



City of Racine

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

Meeting Minutes - Final Redevelopment Authority of the City of Racine

James T. Spangenberg
David Lange
Doug Nicholson
Robert Anderson
Jim Chambers
Josh Garner
Alderman Q.A. Shakoor, II

Monday, March 5, 2012

5:15 PM

City Hall, Room 306

Call To Order

PRESENT: 6 - James T. Spangenberg, David Lange, Jim Chambers, Josh Garner, Doug Nicholson and Q.A. Shakoor, II

EXCUSED: 1 - Robert Anderson

Others present:

Brian F. O'Connell
James T. Luellhoff
Micah Waters

Approval of Minutes for the January 3, 2012 Meeting.

A motion was made by Commissioner Lange, seconded by Commissioner Garner, to approve the minutes of the January 3, 2012 meeting. The motion **PASSED** by a Voice Vote.

[12-7450](#)

Subject: (Direct Referral) Communication from the Director of City Development requesting an advance of funds from the Intergovernmental Revenue Sharing Fund to be repaid from Tax Incremental District no. 17 (Porters of Racine Building). (Res. 12-3045)

Recommendation of the Redevelopment Authority on 3-5-12: That the Authority supports the use of funding from Intergovernmental Revenue Sharing Fund for financial assistance for the redevelopment of the Porters of Racine Building.

Further recommends that the Mayor and City Clerk be authorized to execute a development agreement with the developer, subject to the following:

- That the terms of the agreement are substantially the same as

- the terms in the term sheet dated February 28, 2012 and presented to the Redevelopment Authority on March 5, 2012;
- That the agreement includes such provisions as the Director of City Development and City Attorney shall determine to be necessary and appropriate for such an agreement; and
 - That the Common Council approve the expenditure of \$1,260,000 from the Intergovernmental Revenue Sharing Fund to implement the agreement, of which \$1.1 million shall be an advance to TID-17 to be repaid by tax increment at three percent interest and \$160,000 to be a façade grant on a matching basis.

Fiscal Note: The funds are available in the Intergovernmental Revenue Sharing (919) Account.

Attachments: [Racine TID No 17 DRAFT Project Plan - 2 25 12](#)
[Porters Term Sheet](#)
[RDA Res. 12-01](#)

Director O'Connell described the location of the development. He stated that the project had been reviewed by the City Plan Commission and the Commission had recommended the creation of a Tax Incremental District (TID). He went on to explain that the development was supported through the developer's equity in the property, the proposed TID and bank financing. He explained that the matter was before the Authority because Intergovernmental Shared Revenue (IGSR) funds were proposed to be advanced to the TID.

Alderman Shakoor asked if this was an allowed use of the Intergovernmental Revenue Sharing Funds. Director O'Connell stated that it was.

Micah Waters of Porters of Racine provided floor plans and renderings of the development. He stated that the proposed use of the existing building was for the creation of 37 market rate apartments with approximately 6,000 s.f. of commercial tenant space along Sixth Street. He said that, in addition to on-street parking, 48 off-street parking spaces would be available for residential tenant use.

Commissioner Nicholson asked if there was a limit to how small of a TID could be created.

Director O'Connell explained that the minimum size of a TID was related to the amount of new property value created by the project. The development project must generate enough new taxes to pay the city back its advance over the life of the district, which by law is a maximum of 27 years. He explained that there had been redevelopment projects that produced too little increment to justify creation of a TID, in particular when fees to the state Department of Revenue and annual audits were considered.

Director O'Connell explained that for the Porters' TID the amount of financial assistance was 1.1 million, which was expected to be paid back in was 25 years. In addition to the TID, he said he was recommending a façade renovation grant of \$160,000 on a matching basis, which would also come from the IGRS fund.

At the request of Chairman Spangenberg, Director O'Connell explained how the tax

revenue was allocated in a TIF.

Commissioner Chambers asked how the proposed TID would affect the IGRS Fund. Director O'Connell stated that the fund had about a 3 million dollar balance, which was sufficient for the TID and other expected needs.

A motion was made by Commissioner Nicholson, seconded by Commissioner Garner, to approve Resolution 12-01 supporting the use of \$1.26 million from the Intergovernmental Revenue Sharing Fund to support the redevelopment of the Porters of Racine Building at 301 Sixth Street and 608 Wisconsin Avenue, the advance of \$1.1 million to be repaid to the fund at three percent interest by Tax Increment District No. 17. The motion PASSED by a Voice Vote.

Administrative Business

Status report on on-going projects

Director O'Connell reported on the status of on-going projects.

Next Meeting April 2, 2012

Adjournment

There being no other business before the Authority, Chairperson Spangenberg adjourned the meeting at 6:35 p.m.