



# City of Racine

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

## Meeting Minutes - Final

### Finance and Personnel Committee

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

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Wednesday, August 31, 2016

5:00 PM

City Hall, Room 307

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#### Special Meeting

##### Roll Call

**PRESENT:** 4 - Chairman Q.A. Shakoor II, James Morgenroth, Michael Shields and Mary Land

**EXCUSED:** 1 - Dennis Wiser

Chairman Comments

Closed Session

*The Chairman then announced that the Committee would convene in closed session for the reason stated in the motion and pursuant to Wisconsin Statue Sec. 19.85 (1) (c) and (e).*

*Also present: David Brown, Finance Director, Scott Letteney, City Attorney, Amy Connolly, Community Development Director, and Sandy Weidner, Alderman.*

Open Session

**The Chairman then announced that the Committee would reconvene in open 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).

**Recommendation of the Redevelopment Authority on 8-29-16:**

That the grant acceptance be approved and the Chairman and the Executive Director of the Redevelopment Authority, Mayor and City Clerk be authorized to acquire the property, bring sufficient funds to the closing to close the transaction, acquire the reimbursement under

the grant, and to take such actions and make such decisions necessary to carry out the intent of the attached resolution.

**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.

**A motion was made by Vice Chair Morgenroth, seconded by Alderman Land, that this file be Recommended For Approval**

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.

**Recommendation of the Redevelopment Authority on 8-29-16:** That the amendment to the development agreement be approved and that the Chairman and Executive Director of the Redevelopment Authority, Mayor, City Clerk, and City Staff be authorized to execute the Second Amendment, to expend funds in accordance with the Second Amendment, and to take such actions and make such decisions necessary to carry out the intent of the attached resolution.

**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.

**A motion was made by Vice Chair Morgenroth, seconded by Alderman Land, that this file be Recommended For Approval. Alderman Shields voted no.**

### **Adjournment**

**There being no further business to come before the Committee, the meeting adjourned at 5:54 p.m. The next scheduled meeting of this Committee is at 5:00 p.m. on Monday, September 12, 2016 at City Hall, Room 307.**

**Respectfully submitted,**

**Ald. Q.A. Shakoor II, Chairman  
Finance & Personnel Committee**