



# City of Racine

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

## Meeting Minutes - Final

### Community Development Authority

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Thursday, July 9, 2020

6:00 PM

Virtually

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#### Call To Order

*Chairman Martin called the meeting to order at 6:05 p.m.*

#### Roll Call

*PRESENT: 5 - Mason, Adamski, Martin, Thomas, and Pucci*

*EXCUSED: 2 - West and Bukacek*

#### Approval of Minutes for the April 30, 2020 Meeting.

**A motion was made by Mason, seconded by Adamski, to approve the minutes of the April 30, 2020 meeting. 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](#)

*Interim Executive Director Matt Sadowski introduced the request and provided a refresher to the CDA regarding the White Box program. He stated that all White Box grant applications that were received by the December 31st deadline were considered for approval by the CDA. Sadowski stated that the request was before the CDA at its meeting in March and was deferred pending more clarification with regards to the water service. Sadowski showed the CDA the location of the property for the request and explained that the eligible grant amounts were \$10,180.00 for 1322 Washington Avenue and \$20,000 for 1324 Washington Avenue. He stated that the water service would not be eligible for the grant because it is not inside the building. He stated the bids received did not change the review or recommendation.*

*Chairman Martin introduced the applicant, Jim Wachowiak.*

*Wachowiak stated they were excited to get started on the project.*

*The architect, Jim Chambers, stated that they hope to make the location an anchor in the uptown area and he is excited about the potential of the project. Chambers stated the bones are sturdy and the building is unique. He explained the water system that will*

*be needed for the project. He stated he is appreciative of the support.*

*Thomas asked about the restaurant and its capacity.*

*It was stated that the brewery will be separate from the restaurant and will have a capacity of sixteen.*

*In response to Thomas, Wachowiak stated the restaurant is meant to be a grab and go restaurant similar to subway restaurants.*

*Adamski asked about the sunset timeframe for the White Box grant program.*

*In response to Adamski, Sadowski stated that there are funds available for the request.*

**A motion was made by Adamski, seconded by Thomas, to approve the white box grant request for an amount up to \$10,180.00 for the property at 1322 Washington Avenue and \$20,000.00 for the property at 1324 Washington Avenue. The motion PASSED by a Voice Vote.**

[0422-20](#)

**Subject:** A communication sponsored by Alder Jung, and a request by Matthew G. Sadowski, Interim Executive Director of the Community Development Authority (CDA), seeking permission to prepare and execute a loan through Business Lending Partners for up to \$100,000 of the City of Racine EPA Brownfield Cleanup Revolving Loan Fund (BC-RLF) for the purpose of supplementing an EPA Brownfield Cleanup Grant of the CDA intended to fund the removal of contaminants from the CDA property at 1425 North Memorial Drive (South Lot).

**Recommendation of the Community Development Authority on 07-09-2020:** That the request by the Interim Executive Director of the CDA to execute a loan through Business Lending Partners for up to \$100,000 of the City of Racine's EPA Brownfield Cleanup Revolving Loan Fund (BC-RLF) for the purpose of supplementing an EPA Brownfield Cleanup Grant of the CDA for the property at 1425 North Memorial Drive (Racine Steel Castings - South Lot) be approved, subject to the terms and conditions listed in CDA Resolution 20-03.

Further, that the Interim Executive Director and/or Chairman of the CDA, Mayor, City Clerk, or their designee, be authorized to execute loan documents to facilitate the loan.

**Recommendation of the Finance and Personnel Committee on 07-27-2020:** That the request by the Interim Executive Director of the CDA to execute a loan through Business Lending Partners for up to \$100,000 of the City of Racine's EPA Brownfield Cleanup Revolving Loan Fund (BC-RLF) for the purpose of supplementing an EPA Brownfield Cleanup Grant of the CDA for the property at 1425 North Memorial Drive (Racine Steel Castings - South Lot) be approved, subject

to the terms and conditions listed in CDA Resolution 20-03. Also approve associated 20% City match of up to \$20,000.

**Fiscal Note:** The BC-RLF loan of up to \$100,000 will be made from a grant received from the Environmental Protection Agency. Racine County Economic Development Corporation - Business Lending Partners will serve as the loan "servicer". A 20% City match is required. City match of up to \$20,000 is available in 95060 52200, Brownsfield Contracted Services.

**Attachments:**     [1425 N. Memorial Drive](#)  
                              [Resolution 20-03 RSC CDA BCRLF Loan](#)  
                              [2440-09-00\\_CAC 3\\_Presentation](#)  
                              [#0422-20 Resolution](#)

*Sadowski showed the property location and explained the request. He stated staff is seeking up to a \$100,000 loan to bridge the gap between the available funds and what bids were received. He stated there is a project deadline of October 31st of this year.*

*Sadowski explained that the Racine Steel Castings site was 10.7 acres and showed the test spots and areas for cleanup regarding the proposed dig and dump. He explained that there is a grant specifically for the location, however, the bids received came in higher than the bid amount.*

*Martin asked how the loan would be handled.*

*Sadowski stated that Racine County Economic Development Corporation, Business Lending Partners prepares the loan. He stated that the loan will not be due until the property transferred. He stated similar was done with other properties, e.g. the former Walker property.*

*Thomas asked about previous loans and how long it has been since they became due. He asked if the \$100,000 loaned is if it were a \$100,000 that we cannot lend out.*

*Mason explained that the project is highly contaminated and that the RLF is a way to assist in funding the cleanup of the property.*

*Sadowski read CDA Resolution 20-03. He stated there is a condition in the resolution where certain properties will take precedence in regards to using the RLF if deemed necessary.*

*Martin confirmed there was \$1.6 million left in the BC-RLF.*

*Mason explained that the EPA wants us to loan the money out. He stated if we do not use the money, we will lose it.*

**A motion was made by Mason, seconded by Adamski, to adopt CDA Resolution 20-03 recommending approval of the request. The motion PASSED by a Voice Vote.**

[0426-20](#)

**Subject:** Communication sponsored by Alder Jung, and a request by Matthew G. Sadowski, Interim Executive Director of the Community

Development Authority (CDA), seeking authorization to prepare and submit an application for an Economic Development Administration CARES Act Application for Construction Assistance grant of up to \$1,000,000 for public infrastructure connectivity improvements for the CDA-owned property at 233 Lake Avenue.

**Recommendation of the Finance and Personnel Committee on 07-13-2020:** That funds and assistance available from the EDA CARES Act be requested and that the rules of the program be complied with.

Further, that the Interim Executive Director and/or Chairman of the Community Development Authority, or their designee, be authorized to act on behalf of the CDA to submit an application for the CARES Act to assist with the construction of public infrastructure connectivity improvements for 233 Lake Avenue.

**Fiscal Note:** The amount of the grant being requested is \$1,000,000. If the grant is received, a soft match of existing funds already committed to the redevelopment of the site is expected. No new dollar match is anticipated.

**Attachments:**     [EDA Grant Synopsis](#)  
                              [EDA Grant Info Sheet](#)  
                              [233 Lake Avenue](#)  
                              [CDA Resolution 20-04 CARES Act](#)  
                              [#0426-20 Resolution](#)

*Sadowski explained the request. He stated the CARES Act funding will assist in creating connectivity efforts within the site. Sadowski explained that the CDA is reviewing the request because they are the owner of the site. He stated the project will be working with We Energies, who demolished the buildings. Sadowski stated the project originated in the Public Works/Engineering and Finance Departments, however, since the property is owned by the CDA, it was determined that the CDA should facilitate the application for the grant.*

*Sadowski explained the purpose of the grant. He stated that the grant would help create pedestrian connectivity around the vacated Third Street right-of-way to connect Lake Avenue to the Lakefront Promenade.*

*Sadowski showed the potential development for 233 Lake Avenue and details of the location for the grant proposal.*

*Thomas stated that at the last meeting of the CDA, the option for the property was extended to October 2020. He asked if the developers were still doing the project.*

*Mason stated yes they are still doing the project; however, the hotel piece is being evaluated.*

*In response to Thomas, Mason confirmed that the project proposed would still occur if*

*the developers went away.*

*In response to Adamski, Sadowski stated the next item will discuss a certain level of detail for the request. He stated that there is not currently a detailed plan, but staff will work with AECOM to prepare one.*

**A motion was made by Thomas, seconded by Pucci, to adopt CDA Resolution 20-04 recommending approval of the request. The motion PASSED by a Voice Vote.**

[0427-20](#)

**Subject:** Communication sponsored by Alder Jung, and a request by Matthew G. Sadowski, Interim Executive Director of the Community Development Authority (CDA), seeking authorization to contract with the engineering firm of AECOM for technical support to develop an Economic Development Administration CARES Application for Construction Assistance grant for connectivity improvements for the CDA-owned property at 233 Lake Avenue.

**Recommendation of the Finance and Personnel Committee on 07-13-2020:** That a contract between the CDA and AECOM for technical support in preparing the application for the EDA CARES Act grant be approved.

Further, that the Interim Executive Director and/or Chairman of the Community Development Authority, or their designee, be authorized to act on behalf of the CDA to execute a contract with AECOM, sign documents, and take necessary action to undertake, direct, and complete contracted activities.

**Fiscal Note:** The amount of the contract with AECOM will be in an amount not to exceed \$24,900. There are sufficient funds in Tax Incremental District No. 14 for this request.

**Attachments:**     [EDA Grant AECOM Contract](#)  
                          [233 Lake Avenue](#)  
                          [CDA Resolution 20-05 AECOM Contract](#)  
                          [#0427-20 Resolution](#)

*Sadowski stated that a proposal was submitted by AECOM for \$24,900 for the preparation of the CARES grant application. He stated the funds will be taken from Tax Incremental District No. 14 to assist in preparing plans and a grant application for CARES funds.*

*Thomas asked if any local companies were engaged.*

*Sadowski stated that the project was initially done by Engineering and he was unaware if local firms were brought in.*

*Discussion after the motion:*

*Thomas asked who was involved in the bidding process for the request.*

*Mason stated that the amount is less than \$25,000 so there was not a bidding process; \$24,900 did not trigger bidding. AECOM frequently works with the Department of Public Works.*

*In response to Thomas, Mason stated there are fewer options locally that bid on these types of services and, unfortunately, DBE numbers are difficult to achieve.*

**A motion was made by Adamski, seconded by Thomas, to adopt CDA Resolution 20-05 recommending approval of the request. The motion PASSED by a Voice Vote.**

## **CLOSED SESSION**

*Chairman Martin read the closed session notice.*

It is intended that the Community Development Authority convene in Closed Session pursuant to Wisconsin Statutes Sec. 19.85(1)(e) regarding the deliberating or negotiating the purchase of public properties, the investing of public funds, or conducting of other specific public business, whenever competitive or bargaining reasons require a Closed Session.

**At 6:46 p.m. a motion was made by Adamski, seconded by Thomas, to go into closed session. The motion PASSED by the following vote:**

**Ayes: Thomas, Martin, Adamski, Pucci, Mason**

**Excused: Bukacek and West**

### [0434-20](#)

**Subject:** Consideration of an option submitted to the Community Development Authority (CDA) seeking to purchase the CDA-owned property at 1730 Phillips Avenue.

### [0435-20](#)

**Subject:** Consideration of an option submitted to the Community Development Authority (CDA) seeking to purchase CDA-owned properties at 1623 & 1701 DeKoven Avenue, 1800 South Memorial Drive, and 1831 Phillips Avenue.

The Community Development Authority will return to Open Session and may take action on items discussed in Closed Session.

## **OPEN SESSION**

*At 7:10 p.m. a motion was made by Mason, seconded by Adamski, to reconvene into open session. The motion PASSED by the following vote:*

*Ayes: Thomas, Martin, Adamski, Pucci, Mason*

*Excused: Bukacek and West*

### [0434-20](#)

**Subject:** Consideration of an option submitted to the Community Development Authority (CDA) seeking to purchase the CDA-owned

property at 1730 Phillips Avenue.

**A motion was made by Mason, seconded by Adamski, to approve the option for 1730 Phillips Avenue. The motion PASSED by a Voice Vote.**

[0435-20](#)

**Subject:** Consideration of an option submitted to the Community Development Authority (CDA) seeking to purchase CDA-owned properties at 1623 & 1701 DeKoven Avenue, 1800 South Memorial Drive, and 1831 Phillips Avenue.

**A motion was made by Mason, seconded by Pucci, to approve the option for 1623 and 1701 DeKoven Avenue. The motion PASSED by a Voice Vote.**

## Administrative Business

### Update on CDA Properties and Projects

*Sadowski provided an update on the major projects and properties held by the CDA.*

*The following projects and properties were discussed:*

*1511 Washington Avenue – no interest currently on the property*

*Water Street Properties – environmental cleanup for hotspots are currently being planned, he stated a plan was created for the area that will go through the Comprehensive Plan amendment process.*

*233 Lake Avenue – was discussed earlier in the agenda*

*Racine Steel Castings, 1425 N. Memorial Drive – Bids were solicited for the cleanup for PCB Impacted Soil. The bids came out high, so the project may be rebid.*

*1014 Dr. MLK Jr. Dr. – Mason explained that the property was adjacent to the proposed health center at Juilan Thomas School.*

*State Street TOD (Transit Oriented Development) – includes eight properties. No specific interest.*

*Matt Rejc, Manager of Neighborhood Services, provided an update of the use of CDBG Funds. He explained that CDBG Funds have provided funds for the Microenterprise program and Small Business programs. He stated there were two rounds of COVID-19 relief funding this year and two loans were done last year for 911 Tacos and Racine Brewing Company.*

*The Memorandum of Understanding (MOU) to access tax delinquent properties was also discussed. Rejc explained that staff was working with the Corporation Counsel for the County to begin contacting property owners regarding accessing properties. He stated this was for commercial and industrial properties only.*

*In response to Thomas, Mason explained that the CDA has additional authority that the RDA did not. He stated the CDA does not want to hold onto properties long – the goal is to put properties on the tax rolls for the highest best use.*

## Adjournment

*There being no further business, the meeting adjourned at 7:25 p.m.*