



City of Racine

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

Meeting Minutes - Final

Redevelopment Authority of the City of Racine

Monday, February 6, 2017

5:15 PM

City Hall, Room 303

Call To Order

PRESENT: 4 - Gregory Holding, Robert Anderson, Jen Adamski-Torres and John Crimmings

EXCUSED: 2 - James Spangenberg and Doug Nicholson

Approval of Minutes for the January 9, 2017 Meeting.

A motion was made by Authority member Anderson seconded by Authority member Adamski-Torres to approve the minutes of the January 9, 2017 meeting. The motion **PASSED** by a Voice Vote.

Budget and Finance

Finance Report

See the discussion for item 102-17.

Budget Presentation

See the discussion for item 102-17.

Report of the Executive Director

A. Update on RFP for "on-call" real estate brokerage services

Executive Director Connolly explained that this item was on hold. The RFP needs to be modified and resent out to a broader area.

B. Proposed RFP for snow removal and mowing for RDA and City-owned properties

Mike Lechner, Housing Technician, explained that this is currently out for bid through the Finance Department.

C. Update on Electric Pedestal project in West Racine

Mr. Lechner stated that current weather conditions are hindering the installation of the pedestal; however, it is not needed until Spring.

D. Proposed RDA training

Ms. Connolly stated there is currently no one who does training for Redevelopment Authorities. She is looking at possibly setting something up through UW Extension, WEDC, or WHEDA.

RDA-Owned Property Report

A. Update on 615 Marquette (Case Plow Works Building)

Executive Director Connolly explained the roof at 615 Marquette Street is suffering from water damage and needs repair. Two bids were received with the lowest being around \$4,000.00 to repair.

B. Update on 1520 and 1536 Clark Street (Ajax Building)

Ms. Connolly stated that the Mayor wrote a letter of support to WHEDA for the project. She stated the developer is using the same plans from the Herman and Kittle design with some minor changes.

C. Southside Industrial Park

Ms. Connolly stated the property is being marketed and some interest being received.

D. Other RDA-owned and City-owned property Report

N/A

[102-17](#)

Subject: Consider RDA resolution 17-05 recommending approval of a Redevelopment Authority budget and requesting that funding allocated to the Redevelopment Authority (RDA) in various accounts in the 2017 City budget be consolidated into a single allocation account in order to better track projects of the Authority. (Res No. 0051-17)

Recommendation of the Redevelopment Authority on 2-6-17: That an annual budget for the Redevelopment Authority be created using funds allocated to the RDA from the Intergovernmental Revenue Fund that currently supports programs and projects of the RDA and consolidating the budget allocations for the various programs into a single allocation account will allow for better transparency and oversight.

Recommendation of the Finance & Personnel Committee on 2/13/17: Funding allocated to the Redevelopment Authority in various accounts in the 2017 City budget be consolidated into a single allocation account in order to better track projects of the Authority.

Fiscal Note: Funds have been appropriated in the 2017 City budget for the programs and projects of the RDA. \$100,000 of Business Development, \$250,000 of Redevelopment Activities and \$300,000 of Land Improvements for a total of \$650,000 will be consolidated in the Allocation account. All RDA project expenditures will then be processed out of Racine Redevelopment Authority Fund 950.

Attachments: [Proposed Budget](#)
[RA Adopted Budget](#)
[Budget Revision](#)
[RDA Resolution 17-05](#)

Executive Director Connolly introduced Kathleen Fischer, Assistant Finance Director who explained the new budget of the Redevelopment Authority in detail including changes and line items.

A motion was made by Authority member Anderson, seconded by Authority member Adamski-Torres, to adopt RDA Resolution 17-05 recommending approval of the budget for the RDA and consolidation of line items under the City's budget to the RDA. The motion PASSED by a Voice Vote.

Chairman Holding requested that the remainder of the agenda items be taken in the following order: 104-17, 59-17, 108-17, 107-17, 76-17, 109-17, Executive Director Report and RDA-Owned Property Report.

[104-17](#)

Subject: A request by the Executive Director of the Redevelopment Authority to consider RDA resolution 17-06 recommending an economic development incentive in the form of a property tax reimbursement (TRIP - Tax Re-Investment Program) to Fischer USA, Inc. to renovate and expand its current location at 3715 Blue River Avenue and to create at least 20 full-time jobs. The assistance request is to share 75% of City portion of the property taxes over a 10-year term. (Res No. 0050-17)

Recommendation of the Redevelopment Authority on 2-6-17: That the request to provide financial assistance in the form of a tax reimbursement incentive (TRIP) of 75% of the City portion on property taxes to Fischer USA be approved. Further that the Mayor and City Clerk be authorized and directed to execute a financial assistance agreement with Fischer USA, Inc. in substantially the same form as outlined in the Memorandum from the Racine County Economic Development Corporation (RCEDC) attached to this file.

Recommendation of the Finance & Personnel Committee on 2/13/17: That the request to provide financial assistance in the form of a tax reimbursement incentive (TRIP) of 75% of the City portion on property taxes to Fischer USA be approved. Further that the Mayor and City Clerk

be authorized and directed to execute a financial assistance agreement with Fischer USA, Inc. in substantially the same form as outlined in the Memorandum from the Racine County Economic Development Corporation (RCEDC) attached to this file.

Fiscal Note: The total assistance provided, based upon the 2016 property tax bill, will be approximately \$11,600 per year or \$116,200 over a ten-year period. RCEDC would assist the City in tracking the jobs created and the City hiring preference ratios. The assistance agreement requires (1) that Fischer retain its existing full time workforce; and (2) create 20 full-time positions, if job creation falls below estimated levels in any year of the agreement the incentive is prorated.

Attachments: [2017.2.2.Fischer RDA Memo.Final](#)
[RDA Resolution 17-06](#)

Laura Million gave background on the request. She stated Fischer USA Inc. is in need of additional space to accommodate their growing customer demand. They are proposing a 10,000 sq. ft. expansion to the east. She stated the request before the Authority is only for the tax incentive. They are going through the Department of Parks for permission to expand into the City-owned land.

Ms. Million explained the TRIP incentive program. She stated that the TRIP allows the city to provide an incentive in the form of a discount on real estate taxes based on the terms in the agreement.

Chairman Holding asked if Fischer USA Inc. considered expanding to the building next door. The representative from Fischer explained that that avenue was considered; however, the expansion would be more expensive and future growth would be limited.

A motion was made by Authority member Anderson, seconded by Authority Member Crimmings, to adopt RDA Resolution 17-06 recommending approval of the request. The motion PASSED by a Voice Vote.

[59-17](#)

Subject: A request by the Executive Director of the Redevelopment Authority to consider RDA resolution 17-07 recommending approval of the City Revolving Loan Fund Semi-annual Plan Certifications for the period ending September 30, 2016. (Res No. 0052-17)

Recommendation of the Redevelopment Authority on 2-6-16: That the City certify the semi-annual reporting period ending September 30, 2016. Further, that the City-Revolving Loan Fund (City-RLF) Plan is consistent with and supportive of the area's current economic adjustment strategy; that the City-RLF is being operated in accordance with the policies and procedures contained in the City-RLF Plan; and that the loan portfolio meets the standards contained therein.

Recommendation of the Finance & Personnel Committee on 2/13/17: That the City certify the semi-annual reporting period ending

September 30, 2016. Further, that the City-Revolving Loan Fund (City-RLF) Plan is consistent with and supportive of the area's current economic adjustment strategy; that the City-RLF is being operated in accordance with the policies and procedures contained in the City-RLF Plan; and that the loan portfolio meets the standards contained therein.

Fiscal Note: As this loan fund was previously capitalized by the City of Racine and the Economic Development Administration, there are no budgetary or fiscal impacts at this time. Note there is currently \$84,200 available for lending within the City-RLF.

Attachments: [9.30.2016_CITY RLF_Plan Certification](#)
[RDA Resolution 17-07](#)
[Communication to Mayor and CC- 9.30](#)

Executive Director Connolly introduced the item. She stated that the plan for the city's revolving loan fund needs recertification twice a year. This money allows us to spend on businesses that create jobs in the community. She explained the goals and results of the loan fund as detailed on the attached memo.

Commissioner Crimmings asked about paragraph 6 #8 in the memo regarding relocation of businesses. He stated that it seems to be inconsistent.

Janell Topczewski, RCEDC, stated that the EDA has strict objections when it comes to relocation; however the program has been used to relocate businesses in the past and it has not hindered the program in any way.

A motion was made by Authority member Adamski-Torres, seconded by Authority member Crimmings, to adopt RDA Resolution 17-07 recommending approval of the request. The motion PASSED by a Voice Vote.

[108-17](#)

Subject: A request by the Executive Director of the Redevelopment Authority to consider RDA resolution 17-08 recommending approval of a professional services contract for Brownfield and Environmental Consulting Services between the Redevelopment Authority and Ramboll Environ US Corporation. (Res No. 0056-17)

Recommendation of the Redevelopment Authority on 2-6-17: That the contract between the Redevelopment Authority and Ramboll Environ US Corporation be approved. Further that the Mayor, City Clerk, and Executive Director of the Redevelopment Authority, or their designee, be authorized to and directed to enter into an agreement with Ramboll Environ US Corporation.

Recommendation of the Finance & Personnel Committee on 2/13/17: That the contract between the Redevelopment Authority and Ramboll Environ US Corporation be approved. Further that the Mayor, City Clerk, and Executive Director of the Redevelopment Authority, or their designee, be authorized to and directed to enter into an agreement

with Ramboll Environ US Corporation.

Fiscal Note: Ramboll Environ US Corporation will be reimbursed on a time and materials basis for all work under EPA grants. These grants will be approved by the RDA and Common Council prior to commencements and all City expenditures will follow the requirements on these grants.

Attachments: [Proposed Final Contract Ramboll RDA 2 2 2017](#)

[Scope of Services Amendment Form](#)

[RDA Resolution 17-08](#)

Executive Director Connolly explained the item. She stated that Symbiont has been the City's environmental consultant for a number of years and this year was the City's year to go out for bid; 14 consultants applied and Ramboll Environ was chosen. Ms. Connolly stated that their contract will be amended with the specifics of each grant received. She introduced Bill Scott, the Environmental Attorney who explained the contract's specifics.

A motion was made by Authority member Crimmings, seconded by Authority member Anderson, to adopt RDA Resolution 17-08 recommending approval of the contract with Ramboll Environ. The motion PASSED by a Voice Vote.

[107-17](#)

Subject: A request by the Executive Director of the Redevelopment Authority to consider RDA resolution 17-09 recommending the approval of an option and predevelopment agreement between the Redevelopment Authority and General Capital Group, LLP regarding the redevelopment of 615 Marquette Street and 922 Sixth Street properties. (Res No. 0054-17)

Recommendation of the Redevelopment Authority 2-6-17: To approve the option to purchase and predevelopment agreement, which lays out the terms of an exclusive option to purchase the property and discloses a purchase price and expenses between both the RDA and the developer over the next 24 months of due diligence.

Recommendation of the Finance & Personnel Committee on 2/13/17: To approve the option to purchase and predevelopment agreement, which lays out the terms of an exclusive option to purchase the property and discloses a purchase price and expenses between both the RDA and the developer over the next 24 months of due diligence.

Fiscal note: The option and predevelopment agreement set a purchase price of approximately \$750,000 for the property and option consideration of \$100 for a term ending December 31, 2018. RDA estimates that predevelopment expenses are estimated at approximately \$87,000, to be paid through the City Intergovernmental Fund. Predevelopment expenses incurred by the RDA would include environmental assessments, building surveys, historic preservation

surveys, TID revenue studies, and legal expenses. Developer will also incur equivalent expenses during due diligence.

Attachments: [Option and Predevelopment Agreement](#)
 [RDA Resolution 17-09](#)

Executive Director Connolly explained the term sheet agreement and how it was formulated. She stated the agreement allows General Capital Group LLC to pay the Authority \$100.00 to secure an option on the building. The option would provide time for General Capital to do their due diligence on the property and apply for historic preservation and low income housing tax credits. She stated the option would expire December 31, 2018.

Authority member Crimmings asked if the sharing of documents by General Capital was in the agreement. Nicole Larsen, Deputy City Attorney explained that it was.

Authority member Adamski-Torres asked about the \$100.00 option fee and whether or not it was a standard amount.

Ms. Connolly stated that once the agreement is in the development stage more money would be required.

A motion was made by Authority member Anderson, seconded by Authority member Adamski-Torres, to adopt RDA Resolution 17-09 recommending approval of the request. The motion PASSED by a Voice Vote.

[76-17](#)

Subject: A request by the Executive Director of the Redevelopment Authority to consider RDA resolution 17-10 to apply to the Wisconsin Coastal Management Program (WCMP) for a \$60,000 grant to assist in the creation of schematic designs which include alignment, cross section and material recommendations for public streets leading to and along the lakefront for the Harborside connections design project. (Grant Control # 00115) (Res No. 0053-17)

Recommendation of the Redevelopment Authority on 2-6-17: That the Mayor, City Clerk, Executive Director of the Redevelopment Authority or their designee or authorized agent act on the behalf of the City and apply to the Wisconsin Coastal Management Program (WCMP) for a \$60,000 grant to assist in the creation of schematic designs of Harborside connections design project.

Recommendation of the Finance & Personnel Committee on 2/13/17: That the Mayor, City Clerk, Executive Director of the Redevelopment Authority or their designee or authorized agent act on the behalf of the City and apply to the Wisconsin Coastal Management Program (WCMP) for a \$60,000 grant to assist in the creation of schematic designs of Harborside connections design project.

Fiscal Note: The total project cost is estimated to be \$60,000. At

\$30,000 the City's funding will meet the WCMP requirement of a minimum a 50% local match. The City's funding source will be the Intergovernmental Revenue Sharing Fund.

Attachments: [RDA Resolution 17-10](#)

Executive Director Connolly explained that there is a \$30,000 match required from the City for receiving this grant. The grant is for street and infrastructure design. Ms. Connolly explained there has been developer interest in the site and would like to have plans that lead to a quicker developed site and provide residents of the area with a design they would like to see. She stated the goal is to create public areas along lake and street dividing private and public areas; it would be for design only.

A motion was made by Authority member Anderson, seconded by Authority member Adamski-Torres, to adopt RDA Resolution 17-10 recommending approval of the request. The motion PASSED by a Voice Vote.

[109-17](#)

Subject: A request by the Executive Director of the Redevelopment Authority to consider RDA Resolution 17-11 recommending approval of a new "White Box" Incentive program to encourage investment in older buildings by incentivizing conformity with new building code requirements. (Res No. 0055-17)

Recommendation of the Redevelopment Authority on 2-6-17: That the White Box incentive program along with its details and application be approved. The City's Chief Building Inspector will staff the program and provide staff review of plans to the Downtown Area Design Review Commission, who will then provide a recommendation to the RDA for funding each incentive.

Recommendation of the Finance & Personnel Committee on 2/13/17: That the White Box incentive program along with its details and application be approved. The City's Chief Building Inspector will staff the program and provide staff review of plans to the Downtown Area Design Review Commission, who will then provide a recommendation to the RDA for funding each incentive.

Fiscal Note: \$100,000 was budgeted in the 2017 Intergovernmental Revenue Fund Capital Budget for a \$100,000 White Box Incentive. The incentives will be granted for first floor, building code related improvements (plumbing, electrical, HVAC, bathrooms, ADA compliance), at a maximum of \$10/s.f. and up to \$20,000 per project; approximately 7 incentives will be provided to building owners and leaseholders in 2017.

Attachments: [RDA Resolution 17-11](#)
[White Box Program Summary v 02.21.17](#)
[White Box Application v 02.21.17](#)

Executive Director Connolly explained to the Authority that \$100,000 was set aside in the City budget for the White Box program. She stated the incentive would be provided to building and business owners to update the interiors of their buildings. Ms. Connolly stated buildings with ongoing code issues are the intent for the program.

Ald. Sandy Weidner expressed concern with the eligible areas for the program. Assistant Direct/Principal Planner Sadowski explained the coverage of the Façade Grant program. Ms. Connolly stated the coverage area for the White Box program is the same as the Façade Grant program.

A motion was made by Authority member Anderson, seconded by Authority member Adamski-Torres, to adopt RDA Resolution 17-11 recommending approval of the request. The motion PASSED by a Voice Vote.

Adjournment