



City of Racine

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

Meeting Minutes - Final

Redevelopment Authority of the City of Racine

Wednesday, May 2, 2018

6:00 PM

City Hall, Room 303

Call To Order

Chairman Spangenberg called the meeting to order at 6:00 p.m.

PRESENT: 6 - Cory Mason, James Spangenberg, John Crimmings, Robert Anderson, James DeMatthew, and Jennifer Adamski-Torres

EXCUSED: 1 - Doug Nicholson

Approval of Minutes for the April 5, 2018 Meeting.

A motion was made by Crimmings, seconded by Anderson, to approve the minutes of the April 5, 2018 meeting. The motion PASSED by a Voice Vote.

[0440-18](#)

Subject: (Direct Referral) A request from Ron Christensen for review and approval of a White Box Program Grant for the property at 210 Third Street.

Attachments: [210 Third Street WB Application](#)

Ken Plaski, Chief Building Inspector, introduced the request. He stated this is for a lower commercial space at 210 Third Street that would be used as Plaski and Christensen introduced the request. Plaski stated this is a White Box grant for 210 Third Street lower commercial space that will be used as a retail space. Ron Christensen, the applicant, stated it will become a women's clothing store. Plaski stated that the quotes submitted were for the hardwood flooring, HVAC work, and a bathroom update. The property is 1070 square feet and the maximum grant it would be eligible for is \$10,070.00. The property used to be the Third Coast Bicycle Shop. Plaski stated that White Box applications are normally before the Downtown Area Design Review Commission prior to coming before the RDA, however, the DADRC does not meet until Thursday. He suggested that the RDA could approve the request based on receiving approval from the DADRC.

A motion was made by Crimmings, seconded by Anderson, to approve the request based on action of the Downtown Area Design Review Commission. The motion PASSED by a Voice Vote.

[0441-18](#)

Subject: Resolution 18-11 recommending approval of a Community Development Block Grant (CDBG) Revolving Loan Fund small business loan for \$90,900 for the purpose of equipment and working capital and the creation of at least 3 full time equivalent jobs for DPM Entertainment LLC, dba Kouzena220 at 220 Sixth Street. (Res. 0160-18)

Recommendation of the Redevelopment Authority on 5-2-18: That the request of DPM Entertainment LLC dba Kouzena220 for use of Community Development Block Grant (CDBG) Small Business Development Revolving Loan Funds (SBD-RLF) be approved. Further that the Mayor, City Clerk, and Director of City Development be authorized to execute written agreements with DPM Entertainment LLC dba Kouzena220 for loan assistance not to exceed Ninety thousand nine hundred dollars (\$90,900) for the purpose of creating at least three [3] full-time equivalent jobs in the City of Racine, 51% of which to be held by members of Low/Moderate Income Households, and consistent with federal regulations for CDBG funds, and City of Racine SBD-RLF guidelines.

Fiscal Note: The Community Development Committee and Common Council allocated CDBG funds for the purposes of assisting businesses through the 2017 Annual Plan. There are sufficient funds available.

Attachments: [ABM CDBG-RLF- Kouzena220](#)
 [Resolution 18-11 CDBG SB RLF Kouzena220](#)

Amy Connolly, Executive Director, introduced the request. She stated the RDA reviews and approves requests for use of the Community Development Block Grant (CDBG) revolving loan fund. She stated CDBG funds are given to the City from the Federal government. She stated this is underwritten by the Wisconsin Women's Business Initiative Corporation (WWBIC) or the Racine County Economic Development Corporation (RCEDC). Past recipients of the loan include R&B Grinding, Petals by Felicia, and, most recently, Littleport Brewing Company.

Ben Lehner, Community Development Program Specialist, stated the underwriting for the current loan request was done by WWBIC. He stated this particular project had bank financing; however, due to a merger the bank was no longer able to fund the project. He stated that the applicant, Paul Maheras, is looking to create three fulltime equivalent (FTE) positions and explained that the guidelines require applicants to create one FTE position for every \$35,000.00 borrowed. He stated the loan will assist with the purchase of fixtures and furniture and provide for working capital. Lehner explained that CDBG requires that any equipment purchased with the funds be used as collateral. Maheras is a second generation restaurateur and his business partner is his cousin who has more than 20 years of restaurant experience.

In response to DeMatthew, Lehner stated the use of funds for equipment is written into the contract language.

DeMatthew asked about wages that would be provided.

Lehner stated some positions will start at minimum wage, not including tips received, and there is a manager position that will provide a higher wage.

DeMatthew asked if the three fulltime employees were based on the amount borrowed.

Maheras stated there may be more, however, at this time they will start out with three FTE jobs .

Maheras explained their restaurant experience.

Heather Lux, WWBIC, stated that the CDBG Revolving Loan has been a great collaboration between the city to help save the business and create jobs.

In response to Crimmings, Maheras stated he expects his restaurant to be open within a few months.

Crimmings asked if there were a requirement that a business be open within a certain timeframe.

Lehner stated job creation is to occur within 12 months from the date of the contract and the project has to be started within a year.

A motion was made by DeMatthew, seconded by Anderson, to adopt RDA Resolution 18-11, recommending approval of the request. The motion PASSED by a Voice Vote.

Adjournment

There being no further business, the meeting adjourned at 6:17 p.m.