



City of Racine

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

Meeting Minutes - Draft

Redevelopment Authority of the City of Racine

*Alderman James Morgenroth
James Spangenberg
David Lange
Gregory Holding
Robert Anderson Jen Adamski-Torres*

Monday, June 6, 2016

5:15 PM

City Hall, Room 303

Call To Order

Chairman Spangenberg called the meeting to order at 5:15 p.m.

Present: 6 - James Spangenberg, James Morgenroth, David Lange, Gregory Holding, Robert Anderson, Jennifer Torres

Excused: 1 - Douglas Nicholson

Others present:

Amy Connolly, Director of City Development

Matt Sadowski, Assistant Director of City Development

Jeff Vitton, Manager of Housing and Community Development

Jordan Brown, RCEDC

Rachana Kothari, RCEDC

Carolyn Engel, RCEDC

Alderman Michael Shields

Alderman Sandy Weidner

Elaine Ekes, Pruitt, Ekes and Geary

Approval of the Redevelopment Authority Meeting Minutes for May 2, 2016.

A motion was made by Alderman Morgenroth, seconded by Commissioner Anderson to approve the minutes of the April 4th meeting. The motion PASSED by a Voice Vote.

[0494-16](#)

Subject: (Direct Referral) Request of Jose Sanchez Navarro approval of a façade remodeling project at 1318 Douglas Avenue.

Attachments: [1318 Douglas Project Review 2 pgs](#)

[1318 Pages \(e\)](#)

[1318 Pages \(d\)](#)

[1318 Pages \(c\)](#)

[1318 Pages \(b\)](#)

[1318 Pages \(a\)](#)

A motion was made by Commissioner Anderson, seconded by Commissioner Lange, to defer the item to allow the applicant to be present. The motion PASSED by a Voice Vote.

[0495-16](#)

Subject: (Direct Referral) Request of Jose Sanchez Navarro approval of a façade grant for a façade remodeling project at 1318 Douglas Avenue.

A motion was made by Commissioner Anderson, seconded by Commissioner Lange, to defer the item to allow the applicant to be present. The motion PASSED by a Voice Vote.

CLOSED SESSION

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

At 5:17 p.m. a motion was made by Alderman Morgenroth, seconded by Holding, to convene into Closed Session. The motion PASSED by the following vote:

Items 0496-16, 0497-16, and 0498-16 were discussed in Closed Session.

OPEN SESSION

OPEN SESSION

At 6:00 p.m. a motion was made by Lange, seconded by Anderson, to reconvene into Open Session. The motion PASSED by the following vote:

[0496-16](#)

Subject: (Direct Referral) Request by the Executive Director of the Redevelopment Authority for the approval of the Development Agreement between the City, the Redevelopment Authority of the City, Herman & Kittle Properties, Inc., 1520 Clark Street, L.P. and Wisconsin Social Services of Wisconsin and Upper Michigan, Inc.

Recommendation of the Redevelopment Authority on 6-6-2016:

That the development agreement between the City, the Redevelopment Authority, Herman & Kittle Properties, Inc., 1520 Clark Street, L.P. and Wisconsin Social Services of Wisconsin and Upper Michigan, Inc. be approved. Further that the Mayor, City Clerk, and Director of City Development be authorized to execute the agreement providing up to \$676,000 (including capitalized interest) in financial assistance and an optional \$75,000 of financial assistance to reimburse a subgrant fund for the proposed Veteran's Development (both from TIF District Increment) at 1520 and 1536 Clark Street through the Brownfield Cleanup Revolving Loan Fund (BC-RLF) as set forth under the terms of the development agreement.

Recommendation of the Finance & Personnel Committee on

6-13-2016: That the development agreement between the City, the Redevelopment Authority, Herman & Kittle Properties, Inc., 1520 Clark

Street, L.P. and Wisconsin Social Services of Wisconsin and Upper Michigan, Inc. be approved. Further that the Mayor, City Clerk, and Director of City Development be authorized to execute the agreement providing up to \$676,000 (including capitalized interest) in financial assistance and an optional \$75,000 of financial assistance to reimburse a subgrant fund for the proposed Veteran's Development (both from TIF District Increment) at 1520 and 1536 Clark Street through the Brownfield Cleanup Revolving Loan Fund (BC-RLF) as set forth under the terms of the development agreement.

Fiscal Note: Funds were budgeted in the BC-RLF proposal for a Veteran's project in Uptown this year.

Attachments: [Herman & Kittle Development Agreement and Exhibits](#)
[20160613 City staff Memo to Finance Committee re Herman and Kittle](#)
[H&K 2 RCEDC Staff Memo](#)
[H&K 3 Renderings](#)
[H&K 4 Photos](#)
[H&K 6 Draft Amortization Schedule with accrued interest](#)
[RDA Res. 16-10 Herman and Kittle Development Agreement for Veterans Development](#)

Executive Director Connolly reviewed the project's scope and building plans, and funding sources and uses. Executive Director Connolly described the support for such project as expressed by the 2015 Uptown Strategic Development Plan, the creation of Tax Increment District 19 which can advance improvement to the area as listed in the TID 19 project plan, made possible by the anticipated increase in the tax base realized because of this and other potential Uptown redevelopment projects.

In response to inquiries, Sarah Beck of Herman Kittle Properties described the "veteran's preference" component of the project indicating that 19 of the units are set aside for veterans, and if there is more of a demand from veterans, then veterans have preference over other tenant applicants.

A motion was made by Anderson, seconded by Lange, to approve RDA Resolution 16-10, a resolution to execute a development agreement between the City, the Redevelopment Authority, Herman & Kittle Properties, Inc., 1520 Clark Street L.P., and Lutheran Social Services of Wisconsin and Upper Michigan, Inc. The motion passed by a voice vote.

[0497-16](#)

Subject: (Direct Referral) Request by the Executive Director of the Redevelopment Authority to fund The Racine Redevelopment Partnership (RRP) for a grant of \$150,000 to fund their organizational activities as a Community Housing Development Organization (CHDO). (Res No. 0224-16)

Recommendation of the Redevelopment Authority on 6-6-16: That a grant of \$150,000 to the Racine Revitalization Partnership (The Partnership) to create a new Community Housing Development Organization (CHDO) be approved. Further that Mayor, City Clerk, the

Executive Director of the Authority be authorized to execute a written agreement with The Partnership.

Recommendation of the Finance & Personnel Committee on 6-13-16: That a grant of \$150,000 to the Racine Revitalization Partnership (The Partnership) to create a new Community Housing Development Organization (CHDO) be approved. Further that Mayor, City Clerk, the Executive Director of the Authority be authorized to execute a written agreement with The Partnership.

Fiscal Note: Funding will be provided through the newly created Uptown TID (TID No. 19). Funds from Intergovernmental Revenue Sharing Account will be used until TID increment is sufficient to reimburse the IG Funds Account.

Attachments: [RRP 1 Staff Memo](#)
 [RRP 2 Proposal](#)
 [RDA Res. 16-11 Racine Redevelopment Partnership grant](#)

Executive Director Connolly described the need for and Community Housing Development Organization (CHDO) , a requirement of our HUD funding. She briefly described the creation of the Racine Revitalization Partnership (RRP) and their efforts to fill the need for a CHDO, the need for seed funds, and the initial focus on the Uptown Area.

MaryBeth Aldrich, chair of the RRP described the inclusionary process employed in developing the RRP, the administrative and oversight structure of the RRP and long term funds set aside in TID 19 to help fund a CHDO. The requested funds would allow initial startup of the RRP and fund a director, office space, supplies and materials.

In response to Member Holding, Ms. Aldrich responded that current operations of the RRP are supported by housing professional volunteering their time. She stated that full time paid staff is needed to properly operate the RRP and sustain its efforts.

In response to Alder. Weidner, Ms. Aldrich explained that offices are proposed to be established in the Uptown corridor to help create additional activity in the district.

A motion was made by Anderson, seconded by Lange, to approved RDA Resolution 16-11 providing one year of \$150,000.00 startup funding through the Intergovernmental Funds to the Racine Revitalization Partnership. The motion passed by a voice vote.

[0498-16](#)

Subject: (Direct Referral) Request by the Executive Director of the Redevelopment Authority to accept a proposal for brokerage services to market the South Side Industrial Park from Paul McBride of RFP Commercial, Inc. (Res No. 0225-16)

Recommendation of the Redevelopment Authority on 6-6-16: That the proposal for brokerage services from Paul McBride of RFP Commercial, Inc. to market the South Side Industrial Park be

approved. Further that the Executive Director of the Authority be authorized and directed to sign the brokerage agreement, as proposed.

Recommendation of the Finance & Personnel Committee on 6-13-16: That the proposal for brokerage services from Paul McBride of RFP Commercial, Inc. to market the South Side Industrial Park be approved. Further that the Executive Director of the Authority be authorized and directed to sign the brokerage agreement, as proposed.

Fiscal Note: Terms of the agreement are from July 1, 2016 to January 1, 2017. The property will be listed for \$390,000 and the broker's commission will be 8% of the asking price of \$390,000. Funds will be taken from the Intergovernmental Revenue Sharing Account until Tax Increment District No. 10 produces sufficient increment, at which time the IG Account will be reimbursed.

Attachments: [SSIP 1 City Staff Memo](#)
 [SSIP 2 RCEDC Memo](#)
 [SSIP 3 Listing Contract](#)
 [RDA Res. 16-12 Brokerage Services with Paul McBride South Side Industrial Park](#)

Executive Director Connolly described the need to engage a broker to market the Southside Industrial Park.

Jordan Brown of RCEDC described the process used to solicit proposals from brokers and the reasons for selecting RFP Commercial, Inc.; those being experience and reach/potential marketing and client base.

A motion was made by Anderson, seconded by Holding, to approved RDA Resolution 16-12, a resolution to accept the proposal from Paul McBride of RFP Commercial, Inc. to market the Southside Industrial Park. The motion passed by a voice vote.

[0494-16](#)

Subject: (Direct Referral) Request of Jose Sanchez Navarro approval of a façade remodeling project at 1318 Douglas Avenue.

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Assistant Executive Director Sadowski presented the proposed project by reviewing existing site conditions, uses and proposed remodeling.

Representing the applicant, Ed Malacara further described the project and methods

to be used to achieve exterior details through the use of an experienced artist. He responded to Member Holding that the balance of the façade work will be done mostly by the building owner.

A motion was made by Holding, seconded by Adamski-Torres, to approve RDA Resolution 16-07, a resolution conditionally approving the plans submitted by Jose E. Sanchez Navarro for a façade remodeling project at 1318 Douglas Avenue. The motion passed by a voice vote.

[0495-16](#)

Subject: (Direct Referral) Request of Jose Sanchez Navarro approval of a façade grant for a façade remodeling project at 1318 Douglas Avenue.

Assistant Executive Director Sadowski stated that because the project encompasses two separate building, the applicant qualifies for up \$20,000 of grant funding.

A motion was made by Holding, seconded by Adamski-Torres, to approve RDA Resolution 16-08, a resolution conditionally approving a façade grant of up to \$20,000 for the façade remodeling project at 1318 Douglas Avenue. The motion passed by a voice vote.

Administrative Business: The next regular meeting scheduled will be revised to June 27, 2016 or July 11, 2016.

Adjournment

There being no further business before the Authority, it was moved by Holding and seconded by Lange to adjourn the meeting. Hearing no objections the meeting was adjourned at 6:30 p.m.

Respectfully submitted,

*Matthew G. Sadowski
Assistant Executive Director*