City of Racine, Wisconsin AGENDA BRIEFING MEMORADUM

AGENDA DATE:

March 4, 2025 – Common Council (Committee Referral) March 10-12, 2025 – Committee Consideration March 18, 2025 – Common Council

SUBJECT: Communication sponsored by Mayor Mason on behalf of the City Development Department seeking permission to apply for a Wisconsin Economic Development Corporation (WEDC) Community Development Investment (CDI) Grant (Control # 00617) for the Legion Building at Belle City Square, 1907 St. Patrick Street.

PREPARED BY: Jeff Hintz, CNU-A – Assistant Director of City Development

SUMMARY: Hop Heads Hospitality & Events, LLC has signed a letter of intent to bring a 19,800+ square foot community-driven restaurant and taproom to the mixed-use Belle City Square campus. The facility is being realized through a 7-year lease agreement with developer J. Jeffers & Co., which involves a custom buildout of the restaurant/taproom space within the rehabilitated c.1910 Legion Building. An allocation of \$250,000 is being sought from the Wisconsin Economic Development Corp.'s Community Development Investment (CDI) Program to support this significant buildout. This grant application is due by March 30 for this round of financing.

The Belle City Square Campus development has utilized WEDC funding in the past, most recently to support the renovation of 2100 Northwestern Avenue via an Idle Sites Grant in the amount of \$200,000 in 2023 via <u>Resolution 0288-23</u>. T

BACKGROUND & ANALYSIS: The overall project budget for Hop Heads Hospitality & Events' proposed restaurant/taproom buildout within Belle City Square's historic Legion Building is \$2.1M, inclusive of equipment. Of this, CDI Grant-eligible construction costs total \$1.7M. Sources to fund the project include, equity from Hop Heads, investment by J. Jeffers, and financing from RCEDC and a commercial lender.

Hop Heads Hospitality & Events' proposed restaurant and taproom at Belle City Square will feature an extensive selection of craft beers, craft cocktails and a classic beer hall-style food menu. It also will offer intimate event spaces for 30 to 50 people, with the potential for a larger event space to accommodate as many as 150 guests. The exterior will include a spacious outdoor patio on the Legion Building's east side that will double as a seasonal beer garden, providing connection to Belle City Square's public-use spaces for improved integration with campus events as well as the wider Lincoln-King neighborhood.

The proposed restaurant and taproom space will showcase the c. 1910 Legion Building's industrial aesthetic and breathtaking three-story ceiling height, with soaring steel beams, original windows, exposed brick, and machinery and factory components included as part of the design. Improvement of the Legion Building space will be consistent with the Secretary of the Interior's Standard for Historic Rehabilitation, like the rest of the Belle City Square campus.

Hop Heads anticipates the creation of 4-5 full-time positions as well as 20+ part-time positions to support the proposed restaurant/taproom. The project anticipates attracting experienced hospitality professionals for full-time roles and providing accessible employment to a diverse workforce at the part-time level.

RECOMMENDED ACTION: That the Director of City Development, or their designee, be authorized to apply for a \$250,000 Community Development Investment (CDI) Grant (Control # 00617) from the Wisconsin Economic Development Corporation (WEDC) to aid in the redevelopment of the Legion Building at Belle City Square, 1907 St. Patrick Street.

FISCAL NOTE: There is no local match required for this grant. The developer and business owner will provide eligible funds totaling 1.7 million to complete the project buildout.