RLF). He stated the encumbered amount includes a loan that the RDA took out for @North Beach and the developers @North Beach. Sadowski stated we are working with the EPA on a novation process where the grants will be transferred from the RDA to the CDA.

In response to Martin, Sadowski stated there are currently no new awards and there is a brownfields team that works regarding the process that consists of our environmental consultants, environmental attorney, and Kyle Rogers from the EPA.

A motion was made by Jung, seconded by Adamski, to approve the item accepting the grants to be transferred to the CDA. The motion PASSED by a Voice Vote.

Adjournment

There being no further business, the meeting adjourned on a motion by Mason, seconded by Jung at 7:14 p.m.