



City of Racine

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

Meeting Minutes - Final

Redevelopment Authority of the City of Racine

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

Monday, August 29, 2016

5:15 PM

City Hall, Room 307

Call To Order

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

PRESENT: 5 - James Spangenberg, Gregory Holding, Robert Anderson, Jen Adamski and Doug Nicholson

Others present:

Amy Connolly, Director of City Development
Matt Sadowski, Assistant Director
Laura Detert, Housing and Community Development Manager
Michelle Cook, Secretary
Mike Lechner, Housing Technician
Edgar Espinoza, Wisconsin Women's Business Initiative Corporation
Chad Stephens

Approval of Minutes for the August 1, 2016 Meeting.

A motion was made by Commissioner Nicholson, seconded by Alderman Morgenroth, to approve the minutes of the August 1st meeting. The motion PASSED by a Voice Vote.

[0748-16](#)

Subject: RDA Financial Report.

Attachments: [Financials 073116](#)

Director Connolly explained the balance sheet as well as the income statements for the Redevelopment Authority accounts.

Chairman Holding asked about the use of the line item of Redevelopment activities. Ms. Connolly stated it was used for studies, long range plans, etc.

Commissioner Nicholson asked if the Authority had any revenue.

Ms. Connolly stated we do; however, we do not have our own source of revenue other than the sale of property. Ms. Connolly clarified the Intergovernmental Revenue Sharing fund does not belong to the Redevelopment Authority.

A motion was made by Commissioner Spangenberg, seconded by Commissioner Nicholson, to receive and file the item. The motion PASSED by a Voice Vote.

[0749-16](#)

Subject: RDA-Owned Property Report.

Director Connolly introduced Mike Lechner, Housing Technician for the City of Racine. Mr. Lechner explained the current list of properties owned by the Redevelopment Authority along with their assessed value and other holding costs (see attached list). He stated the currently does not include utility costs for each property.

Alderman Morgenroth asked about insurance costs for the properties.

Mr. Lechner stated utility and insurance costs will be provided at the next RDA meeting.

A motion was made by Alderman Morgenroth, seconded by Commissioner Nicholson, to receive and file the item. The motion PASSED by a Voice Vote.

[0745-16](#)

Subject: (Direct Referral) Request from the Executive Director to receive a presentation on the former "dollar building" Request for Proposals program for RDA-owned buildings within the Uptown District.

Director Connolly explained the request and introduced Matt Sadowski who gave more background and a presentation on the program. He explained how the properties were acquired in Uptown. Some of the properties were purchased while others were donated. He went through the history of the properties and the past initiatives of the Authority, e.g. the Artists' Program. Currently, the Authority owns 1418 Washington Avenue and 1511 Washington Avenue in the Uptown area.

Mr. Sadowski explained the prohibited uses and the selection criteria per the current Request for Proposals (RFP) document.

The question to the Authority members was do we continue with the program or do we modify it. If it stays a RFP, it would need to be issued to the public.

Ms. Connolly stated that the Authority can examine two options for the next meeting; either have staff market the vacant properties or prepare a Request for Qualifications for a brokerage firm to market the sites.

A motion was made by Commissioner Spangenberg, seconded by Commissioner Nicholson, to receive and file the presentation. The motion PASSED by a Voice Vote.

CLOSED SESSION

Chairman Holding read the closed session notice.

It is intended that the Redevelopment Authority will convene in closed session pursuant to Wisconsin Statutes Sec. 19.85(1)(f) to consider financial data of specific persons and pursuant to Wisconsin Statutes, Sec. 19.85(1)(e) to consider strategy where bargaining reasons require a closed session.

At 5:53 pm., a motion was by Commissioner Anderson, seconded by Commissioner Nicholson, to go into closed session. The motion PASSED by the following vote:

AYES: 6 - James Morgenroth, James Spangenberg, Gregory Holding, Robert Anderson, Jen Adamski and Doug Nicholson

EXCUSED: 1 - David Lange

As noticed, the following items were discussed in Closed Session – 0740-16, 0741-16, 0348-16, and 0742-16.

OPEN SESSION

At 7:00 p.m. a motion was made by Commissioner Nicholson, seconded by Commissioner Anderson to reconvene into open session. The motion PASSED by the following vote:

AYES: 6 - James Morgenroth, James Spangenberg, Gregory Holding, Robert Anderson, Jen Adamski and Doug Nicholson

EXCUSED: 1 - David Lange

0740-16

Subject: (Direct Referral) Request by the Executive Director authorizing a Community Development Block Grant (CDBG) Small Business Revolving Loan of \$105,000 to Stephens Express Trucking, LLC as recommended by Wisconsin Women’s Business Initiative Corporation. (Res. No. 0319-16)

Recommendation of the Redevelopment Authority on 8-29-16: That the Mayor, City Clerk and Director of City Development be authorized to execute a written agreement with Stephens Express Trucking, LLC consistent with federal regulations for CDBG funds with loan assistance not to exceed \$105,000 for the purpose of retaining an existing business and creating at least two full-time and two part-time jobs.

Fiscal Note: The Community Development Committee and Common Council allocated CDBG funds for the purposes of assisting small businesses through the 2016 Annual Plan. There are sufficient funds available in account 20045 (CDBG 2015) and 20046 (CDBG 2016) to support this loan request.

A motion was made by Commissioner Spangenberg, seconded by Commissioner Nicholson, to approve Resolution 16-14 recommending approval of the loan request. The motion PASSED by a Voice Vote.

0741-16

Subject: (Direct Referral) Request by the Executive Director authorizing a Community Development Block Grant (CDBG) Small Business Revolving Loan of \$506,815 to R&B Grinding Company, Inc. as recommended by the Racine County Economic Development

Corporation Business Lending Partners. (Res. No. 0320-16)

Recommendation of the Redevelopment Authority on 8-29-16: That the Mayor, City Clerk, and Director of City Development be authorized to execute a written agreement with R&B Grinding Company, Inc. consistent with federal regulations for CDBG funds with loan assistance not to exceed \$506,815 for the purpose of retaining an existing business and at least 20 employees with 11 (51%) from low to moderate income households.

Fiscal Note: The Community Development Committee and Common Council allocated CDBG funds for the purposes of assisting small businesses through the 2016 Annual Plan. There are sufficient funds available in account 20045 (CDBG 2015) and 20046 (CDBG 2016) to support this loan request.

A motion was made by Commissioner Nicholson, seconded by Alderman Morgenroth, to approve RDA Resolution 16-15 recommending approval of the loan request. The motion PASSED by a Voice Vote.

[0348-16](#)

Subject: Communication from the Executive Director of the Redevelopment Authority for permission to accept a Knowles-Nelson grant of \$470,750 from the Wisconsin Department of Natural Resources for the purposes of property acquisition for the "Machinery Row" portion of the Root River Promenade (Grant Control #00035). (Res. No. 0304-16)

Recommendation of the Redevelopment Authority on 8-29-16: That the grant acceptance be approved and the Chairman and the Executive Director of the Redevelopment Authority, Mayor and City Clerk be authorized to acquire the property, bring sufficient funds to the closing to close the transaction, acquire the reimbursement under the grant, and to take such actions and make such decisions necessary to carry out the intent of the attached resolution.

Staff Recommendation to the Finance and Personnel Committee on 8-31-2016: That the Finance and Personnel Committee recommend that the Common Council approve acceptance of the grant.

Fiscal Note: The grant is for \$470,750. The developer is donating a grant match of fifty percent of the total appraised value (\$937,000) plus eligible real estate costs of the property (\$2,250), for a total of \$470,750. The City will bring \$470,750 to the closing and will seek reimbursement for those costs under the grant. Closing costs are not reimbursed by the grant and will be paid in accordance with the purchase agreement between the City/RDA and FDP MR, LLC. Funds for closing were

allocated for fiscal year 2016 in account 45260-52340 (Intergovernmental Agreement - Redevelopment Activities) and there are sufficient funds available.

A motion was made by Commissioner Spangenberg, seconded by Commissioner Anderson, to adopt RDA Resolution 16-16 recommending approval of the grant acceptance. The motion PASSED by a Voice Vote.

[0742-16](#)

Subject: (Direct Referral) A request by the Executive Director authorizing a second amendment to the development agreement between FDP MR, LLC; Rodney A. Blackwell; the City of Racine; and the Redevelopment Authority of the City of Racine regarding the Machinery Row Development, subject to approval of the Amendment by the Common Council. (Res. No. 0305-16)

Recommendation of the Redevelopment Authority on 8-29-16: That the amendment to the development agreement be approved and that the Chairman and Executive Director of the Redevelopment Authority, Mayor, City Clerk, and City Staff be authorized to execute the Second Amendment, to expend funds in accordance with the Second Amendment, and to take such actions and make such decisions necessary to carry out the intent of the attached resolution.

Staff Recommendation to the Finance & Personnel Meeting on 8-31-2016: That the Finance and Personnel Committee recommend the Common Council approve, and authorize the Mayor and City Clerk to execute, the amendment to the development agreement to Common Council.

Fiscal Note: The second amendment to the development agreement extends the time frame of the existing development agreement to December 15, 2016 in order to allow the developer additional time to address development issues and secure a third party loan for the development. Developer will replenish the established mortgage escrow in the amount of \$22,500 to pay quarterly interest payments (1%) to the City for the mortgage established in the previous agreements. City and developer have entered into a purchase agreement where FDP will donate ½ of its interest in the 5.57 acres of land in the redevelopment site to the City and the City will purchase the remaining ½ interest in the land. The proceeds received by FDP from the sale will be escrowed for use at the sole discretion of the City to pay for costs related to the property, to redevelop the River promenade, and associated public rights-of-way. The City will be reimbursed for \$470,750 (½ of the purchase price for the land plus eligible real estate costs) by the Knowles-Nelson Grant. Closing costs will not be reimbursed and will be paid from account 45260-52340 (Intergovernmental Agreement - Redevelopment Activities) and there are

sufficient funds available.

A motion was made by Commissioner Spangenberg, seconded by Commissioner Anderson, to adopt RDA Resolution 16-17 recommending approval of the development agreement amendment. The motion PASSED by a Voice Vote.

Next Meeting Date: October 3, 2016

Adjournment

There being no further business, the meeting adjourned at 7:05 p.m. on a motion by Commissioner Nicholson, seconded by Alderman Morgenroth.