

**CITY OF RACINE, WISCONSIN**

**REDEVELOPMENT AUTHORITY RESOLUTION 15-11**

WHEREAS, sec. 46-268 of the Racine Municipal Code calls for the Redevelopment Authority to advise the Common Council on the use of Intergovernmental Revenue Sharing (Sewer Agreement) Funds, and

WHEREAS, It is in the public interest to increase commercial activity and reduce the amount of vacant commercial space in the City of Racine, and

WHEREAS, An unexpected Residential Equivalent Connection (REC) fee can be an obstacle to the creation and expansion of commercial business.

RESOLVED, That the Redevelopment Authority recommends that the Common Council create a REC Adjustment Grant to assist the growth of commercial businesses and the increase the occupancy of existing commercial space, and that the grant have the following characteristics:

- When the Water Utility determines that a proposed commercial occupancy will exceed the historical water use in a commercial building with existing water service, and that one or more REC fees are due, the building owner may apply for a grant for up to the cost of one REC fee (currently \$3,450). The program will make the grant as reimbursement to the building owner for the REC fee the owner has paid.
- Commercial buildings, built before 2004 (when the REC fee was initiated) are eligible. Mixed residential-commercial buildings are eligible, but only for the commercial portion of the building. The program is intended to facilitate new occupancies of existing space; it is not an assistance program for building renovations. Properties are limited to one grant.
- It is intended that the program operation be simple. At the time the fee is paid, the property owner may submit a grant application/request for reimbursement. Building inspection will verify that the fee is paid and forward the application to the Department of City Development for verification of eligibility. Upon verification by City Development, the approved application will be sent to the Finance Department for creation of the reimbursement check, which will be mailed to the building owner.
- The building owner pays the fee and receives reimbursement. This is because the new REC stays with the building – it does not diminish with subsequent changes in occupancy. However, the program has no objection to the owner and tenant reflecting the REC fee/grant in their lease agreement as appropriate to their specific arrangements.
- The grant is contingent upon the building owner agreeing to allow the City of Racine Assessor to inspect the interior and exterior of the property for which the grant is requested. The authorization for access shall be signed at the time of application. Grant funds may be dispersed after one inspection, but the recipient shall also allow a second

inspection, if necessary, to be scheduled within one year or prior to the next assessment date (January 1<sup>st</sup>).

FURTHER RESOLVED, That this recommendation be referred to the Finance and Personnel Committee for its review and recommendation.

Fiscal Note: Intergovernmental Sewer Revenue Sharing funds are available for the grant. \$25,000 annually would ensure sufficient coverage based on a review of past REC fees on existing commercial buildings. This estimate will be adjusted based on actual experience when the grant program is established.

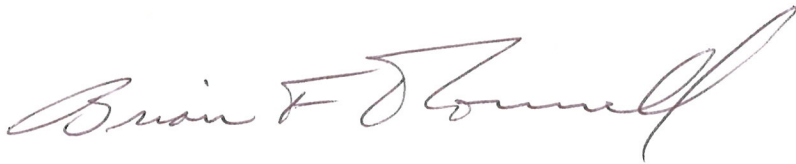
*Adopted on:* April 6, 2015

*Seal*

*By a Vote of*

For:	4
Against:	0
Abstain:	0

*Attest:*



Brian F. O'Connell  
Executive Director

