



City of Racine

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

Meeting Minutes - Final

Redevelopment Authority of the City of Racine

Monday, October 26, 2015

5:15 PM

City Hall, Room 303

Call To Order

PRESENT: 5 - James Spangenberg, David Lange, Doug Nicholson, James Morgenroth and Gregory Holding

Others present:

Matt Sadowski, Interim Director of City Development
Jeff Vitton, Manager of Housing and Community Development
Michelle Cook, Secretary of City Development
Mayor John Dickert
Thomas Friedel, City Administrator
Attorney C. Judley Wyant
Carolyn Engel, Racine County Economic Development Corporation

Approval of Minutes for the July 14, 2015 Meeting.

A motion was made by Commissioner Morgenroth, seconded by Commissioner Lange, to approve the minutes of the July 14, 2015 meeting. The motion PASSED by a Voice Vote.

[15-00955](#)

Subject: (Direct Referral) Consideration of certain amendments to the development agreement between the Redevelopment Authority of the City of Racine, the City of Racine, and FDP MR, LLC. (Res No. 15-0411)

Recommendation of the Redevelopment Authority on 10-26-15:

That the First Amendment to the Development Agreement between FDP MR, LLC, the City of Racine and the Redevelopment Authority of the City of Racine as executed on February 4, 2015, be entered into.

Further, that the Mayor, City Clerk, City Finance Director, City Attorney, the Authority Chairman, and the Acting Executive Director of the Authority be authorized to sign all documents, and take all necessary action to undertake, direct, and complete the execution of the First Amendment.

Fiscal Note: The cost to engage the services of a consultant to assist in project planning and management are to be paid from funds placed in escrow by FDP.

Interim Director Sadowski explained the item. He stated there was a term sheet

provided to Authority members that describes the first amendment to the development agreement. He talked about the delays in the timeline of development and stated the amendment extends the timeline to allow for more time for the current tenants to relocate and to secure financing for the project. The terms asked to be considered are extending the mortgage note three months, engage in consultant services to be paid from FDP's escrow funds due to delays in the project, secure a third party loan, and other amendments as outlined in the term sheet attached to this item.

Alderman Holding asked about the third party loan and if the tenant who had not relocated affected the third party loan and the willingness of a bank.

Mr. Friedel stated that FDP had to accept and close on building without removing the tenant because they needed to meet the deadline of Historic Tax Credits. They wanted to work with the current tenant.

Attorney Wyant described the actions that have been taken so far, the current tenant should be out of the building by November 30th.

A motion was made by Commissioner Holding, seconded by Commissioner Lange, to adopt RDA Resolution 15-22 approving the request. The motion PASSED by a Voice Vote with Commissioner Nicholson abstaining.

[15-00855](#)

Subject: (Direct Referral) Review of administrative policies and procedures for the Small Business Development Revolving Loan Program. (Res No. 15-0412)

Recommendation of the Redevelopment Authority on 10-26-15:

That the document titled "Small Business Development Revolving Loan Fund Program Policies" be approved and that the Department of City Development Staff be authorized to take all necessary and prudent measures to implement the program.

Fiscal Note: The Community Development Committee and Common Council allocated \$371,454.00 of Community Development Block Grant (CDBG) funds through the 2015 Annual Plan for the purposes of assisting business, and, as such, there are sufficient resources available to fund this project.

Attachments: [CDBG RLF Guidelines](#)
 [Mayor Memo Quick Facts](#)

Mr. Sadowski stated that the Authority approved the request to develop a Small Business Development Revolving Loan Program at its July 14th meeting; the request was also approved by the Common Council. He introduced Jeff Vitton, Manager of Housing and Community Development, and stated the request now was to approve the policies and guidelines for the program.

Mr. Vitton explained the program and its terms. He stated the minimum loan amount would be \$25,000.00 and the maximum would be \$250,000.00. He stated the borrower will need to have at least 10 percent equity and preferably a bank match. He stated the interest rate will be determined on the need and/or beneficial impact of the project. Maximum loan term on real estate will be 15 years. If possible, the City

would be first position on the loan.

Brief discussion ensued.

A motion was made by Commissioner Holding, seconded by Commissioner Morgenroth, to adopt RDA Resolution 15-23 approving the request. The motion PASSED by a Voice Vote with Commissioner Nicholson abstaining.

[15-00953](#)

Subject: (Direct Referral) Authorization of study for commuter rail services. (Res No. 15-0413)

Recommendation of the Redevelopment Authority on 10-29-15:

That the the request for authorization for a study of commuter rail services between Racine and Kenosha be approved and that the Mayor, City Clerk, Executive Director, or their designee or authorized agent act on the behalf of the City to sign all documents, and take all necessary action to undertake, direct, and complete the commuter rail study with funding not to exceed \$30,000.00.

Fiscal Note: There are sufficient funds available in the Intergovernmental Revenue Sharing Fund Department of City Development's Redevelopment Activities account.

Mr. Sadowski introduced the item. He stated that the City's Comprehensive Plan advocates for a Commuter Rail Service between Milwaukee and Chicago or one that can provide additional service to help workers get to other markets and to also attract other businesses. He stated the proposal is to tap into some of the funds to look at some of the study that was done with KRM Study and what it would take to implement the Racine to Kenosha portion of the study.

He stated we would like to hire a transportation consultant to take a look at that area of the plan. Preliminary costs would be \$30,000.00 and we would request that the funds not exceed \$30,000.00. He stated the funds could either come from the Machinery Row TID for Administrative Costs or the Intergovernmental Funds for Redevelopment Activities.

Commissioner Holding expressed concern with support from the State level.

Mayor Dickert stated that the City has been working with Metra for the extension of the rail line nine miles from Kenosha. He believes it is best for the funds to come out of the Intergovernmental Funds. He stated the study would be cost a lot more if the KRM study was not already done.

Discussion ensued.

A motion was made by Commissioner Lange, seconded by Commissioner Nicholson, to adopt RDA Resolution 15-24 recommending approval of the request with an amendment to the Fiscal Note that the funds be taken out of the Intergovernmental Revenue Sharing Funds, Redevelopment Activities account. The motion PASSED by a Voice Vote.

[15-00956](#)

Subject: (Direct Referral) A request from the Racine County Economic Development Corporation to allocate \$100,000.00 from Intergovernmental Revenue Sharing Funds for a new Capital Catalyst

loan program for the City of Racine and to approve the Policy Manual for the program. (Res No. 15-0414)

Recommendation of the Redevelopment Authority on 10-26-15:

That the request by RCEDC for \$100,000.00 in matching funds to establish a Capital Catalyst program be approved and that the Capital Catalyst program be administered in accordance with the manual developed by RCEDC to establish policies and procedures for the administration of the program.

Fiscal Note: Sufficient funds are available in the Intergovernmental Revenue Sharing Funds.

Attachments: [RDA Presentation](#)
 [City of Racine 'draft' Policy Manual](#)

Carolyn Engel, RCEDC, described the program. It is a new program that targets market not currently targeted by other revolving loan funds. She stated that they received an award from WEDC (Wisconsin Economic Development Corporation) of \$100,000.00 from their Capital Catalyst funds. She stated the dollars require a dollar per dollar match and explained the businesses eligible for the loan funds as well as the memorandum attached to this item. She stated the goal of the program is permanent job creation, investment in the city of Racine and that they would like to have the program launched by November 1. The applicant for the program would have to go through the RCEDC loan process that is already in place.

A motion was made by Alderman Morgenroth, seconded by Commissioner Holding, to adopt RDA Resolution 15-25 recommending approval of the request. The motion PASSED by a Voice Vote.

CLOSED SESSION

Chairman Spangenberg read the Closed Session notice

It is intended that the Authority will convene in closed session pursuant to section 19.85 (1) (e), Wisconsin Statutes, to consider the following matter that requires a closed session for competitive and bargaining reasons, after which the Authority will reconvene in open session to consider action on each item.

At 5:59 p.m. a motion was made by Commissioner Holding, seconded by Alderman Morgenroth, to convene into closed session. The motion PASSED by the following vote:

AYES: 5 - James Spangenberg, David Lange, Doug Nicholson, James Morgenroth and Gregory Holding

EXCUSED: 1 - Linda Johnson

[15-00954](#)

Subject: (Direct Referral) Consideration of a release of restrictions pertaining to a development agreement and deed restriction for 410 Main Street. (Res No. 15-0471)

Recommendation of the Redevelopment Authority of the City of Racine on 12-7-15: Whereas, in 2005 a deed restriction was recorded by the RDA against the property requiring that no transfer of the property at 410 Main Street occur before an occupancy permit is received for the first floor, and

Whereas, the property has remained vacant since 2005 and the deed restriction has become an impediment to the redevelopment of the Property by blocking the pending sale of the Property.

Now therefore, the RDA recommends that the deed restriction described herein and recorded against the property at 410 Main Street be removed.

Fiscal Note: All costs associated with removal of the restriction from the deed will be borne by the petitioner.

Attachments: [410 Main Street Request](#)
 [410 Main Street Email 10.22.2015](#)

OPEN SESSION

At 6:22 p.m. a motion was made by Commissioner Lange, seconded by Commissioner Holding, to reconvene into open session. The motion PASSED by the following vote:

AYES: 5 - James Spangenberg, David Lange, Doug Nicholson, James Morgenroth and Gregory Holding

EXCUSED: 1 - Linda Johnson

[15-00954](#)

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Attachments: [410 Main Street Request](#)
 [410 Main Street Email 10.22.2015](#)

A motion was made by Commissioner Nicholson, seconded by Alderman Holding, to defer the item. The motion PASSED by a Voice Vote.

Administrative Business

Quarterly Updates: RCEDC General Economic Development Services, RCEDC Brownfield Services

Staff and RCEDC asked the members to review the items for Administrative Business and to contact them if there are any questions.

Adjournment

There being no further business, Chairman Spangenberg adjourned the meeting at 6:23 p.m.