



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
Jim Chambers
Josh Garner
Doug Nicholson
Q.A. Shakoor, II
Robert Anderson

Monday, November 5, 2012

5:15 PM

City Hall, Room 306

Call To Order

PRESENT: 4 - James T. Spangenberg, David Lange, Jim Chambers and Robert Anderson

EXCUSED: 3 - Josh Garner, Doug Nicholson and Q.A. Shakoor, II

Others present:

Brian O'Connell, Director of City Development
Matt Sadowski, Principal Planner/Assistant Director of City Development
Michelle Logan, Secretary of City Development
Karen Frost, Racine County Economic Development Corporation
Kristin Niemiec, Racine County Economic Development Corporation
Akil Ajmeri

Approval of Minutes for the October 24, 2012 Meeting.

A motion was made Commissioner Anderson, seconded by Commissioner Lange to approve the minutes of the October 24 meeting. The motion PASSED by a Voice Vote.

Chairman Spangenberg asked if there were any objection to taking item 12-8322 regarding the property at 1130 Washington Avenue as the first item. Hearing no objections, item 12-8322 was taken as the first item on the agenda.

12-8322

Subject: (Direct Referral) Review of a development agreement between Akil, LLC and the Redevelopment Authority of the City of Racine for the property at 1130 Washington Avenue. (Res. No. 12-3417)

Recommendation of the Redevelopment Authority on 11-5-12:

That the Redevelopment Authority report for the meeting of November 5, 2012 is approved, and that the Authority Chairman, Executive Director and City Attorney are authorized to enter into a Development

Agreement with Akil, LLC for the property at 1130 Washington Avenue.

Fiscal Note: Akil, LLC is paying \$10,000 for the property plus up to \$2,000 towards the Authority's closing costs. Upon completion, total project value is estimated to exceed \$1,200,000.

Attachments: [Akil Plat of survey001](#)
[REVISED Akil LLC Development Agreement \(redline\).pdf](#)
[akil_plans.pdf](#)

Director O'Connell gave background regarding the option that was granted to Mr. Akil Ajmeri. Director O'Connell explained that we have been working with Mr. Ajmeri for a while on the development agreement for the project, and through the design features of the site. The request is for the Authority to extend the closing date for the property another two weeks. Although all that time may not be needed, we want to make sure we have a little extra time in case other issues arise.

Director O'Connell pointed out his memorandum to the Authority. According to which, Mr. Ajmeri expressed concern about the full value of the building being on the tax roll before the development has opened and generated revenue. To make sure that does not happen, a clause was put in the development agreement stating that if Mr. Ajmeri has not yet opened the business and the assessment on the property were higher, he would get a development incentive payment from the city for during the build-out period, a maximum of a two-year period. Director O'Connell clarified that the business is required to be open within two years of the agreement.

Commissioner Chambers asked about the two main issues, timing and the aspect of the tax situation. He asked if there was any other timing issue such as looming deadlines.

Director O'Connell clarified that that was correct and that there were no other timing issues.

A motion was made by Commissioner Anderson, seconded by Commissioner Lange to adopt RDA Resolution 12-19 recommending approval of the item. The motion PASSED by a Voice Vote.

[12-8320](#)

Subject: (Direct Referral) Review of the 2013 Brownfields Contract for the Racine County Economic Development Corporation (RCEDC). (Res. 12-3451)

Recommendation of the Redevelopment Authority on 11-5-12:
That the Authority supports the use of \$56,650.00 from Intergovernmental Revenue Sharing Fund for the renewal of the RCEDC brownfields initiative contract for 2013.

Further, that the Mayor and City Clerk be authorized and directed to enter into an agreement with RCEDC.

Recommendation of the Finance & Personnel Committee on 11-26-12: The Mayor and City Clerk be authorized and directed to

enter into an agreement with RCEDC as presented with the understanding that the Committee be contacted with more information prior to the next scheduled City Council meeting.

Fiscal Note: The funds are available in the city's 2013 capital budget.

Attachments: [Brownfield Contract Activity Summary for 2012](#)
[2013 CITY OF RACINE BROWNFIELDS CONTRACT DRAFT](#)
[RDA Res. 12-17](#)

Karen Frost from RCEDC explained the request. She offered to review the contract activities for 2012 and stated a new application, the Cleanup Grant for the Walker property, has been brought up since the contract summary was produced. The Cleanup Grant will be prepared by Symbiont.

Ms. Frost further stated we were able to get a second grant extension for the DNR Grant Site Assessment for Racine Steel Castings. Ms. Frost works with Alpha Terra and monitors how the site investigation is going. She stated by the end of the week there should be a final site investigation report that will be submitted to the DNR. She will have more information regarding that at a future meeting.

Relative to the Brownfield Revolving Loan Fund, Ms. Frost stated we have an executed contract with an environmental consultant. Work will begin with them either late 2012 or early 2013 to start outreach efforts to brokers, commercial real estate to promote the program. She stated the Site Assessment grant has, so far, been used to assess 10 parcels that have been completed phase ones and twos. Ms. Frost wants to address, and be mindful of, the root river corridor.

Ms. Frost stated anything relative to brownfields has been posted on the RCEDC website and their Facebook page.

In regards to the contract for 2013, the activities remain unchanged; however, the contract cost shows a 3 percent increase over previous years, the contract has not increased since 2006. Ms. Frost explained the increase will cover administrative overhead and increase in prices and she does not anticipate an increase in the contract amount over the next few years.

Chairman Spangenberg clarified the amount of the contract. Last year and previous years it was \$55,000, this year the contract would be \$56,650.

Director O'Connell stated that the grant money that Ms. Frost and RCEDC were able to acquire leverages the amount of the contract increase. He also stated there are some prospects for the revolving loan fund.

A motion was made by Commissioner Anderson, seconded by Commissioner Lange, to approve RDA Resolution 12-17, recommending approval of the item. The motion PASSED by a Voice Vote.

[12-8321](#)

Subject: (Direct Referral) Review of the 2013 Launch Box Contract for the Racine County Economic Development Corporation (RCEDC). (Res. 12-3452)

Recommendation of the Redevelopment Authority on 11-5-12: that the Authority supports the use of \$99,930.00 from the

Intergovernmental Revenue Sharing Fund for the Launch Box small business initiative contract for 2013.

Further, that the Mayor and City Clerk be authorized and directed to enter into the agreement with RCEDC.

Recommendation of the Finance & Personnel Committee on 11-26-12: The Mayor and City Clerk be authorized and directed to enter into an agreement with RCEDC for the Launch Box Small Business Initiative.

Fiscal Note: The contract amount is \$99,930.00; total cost is \$148,930.00 City source is the Intergovernmental Revenue Sharing Fund; the expenditure is included in the 2013 capital budget, Account 919.000.5610. Outside grant funds to the RCEDC total \$49,000.00 from the Wisconsin Energy Foundation, Racine County, and S.C. Johnson, A Family Company.

Attachments: [Launch Box Contract](#)
[Launch Box Review of 2013 Goals](#)
[RDA Res.12-18](#)

Kristin Niemiec from RCEDC gave a presentation and an overview of the Launch Box program. The presentation included economic constraints, challenges and the seven key points for the 2013 Launch Box program goals. She explained that the model for the 2013 Launch Box program will follow, and partner with, the MiKE (Innovation in Milwaukee) program for small businesses in Milwaukee and will hopefully obtain a space in 2013. Ms. Niemiec stated when an entrepreneur or small business wants to utilize the space, they become a member. Membership is free, but an application must be submitted. She stated the center would be the first step for those looking to advance their business and one of the program's goal is that 50 business would become members (please see the attached "Launch Box Review of 2013 Goals").

Ms. Niemiec explained that the contract amount has increased, in previous years they received 70 percent from sewer funds and 30 percent from CDBG funds. Now the request is to be 100 percent funded through sewer funds. They don't think they can meet the low and moderate income and reporting requirements that come along with CDBG.

Director O'Connell added that with some of the reporting that is required with Block Grant (CDBG) funds and the HUD reporting requirements, it would be difficult meet those requirements.

Ms. Niemiec stated that there are funds promised from other sources such as SC Johnson and Racine County. They also applied for funds from We Energies to furnish the space.

Chambers asked what kind of commitment would be required from businesses to enroll in the Launch Box program.

Ms. Niemiec stated that she is awaiting information from the MiKE on their criteria and the Launch Box has not yet developed their code of conduct.

A motion was made by Commissioner Lange, seconded by Commissioner Anderson, to adopt RDA resolution 12-18 recommending approval of the item. The motion PASSED by a Voice Vote.

Administrative Business

Status report on on-going projects.

Assistant Director Sadowski explained that he is in the process of gathering more information for an update regarding 1516 Washington Avenue.

A brief discussion took place regarding the next steps for the building at 233 Lake Avenue.

Next Meeting: December 3, 2012

Adjournment

Commissioner Chambers moved to adjourn the meeting. There being no further business and hearing no objections, Chairman Spangenberg adjourned the meeting at 5:55 p.m.