



# 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*

---

Wednesday, June 22, 2011

5:00 PM

City Hall, Room 205

---

### Call To Order

**PRESENT:** 7 - James T. Spangenberg, David Lange, Jim Chambers, Josh Garner, Robert Anderson, Doug Nicholson and Q.A. Shakoor, II

Others present: Alderwoman Sandy Weidner

Director of City Development Brian O'Connell

Associate Planner Jean Wolfgang

Tom Buhler

Bill Buhler

Jenny Trick, RCEDC

Other members of the public

### Approval of Minutes for the May 2, 2011 Meeting.

A motion was made by Alderman Shakoor, II, seconded by Commissioner Lange, to approve the minutes for the May 2, 2011 meeting, as submitted. The motion **PASSED** by a Voice Vote.

[11-6588](#)

**Subject:** Communication from the Director of City Development requesting that the City provide financial assistance to ButterBuds Food Ingredients for the expansion of its operations in the City of Racine.

### **Recommendation of the Redevelopment Authority on 6-22-11:**

That Intergovernmental Sewer Revenue Sharing Funds be used for the financial assistance and that the Mayor and City Clerk be authorized to execute a financial assistance agreement with ButterBuds.

**Fiscal Note:** ButterBuds will be provided with assistance in the form of a "tax rebate". The estimated value of the rebate is \$54,000 each year for ten years. (This estimate assumes no change in tax rate or assessed value). In exchange for the rebate, the company will commit

to expand in Racine (retain 55 employees and add 22 more), acquire an adjacent property, and offer open positions to residents of the City of Racine. Funds for the rebate are available in the Intergovernmental Revenue Sharing (919) Account.

**Attachments:**     [ButterBuds request](#)  
                              [ButterBuds Res 11-10](#)  
                              [ButterBuds Agreement 6-24-11 draft](#)

*Director O'Connell explained that ButterBuds is located on Chicory Road in the Olsen Industrial Park and the business has outgrown the site. ButterBuds produces a low-fat butter substitute. They are looking to purchase the property to the north. ButterBuds is a division of Cumberland Packaging, makers of Sweet 'N Low sugar substitute. Racine County Economic Development Corporation, RCEDC, has worked to retain ButterBuds and its jobs in Racine. To that end, RCEDC and City staff negotiated a tax rebate agreement. There would be a rebate of 75% of the City portion of taxes. The City would retain 55 jobs and gain 22 additional jobs over three years. The rebate would be approximately \$54,000 per year over ten years. The rebate would be funded by the Intergovernmental Revenue Sharing fund. The Authority makes recommendations on the use of the fund to the Common Council.*

*Tom Buhler, Business Development Director of ButterBuds, explained that ButterBuds was developed in the 1960's by his father, who worked at that time for SC Johnson. ButterBuds is currently owned by Cumberland Packaging, but managed locally by the Buhler family. ButterBuds has looked at sites in Milwaukee and Lake counties. The Lake County location offers a 15% reduction in freight costs. ButterBuds needs assistance to make staying Racine feasible.*

*Alderman Shakoor asked about the relationship between Cumberland and ButterBuds. Mr. Buhler indicated that Cumberland purchased ButterBuds. Cumberland is based in Brooklyn, NY.*

*Commissioner Nicholson asked about jobs. Mr. Buhler indicated there would be 22 more jobs over three years.*

*Alderman Shakoor asked if Milwaukee or Lake County offered any incentives. Mr. Buhler indicated they did not investigate the incentives in those counties because they want to stay in Racine.*

*Commissioner Nicholson asked if the approximate incentive is \$540,000. Director O'Connell indicated that is a fair estimate of cost.*

*Alderman Shakoor asked if there would be a review of the contract. Director O'Connell indicated there is a draft contract. He passed out the draft contract for review. Elements included in the contract are hold harmless, job creation, incentives to maintain the jobs created, provision for Racine resident preference, and other general requirements.*

*Commissioner Garner asked about the building being acquired, if it were owned by the City. Director O'Connell indicated that the building is privately owned. The building is vacant except for some ButterBuds storage.*

*Commissioner Anderson asked what percentage of fund this is. Director O'Connell responded that the fund collects about \$1 million per year. It is a 30-year agreement and we are into the 9th year. The fund is sufficient to cover the estimated \$54,000 annual incentive for ten years.*

*Alderman Shakoor asked what the relationship with RCEDC will be. Ms. Trick indicated that she has been working with ButterBuds for about a year. They have been working on the food industry tax credit with the Department of Commerce. Currently, the company location also has limitations due to utility easements. RCEDC worked with ButterBuds on applications for tax credits and on-the-job training grants.*

**A motion was made by Commissioner Nicholson, seconded by Commissioner Anderson, to adopt resolution 11-10 supporting the use of Intergovernmental Sewer Revenue Sharing Funds for the financial assistance agreement with ButterBuds. The motion PASSED by a Voice Vote.**

**11-6590**

**Subject:** Communication from the Director of City Development requesting that the City provide Intergovernmental Sewer Revenue Sharing funds for the continuation of the Façade Grant Program.

**Attachments:** [Façade Grant Program Request](#)

*Periodically, as funds are used, staff asks that this account be refreshed. While City Development shows funds to be running low, there is an inconsistency with the records in the Finance Department. Director O'Connell asked this item be deferred to allow the departments to reconcile the difference. This item will be brought back at the next meeting.*

**A motion was made by Alderman Shakoor, II, seconded by Commissioner Lange, to defer this item. The motion PASSED by a Voice Vote.**

## **Administrative Business**

### Election of Chairperson and Vice-Chairperson for 2011-2012

*Nominations were requested for Chairperson. Commissioner Lange nominated Commissioner Spangenberg for Chair. Alderman Shakoor seconded the nomination. Alderman Shakoor moved that the nominations be closed and an unanimous ballot be cast for Commissioner Spangenberg. Motion carried by a voice vote.*

*Nominations were requested for vice-chair. Commissioner Anderson nominated Alderman Shakoor for vice-chair; the nomination was seconded by Commissioner Lange. There were no additional nominations. The election of Alderman Shakoor was approved by a voice vote.*

*Commissioners' terms were briefly discussed. Although Commissioner Lange's term is completed, he continues to serve until he is reappointed or replaced.*

**Next meeting: August 1, 2011**

## **Adjournment**

*Chairperson Spangenberg adjourned the meeting at 5:37 p.m.*