



City of Racine

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

Meeting Minutes - Final

Redevelopment Authority of the City of Racine

Tuesday, July 14, 2015

5:15 PM

City Hall Annex, Room 130

Call To Order

Chairman Spangenberg called the meeting to order at 5:20 p.m.

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

EXCUSED: 1 - James Morgenroth

Others present:

*Matt Sadowski, Interim Director
Jeff Vitton, Community Development Program Specialist
Michelle Cook, Secretary*

Approval of Minutes for the June 1, 2015 Meeting.

A motion was made by Commissioner Holding, seconded by Commissioner Nicholson, to approve the minutes of the June 1, 2015 meeting. The motion PASSED by a Voice Vote.

[15-00626](#)

Subject: (Direct Referral) Consideration of the Community Development Block Grant (CDBG) Small Business Development - Revolving Loan Fund. (RES. No.15-0299)

Recommendation of the Redevelopment Authority on 7-14-15:
That the request to establish a CDBG Small Business Development - Revolving Loan Fund be approved, and

That the Mayor, City Clerk, and Director of City Development be authorized to execute a written agreement with the Redevelopment Authority of the City of Racine consistent with federal regulations for \$371,454.00 of CDBG funds for the purpose of creating and administering a CDBG Small Business Development Revolving Loan Fund.

Recommendation of the Community Development Committee on 7-16-15: That the request be approved; and

That the Mayor, City Clerk, and Director of City Development be authorized to execute a written agreement with the Redevelopment

Authority of the City of Racine consistent with federal regulations for \$371,454.00 of CDBG funds for the purpose of creating and administering a CDBG Small Business Development Revolving Loan Fund.

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

Attachments: [SBD RLF Staff Memo](#)
 [Draft Notice of Fund Availability](#)
 [Harvard Business School - State Small Business Lending](#)
 [SBD RLF Presentation](#)

Interim Director Sadowski briefly explained the request to establish a CDBG Small Business Revolving Loan Fund. He introduced Jeff Vitton, Community Development Program Specialist.

Mr. Vitton gave a presentation that explained the CDBG program and the allocation priorities set by the Consolidated Plan.

He stated 47 percent of businesses are not receiving the capital they need from banks and explained how the loan fund would work. He stated the Redevelopment Authority would administer the program in partnership with Small Business Development Organizations such as Wisconsin Women's Business Initiative Corporation, Racine County Economic Development Corporation, etc.

He stated one of the funds can only be lent to businesses that will create and retain permanent jobs, at least 51 percent of which will be made available to low and moderate income residents.

Mr. Vitton explained what the loan could fund such as public infrastructure that supports job creation or retention, working capital, etc.

He further explained a project in Traverse City, Michigan that was funded by a CDBG Small Business RLF.

Commissioner Holding asked about how loan terms will be defined.

Mr. Vitton stated that we are looking for input from Small Business Organizations to determine the terms. He explained we are at the beginning stages with developing the program.

Commissioner Johnson asked about the criterion for determining what a small business.

Mr. Vitton stated the Federal Government defines a small business as having 500 employees or less.

Discussion ensued.

Mr. Sadowski stated this is the first step in the approval process of the request. He

stated the item would have to go to the Community Development Committee and then the Common Council for approval.

A motion was made by Commissioner Lange, seconded by Commissioner Holding, to adopt RDA Resolution 15-21 recommending approval of the request. The motion PASSED by a Voice Vote with Commissioner Nicholson abstaining.

[15-00628](#)

Subject: (Direct Referral) Review of a façade remodeling project at 1824 Charles Street.

Mr. Sadowski explained the request he stated that the outside of the building would be painted and that an awning and gooseneck light fixtures would be added. He also explained the proposed design of the building and the type of businesses that will go into the property. The applicant and owner of the property, Jeff Raffini, is also applying for a façade grant for the building.

Mr. Raffini explained the remodeling project and the timeframe. He stated he would like to have the improvements completed by the end of August 2015.

Brief discussion ensued.

A motion was made by Commissioner Holding, seconded by Commissioner Johnson, to adopt RDA Resolution 15-19 approving the request. The motion PASSED by a Voice Vote.

[15-00627](#)

Subject: (Direct Referral) A request for a façade grant for a façade remodeling project at 1824 Charles Street.

See the discussion for 15-00628.

A motion was made by Commissioner Lange, seconded by Commissioner Johnson, to adopt RDA Resolution 15-20 approving the request. The motion PASSED by a Voice Vote.

Adjournment

There being no further business, Chairman Spangenberg adjourned the meeting at 6:20 p.m.