



City of Racine

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

Meeting Minutes - Draft

Standing Joint Review Board

Monday, March 3, 2025

3:00 PM

City Hall, Room 303

Call To Order

Mayor Mason called the meeting to order at 3:00 p.m.

Roll Call

Jeff Hintz, Assistant Director of City Development, called the roll by taxing jurisdiction.

Note: Byron Dean, Finance and Budget Manager, and County Executive Ralph Malicki from Racine County attended the meeting on behalf of Gwen Zimmer.

Mayor Mason appeared virtually.

PRESENT: 4 - Brian O'Connell, Sharon Johnson, Cory Mason and Crystal Moore

EXCUSED: 1 - Gwen Zimmer

Approval of Minutes for the August 22, 2023 Meeting.

A motion was made by Dean, seconded by O'Connell, to approve the minutes of the August 22, 2023, meeting. The motion PASSED by a Voice Vote.

Appointments:

Public Member

Crystal Moore was appointed as the public member of the Standing Joint Review Board (SJRB, JRB) on a motion by Mayor Mason, seconded by O'Connell. The motion PASSED by a Voice Vote.

Chairperson

Mayor Mason was appointed as the chairperson of the Standing Joint Review Board on a motion by O'Connell, seconded by Johnson. The motion PASSED by a Voice Vote.

[0206-25](#)

Subject: Review and Discussion of the draft project plan for the amendment of Tax Incremental District No. 9.

Attachments: [Draft Project Plan - TID 9](#)

[Legal Notice - TID 9](#)

Hintz introduced the requests for the amendments to the Tax Incremental Districts (TID). He informed the board that the items will be presented jointly, however, separate motions will be needed for each item. Hintz introduced the Ehlers team for a presentation on the requests.

Todd Taves, Ehlers, explained that the Tax Incremental Financing (TIF) law requires certain procedures any time the City creates or amends a TID. He stated it starts with holding an organizational meeting of the Joint Review Board. He explained that no action is formally required and explained the process for the requests. He stated after the meeting today, the request for amendments will be reviewed by the Planning, Heritage and Design Commission (PHDC), then the Common Council, and then return to the Joint Review Board for a final vote as to whether to allow the amendments. Taves introduced Paul Boening from Ehlers to provide an overview of the proposed amendments.

Boening explained the requests for amendments to TID Nos. 9 and 26. He stated both of the plans are amendments so much of the language and maps, etc. are carryover from the original plans. Boening began the discussion with the TID No. 26 amendment. He stated TID No. 26 was a rehab and conservation district created in 2021 for the redevelopment of property at 500 Main Street for the Hotel Verdant project. He stated as of January 1, 2024, which is the most recent valuation from the Department of Revenue, the district has \$15.1 million in incremental value. He stated the purpose of the TID No. 26 amendment is to add 40 adjacent parcels to the district, which would increase the district size by approximately 13 acres, and to add \$7.6 million in estimated project costs. Boening displayed a map of the territory that is proposed to be added to TID No. 26, compared with the existing TID and the boundaries of TID No. 9.

Boening explained the project costs of the original and amended project plans along with the categories and timeframes of projects. He stated there is a \$7.6 million total increase of project costs, however, the category for public infrastructure is a reduction of \$9 million because much of the public infrastructure improvements have already taken place in the district.

Boening explained the projects that are anticipated in the district, including the renovation of 512 Main Street into a full-service spa; renovation of 222 Fifth Street into a mixed-use property containing one retail and four residential units; demolition of existing building and improvements to 401 Wisconsin Avenue to a secure parking lot; and future development of approximately 40 units of multi-family housing at 426 Wisconsin Avenue. He explained that, in totality, the new development is expected to add \$4 million of value to the district and, based on the projected tax rates, generate more than \$80,000 in additional tax increment, annually.

Boening explained the cash flow for TID No. 26 and pointed out that the tax increment number is based on the \$4 million of added value. He explained that the revised costs have shifted the projected TID No. 26 closure to the year 2045, which is a change of two years from the original plan. Boening reiterated that this is based on the projections related to the tax increments, other revenues, expenditures, and the City's liabilities.

Taves further explained that there is City borrowing involved with both a prior and prospective loan. He stated those are offset by developer loan payments – developer makes payments on the City's debt service and there has also been transfers from the Intergovernmental Revenue Sharing Fund (IG Fund). He explained we are showing that the TID will be able to repay those, with interest, by 2037. He stated there is also a proposed transfer of increment from TID No. 9 of \$5.7 million.

Boening discussed the TID No. 9 amendment and stated the reason for the TID No. 9 amendment is for the proposed transfer to TID No. 26. TID No. 9 was created in 2000 as a rehab and conservation district for the rehabilitation of the Johnson building. He stated the only real change on the TID No. 9 cash flow is the \$5.7 million transfer to TID No. 26. He explained that despite the transfer to TID No. 26, the projected closure for TID No. 9 remains the same; the year 2034 - which is the same as when the district was amended in 2020.

Boening explained the steps involved in the TID Nos. 9 and 26 amendment approvals. He stated, today, we are holding the organizational meeting of the Joint Review Board, providing the JRB the plans and giving the JRB a chance to review those plans. He stated, later this afternoon, there is a public hearing scheduled with the PHDC (Planning, Heritage and Design Commission) as well as a consideration on the Project Plans. City Council consideration is scheduled for March 18th and then the final consideration of the JRB is to be determined, however there is an agenda item on today's agenda to hopefully set a date.

Johnson asked if the average cost of the multi-family housing units planned were known.

Kathleen Fischer, Finance Director, stated she believes the costs of the rental units would be somewhere between \$1,065 and \$1,085 per unit; they would be considered market rate units.

O'Connell asked if TID No. 26 was originally a pay-go TID.

Takes stated that the agreements on the TID No. 26 and the Hotel Verdant project were a combination of City financing, which was done through the State Trust Fund Loan program which obligates the developer to make payments on the loan, and also a pay-go.

O'Connell asked if the pay-go were not achieving its goal and if that were the reason for the amendment.

Fischer explained that the amount of increment that is being generated by the district is less than what was anticipated. She stated the TIF tax rate decreased substantially from when we created the TID in 2020. The equalized value has grown, however the TIF rate is lower. She explained that the increment coming into the district per year is less than originally anticipated; that increment is part of the incentive agreement with the hotel so additional increment is needed to provide for a new multi-unit housing project.

O'Connell asked if there were a reuse potential for 401 Wisconsin Avenue.

Hintz stated developers went through the property, however, due to its configuration as a boarding house, the conversion was not economically worthwhile. He said the building is currently assessed at \$30,000.

Fischer explained that Dominion is a historic developer and they really tried to save the building at 401 Wisconsin Avenue. However, it just didn't work out with the way the walls in the building were structured.

A motion was made by Mason, seconded by Johnson, to receive and file the item. The motion PASSED by a Voice Vote.

amendment and boundary expansion of Tax Incremental District No. 26.

Attachments: [Draft Project Plan - TID 26](#)
 [Legal Notice - TID 26](#)

Please see the discussion for item 0206-25.

A motion was made by Mason, seconded by Johnson, to receive and file the item. The motion PASSED by a Voice Vote.

Set next meeting date to consider approval of the TID amendments

Hintz explained the next item would be to schedule a meeting.

In response to Hintz, Taves explained that a class 1 notice would have to be published and the JRB could meet any time after the 18th of March (the Common Council meeting).

Discussion ensued on a possible meeting date.

The JRB decided on Friday, April 4th at 11:00 a.m. for their next meeting.

Adjournment

There being no further business, the meeting adjourned at 3:22 p.m.