



City of Racine

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

Meeting Agenda - Final Finance and Personnel Committee

Chairman Q.A. Shakoor II
Vice Chair James Morgenroth
Alderman Dennis Wisner
Alderman Michael Shields
Alderman Mary Land

Wednesday, August 31, 2016

5:00 PM

City Hall, Room 307

Special Meeting

Call To Order & Roll Call

Chairman Comments

Closed Session

It is intended that the Finance and Personnel Committee will convene in closed session pursuant to Wisconsin Statutes, Sec. 19.85(1)(e) to consider strategy where bargaining reasons require a closed session.

1. [0348-16](#) **Subject:** A communication from the Executive Director of the Redevelopment Authority for permission to accept a Knowles-Nelson grant of \$470,750 from the Wisconsin Department of Natural Resources for the purposes of property acquisition for the "Machinery Row" portion of the Root River Promenade (Grant Control #00035).

Staff Recommendation to the Finance and Personnel Committee on 8-31-2016: That the Finance and Personnel Committee recommend that the Common Council approve acceptance of the grant.

Fiscal Note: The grant is for \$470,750. The developer is donating a grant match of fifty percent of the total appraised value (\$937,000) plus eligible real estate costs of the property (\$2,250), for a total of \$470,750. The City will bring \$470,750 to the closing and will seek reimbursement for those costs under the grant. Closing costs are not reimbursed by the grant and will be paid in accordance with the purchase agreement between the City/RDA and FDP MR, LLC. Funds for closing were allocated for fiscal year 2016 in account 45260-52340 (Intergovernmental Agreement - Redevelopment Activities) and there are sufficient funds available.

2. [0742-16](#) **Subject:** (Direct Referral) A request by the Executive Director authorizing a second amendment to the development agreement between FDP MR, LLC; Rodney A. Blackwell; the City of Racine; and

the Redevelopment Authority of the City of Racine regarding the Machinery Row Development, subject to approval of the Amendment by the Common Council.

Staff Recommendation to the Finance & Personnel Meeting on 8-31-2016: That the Finance and Personnel Committee recommend the Common Council approve, and authorize the Mayor and City Clerk to execute, the amendment to the development agreement to Common Council.

Fiscal Note: The second amendment to the development agreement extends the time frame of the existing development agreement to December 15, 2016 in order to allow the developer additional time to address development issues and secure a third party loan for the development. Developer will replenish the established mortgage escrow in the amount of \$22,500 to pay quarterly interest payments (1%) to the City for the mortgage established in the previous agreements. City and developer have entered into a purchase agreement where FDP will donate ½ of its interest in the 5.57 acres of land in the redevelopment site to the City and the City will purchase the remaining ½ interest in the land. The proceeds received by FDP from the sale will be escrowed for use at the sole discretion of the City to pay for costs related to the property, to redevelop the River promenade, and associated public rights-of-way. The City will be reimbursed for \$470,750 (½ of the purchase price for the land plus eligible real estate costs) by the Knowles-Nelson Grant. Closing costs will not be reimbursed and will be paid from account 45260-52340 (Intergovernmental Agreement - Redevelopment Activities) and there are sufficient funds available.

Open Session

The Finance and Personnel Committee will return to Open Session to take action on any or all of the Closed Session agenda items.

Adjournment

If you are disabled and have accessibility needs or need information interpreted for you, please contact Human Resources & 262-636-9175 at least 48 hours prior to this meeting.