



City of Racine, Wisconsin
AGENDA BRIEFING MEMORADUM

AGENDA DATE: May 31, 2022

SUBJECT:

Communication sponsored by Mayor Mason requesting approval of a resolution supporting acceptance of a grant for \$250,000 from the Wisconsin Economic Development Corporation Community Development Investment (WEDC CDI) Grant Program to Venture X Racine for the redevelopment of 440 Main Street.

PREPARED BY:

Matthew Rejc, Assistant Director, Dept. of City Development

EXECUTIVE SUMMARY:

Mayor Mason requests that the Finance and Personnel Committee recommend approval of a resolution supporting a grant application for \$250,000 from the Wisconsin Economic Development Corporation Community Development Investment (WEDC CDI) Grant Program to Venture X Racine for the redevelopment of 440 Main Street. Application for the grant was previously authorized by Common Council on October 5, 2021 via Resolution #0773-21.

BACKGROUND:

The Community Development Investment (CDI) Grant Program is provided by the Wisconsin Economic Development Corporation (WEDC) to incent primarily downtown community development in Wisconsin. More specifically, the program aims to “support urban, small city and rural community redevelopment efforts by providing financial incentives for catalytic, shovel-ready projects with emphasis on, but not limited to, downtown community-driven efforts” according to WEDC.

Municipal entities are the only eligible applicants to the CDI program, and they typically in turn provide the support to private developers for economic activities. Municipalities are usually limited to one CDI grant award per fiscal year, and the CDI program provides a maximum of \$250,000 per award. The program requires zero match from the applicant municipal entity. In the past, this program has been used successfully in Racine to incentivize conversion of the former Horlick Malted Milk Company factory at 2200 Northwestern Avenue into market-rate housing.

ANALYSIS:

The Department of City Development was contacted by Venture X Racine concerning the possibility of an application for a CDI grant to support Venture X Racine’s planned conversion of the buildings at 440, 438, and 436 Main Street into office space. Venture X Racine is controlled by the current owners of buildings at 440, 438, and 436 Main Street. After evaluating the project and consulting with WEDC staff, City Development staff concurred that the project has a high degree of feasibility and would benefit the downtown area.

The proposed conversion to office space is compatible with the B-4 Central Business District zoning for the property as well as the Comprehensive Plan’s future land use designation. Furthermore, The 2019 Downtown Realm and Parking Plan identifies Monument Square as a key public gathering space that could benefit from further activation of surrounding space, which could be accomplished through increased use of the surrounding buildings. The proposed project at 440 Main Street would overlook

Monument Square and bring potentially dozens of new users of the space to the area, which could help to improve Monument Square as an event and community gathering space.

Given the historic nature of the 440 Main Street building, and its previous uses dating back to the mid-19th century, historic preservation is a major component of this project. The proposed activity would restore the existing historic materials and architecture, and replace features with like materials if necessary. The 2018 Racine Heritage Preservation Plan reaffirms the need for increased historic preservation-based economic development, which “provides a multitude of benefits to a local community: enhanced property values, new job creation, revitalized commercial areas and older neighborhoods, increased tourism, and reused buildings providing opportunities for new business start-ups and residential living spaces.” Since this project would retain historic features on this building, or emulate them as closely as possible, this project would advance the plan’s recommendation.

Award of the grant is still forthcoming, but it could be granted as early as May or June of this year. Additionally, the developer intends to begin construction in mid-July using other secured financing. With that in mind, staff is requesting the ability to accept the grant should it be offered and no unexpected terms are applied.

BUDGETARY IMPACT:

No additional City funds will be allocated as a result of this action. The grant does not require a local match. Grant Control Number is 00394.

RECOMMENDED ACTION:

Staff recommends that the request sponsored by Mayor Mason to approve a resolution supporting acceptance of a grant for \$250,000 from the Wisconsin Economic Development Corporation Community Development Investment (WEDC CDI) Grant Program to Venture X Racine for the redevelopment of 440 Main Street be forwarded to the Common Council with a recommendation for approval. Staff further recommends that the Mayor and City Clerk be authorized to execute agreements with WEDC and Venture X Racine as necessary.