



City of Racine

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

Meeting Minutes - Final

Redevelopment Authority of the City of Racine

Thursday, March 1, 2018

6:00 PM

City Hall, Room 303

Call To Order

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

PRESENT: 5 - James Spangenberg, Jen Adamski-Torres, Doug Nicholson, John Crimmings and James DeMatthew

EXCUSED: 2 - Robert Anderson and Cory Mason

Misc. Notes/Arrivals:

Mayor Cory Mason, listed in the attendance, has not yet been appointed to the RDA.

Approval of Minutes for the February 1, 2018 Meetings.

A motion was made by Nicholson, seconded by Adamski-Torres, to approve the minutes of the February 1, 2018 meeting. The motion PASSED by a Voice Vote.

[0189-18](#)

Subject: (Direct Referral) Resolution 18-06 recommending approval of a Community Development Block Grant (CDBG) Revolving Loan Fund small business loan for \$174,980 for the purpose of equipment and working capital and the creation of at least 5 full time equivalent jobs for Littleport Brewery at 214 Third Street and authorize the RDA Executive Director and Chairman to execute written agreements consistent with federal regulations. (Res. 0094-18)

Recommendation of the Redevelopment Authority on 3-1-2018:

That the request of Littleport Brewing Company, LLC for use of Community Development Block Grant (CDBG) Small Business Development Revolving Loan Funds be approved. Further that the Mayor, City Clerk, and Director of City Development be authorized to execute written agreements with Littleport Brewing Company, LLC for loan assistance not to exceed One Hundred Seventy Four Thousand Nine Hundred and Eighty and 00/100 Dollars (\$174,980.00) for the purpose of creating at least five [5] 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 purpose of assisting businesses through the 2017 Annual Plan. There are sufficient funds available for this request.

Attachments: [\(0189-18\) Resolution 18-06 CDBG SB RLF WWBIC Littleport Brewing Co LLC](#)
[\(0189-18\) Agenda Briefing Memo CDBG-RLF-Littleport](#)
[\(0189-18\) Proposed Loan Summary - Littleport Brewing Company](#)

Director Amy Connolly explained the request and the loan program. She stated partnering agencies are the Wisconsin Women's Business Initiative Corporation (WWBIC) and the Racine County Economic Development Corporation (RCEDC). WWBIC and RCEDC provide the underwriting for the program and report to staff and the RDA regarding the information. The loan being presented to the RDA has been reviewed by WWBIC. The loan officer, Kristine Morgenroth explained that Mark and Christine Flynn have been in the space since 1998. She stated to prepare for the project, the Flynns created Belle Brewing Association as well as Hop to It which provides green brewing ingredients. She stated Mark Flynn has been brewing beer for 30 years. Ms. Morgenroth explained the conditions of the loan which include having a brewery consultant on staff for the first nine months of the project. She stated WWBIC will be funding the buildout of the interior and sharing building costs with the city through the White Box program. She stated that she believes the addition of the brewery will help restore and revitalize the downtown area as well as the river walk and add tourism.

Mr. Crimmings asked if the building is the former garage. Mr. Flynn stated that it was. He stated that they purchased the building for \$17,000.00 and, after renovations, should be worth more than \$200,000.00. Mr. Crimmings asked if product will be sold. Mr. Flynn stated they would like to sell to local bars and restaurants.

In response to Mr. Nicholson, Laura Detert, Manager of Housing and Community Development, stated that collateral requirements are in line with CDBG requirements. She stated there will be 5 full-time equivalent jobs created; the Flynns plan to have 4 full-time jobs and 2 part-time jobs in terms of employees.

Ms. Connolly stated program requires the establishment of jobs.

Alderman Weidner asked about the Revolving Loan Fund (RLF), how many loans were granted and if the business owners were successful with paying back the money.

Ms. Detert stated so far three loans have been approved and most have been successful with payment. She stated Petals by Felicia was the first loan.

Alderman Weidner expressed concern with majority public funding being used for the loans.

Ms. Morgenroth and Director Connolly explained that the majority of funds are coming from WWBIC and their Revolving Loan Fund.

Ms. Morgenroth stated that the Flynns are targeting a different industry and will focus mainly on Business to Business (B2B) sales, the tasting room is a small portion of their business.

A motion was made by Crimmings, seconded by Nicholson, to recommend approval of the request. The motion PASSED by a Voice Vote.

[0190-18](#)

Subject: Communication from Laura Detert, Manager of Housing and Community Development, and Ken Plaski, Chief Building Inspector, regarding the final report from the Center for Community Progress on Land Banking and Strategic Code Compliance.

Attachments: [\(0190-18\) CCP Final Memo](#)

Ms. Connolly stated the final report from the Center for Community Progress (CCP) was received by the City in early January.

Ms. Detert gave a presentation to the RDA (attached to this agenda item) and explained the implementation methods. She stated tablets were provided to code enforcement officers so that they would be able to take pictures and write orders while they were out working in the field which will help with efficiency. She stated staff is also working on collaborating with code officers to identify target areas and having officers work in a blanket area instead of an assigned area. She stated 30 vacant, County-owned properties are being requested.

Mr. Crimmings asked if the properties being requested from the County were vacant lots of if they contained structures.

Ms. Connolly stated there were structures on the properties being requested.

Mr. DeMatthew asked if we could go inside and inspect the properties.

Ms. Connolly stated we cannot go inside the buildings; however, we know there is no one living in the properties.

In response to Mr. Crimmings, Ms. Detert and Ms. Connolly confirmed that we would be acquiring the properties, not purchasing them.

Connolly explained the reason for CCP and why the City chose to work with them. She stated that the report they presented was being actively implemented.

Alderman Weidner asked if the properties will be owned by the City or the RDA.

Connolly stated commercial properties will probably go to RDA and residential and non-commercial properties will be city-owned.

In response to Alderman Weidner, Connolly stated members of the Common Council will receive the same presentation being presented to the RDA.

A motion was made by Adamski-Torres, seconded by Nicholson, to receive and file the item. The motion PASSED by a Voice Vote.

[0191-18](#)

Subject: Communication from Ryan Douglas and Cardinal Capital regarding the Ajax Property project in Uptown (1530 and 1536 Clark Street).

Ms. Connolly explained that Cardinal Capital came to the RDA in the Summer of 2017 and was granted an option on the property to conduct due diligence. Cardinal Capital

was now ready to present their plans and findings for the site.

Erich Schwenker, President of Cardinal Capital, stated that his company is responsible for more than 10,000 housing units, mostly in Wisconsin. He stated they focus on developing a variety of social housing mixed with market rate and tax credits. He explained the previous ideas for the site and the financial model they will be using for the project. He stated 1/3 of the project will be for veterans. Mr. Schwenker stated that the Pabst Bar is currently under contract to purchase and they will be maintaining that building without the use of historic tax credits.

Ryan Douglas stated community input was received and from that they were able to produce a plan. He explained that Cardinal Capital tried to keep all of the buildings on the site, however, unfortunately, that will not be possible. He stated the design will honor the past and that the oldest building will be maintained.

Mark Klann, Director of Construction, stated most of the trusses and beams are rotted and the brick is caving in.

Tadhq McInerney, Architect for Cardinal, explained that the proposed designs are based on the current conditions of the site. He stated the community building will be available for public use and hopes to create perimeter walls for structure, not for support. He stated there will be townhomes with a building length of the street, podium parking (under unit – not underground – parking), and a total of 112 units and 159 parking spaces.

In response to Mr. DeMatthew, Mr. McInerney stated the city will not be responsible for the proposed community center.

Mr. McInerney explained the potential style for the building.

Discussion ensued about the design. Mr. DeMatthew asked how the proposed design would coincide with the neighborhood.

Mr. Douglas stated that final design will be worked out at a later date. The initial idea was to come to the RDA with the potential idea for the buildings.

Linea Anthony, Chair of the Uptown Business Improvement District (BID) board, stated this is the first project in years that excites uptown. She believes this project is a good direction for uptown and the City.

Mr. Crimmings expressed that it appears to be an attractive living space and would be a great addition to the area.

A motion was made by Adamski-Torres, seconded by Crimmings, to receive and file the presentation. The motion PASSED by a Voice Vote.

[0192-18](#)

Subject: Communication from City Purchasing Manager on the Water Street Redevelopment project progress toward demolition.

Attachments: [\(0192-18\) Agenda Briefing Memo for Water Street Development](#)
[\(0192-18\) Rootworks Project Report](#)

Kathy Kasper, City's Purchasing Manager, explained that a multi-departmental committee was formed to implement the Rootworks plan. She stated the Machinery

Row site, now known as the Water Street Redevelopment Area, was the primary task for the group. Currently, there is a request for proposals (RFP) for an environmental and engineering firm to assist with writing demolition specifications for the buildings located in the Area, as well as construction management services. The RFP is due on March 14th.

Mr. DeMatthew asked if there would be any opportunities to reuse the brick or other materials recovered from the demolition of the buildings and if it would be possible to have the land quickly prepared for a potential development.

Ms. Kasper and Ms. Connolly explained we would like to use the consultants' hired expertise regarding possibly salvaging any materials and that we are looking for time and cost efficiency.

Ms. Kasper there will be no soil remediation with this phase of the project; this is only about taking the buildings down.

Ms. Adamski-Torres asked about a project this magnitude being bid out.

Ms. Kasper stated the city will be involved in the process; however, due to the size of the project, we will be relying on a firm to complete. She stated we are also looking to prepare a request for qualifications (RFQ) for site planning of the area to include infrastructure, public space planning, etc..

Connolly stated the goal for a RFQ for development is January 1, 2019.

Brief discussion ensued.

A motion was made by Crimmings, seconded by Adamski-Torres, to receive and file the communication. The motion PASSED by a Voice Vote.

[0193-18](#)

Subject: Resolution 18-07 approving a license agreement with the City of Racine Fire Department to use RDA-owned properties for training.

Attachments: [\(0193-18\) RDA and City License and Hold Harmless](#)
[\(0193-18\) Resolution 18-07 License Agreement with Racine Fire and Police Departments for Training](#)

Ms. Connolly explained the request; the agreement is similar to the one made with the Police Department. She stated the buildings are being demolished, so some destructive training is being requested.

Mr. DeMatthew expressed concern regarding reusable resources being destroyed.

Ms. Connolly stated she will discuss with the Fire Department. She stated no fires will be set in the buildings.

A motion was made by Crimmings, seconded by Nicholson, to approve the request. The motion PASSED by a Voice Vote.

Closed Session

Chairman Spangenberg read the Closed Session notice.

At 7:18 p.m., a motion was made by Adamski-Torres, seconded by Crimmings,

to go into Closed Session. The motion PASSED by the following vote:

AYES: 5 - James Spangenberg, Jen Adamski-Torres, Doug Nicholson, John Crimmings and James DeMatthew

EXCUSED: 2 - Robert Anderson and Cory Mason

It is intended that the Redevelopment Authority convene in closed session pursuant to Wisconsin Statutes, Sec. 19.85(1)(e) to deliberate or negotiate the purchase of public properties, to invest public funds, or conduct other specified public business, whenever competitive or bargaining reasons require a closed session.

[0194-18](#)

Subject: Communication from RDA Executive Director requesting to meet with the Redevelopment Authority in Closed Session concerning the sale of properties within the Southside Industrial Park.

Open Session

A motion was made by Adamski-Torres, seconded by Crimmings, to reconvene into Open Session. The motion PASSED by the following vote:

AYES: 5 - James Spangenberg, Jen Adamski-Torres, Doug Nicholson, John Crimmings and James DeMatthew

EXCUSED: 2 - Robert Anderson and Cory Mason

The Redevelopment Authority may return to Open Session to take action on items discussed in Closed Session.

Adjournment

A motion was made by Adamski, seconded by Nicholson, to adjourn the meeting. The meeting adjourned at 7:35 p.m.