



Redevelopment Authority of the City of Racine AGENDA BRIEFING MEMORADUM

AGENDA DATE:	February 1, 2018
SUBJECT:	Item #0113-18 White Box Policy Update
PREPARED BY:	Amy Connolly, Executive Director
SUMMARY:	<p>The White Box Program, launched in March 2017, has been a great success for the City of Racine as evidenced by the number of grant given and the private investment the grants have leveraged. However, staff has found that building owners are having difficulty locking-in contractors and accomplishing the work funded by the grant within the 120-day limited timeframe we have required through the grant program. In fact, none of the funded projects have been completed within the 120-day timeframe required by existing policy. Staff proposes revising the grant policy to allow at least a one-year completion period with an additional six-month extension that could be administratively granted by City staff.</p>
PROJECT BACKGROUND & ANALYSIS:	<ul style="list-style-type: none">• As of February 1, the City of Racine, through its Redevelopment Authority has awarded 14 White box grants.• Total amount of grants awarded is \$243,935 between April 2017 and February 1, 2018• Private investment in buildings leveraged through the grants (as reported on building permits) has been \$1,098,318.• The public to private investment ratio is 1:4. For every \$1 of public investment, \$4 in private investment is leveraged.• Grant requirements are that no more than 50% of total project costs are incentivized.• Of the 14 grants, 13 were awarded to projects within Racine's downtown district. One grant was awarded within the West Racine business district (4221 Washington Ave.). Unfortunately, no grants were awarded in the Uptown Business District.• Of the grant awarded, only two of the projects are 100% complete (Carl Kump at 420 Main St. and Tad Ballantyne at 408 Main Street)• Our discussions with White Box grant recipients shows that the grant awards are sufficient to incentivize the additional investment in the properties; however, often the grant is only covering a small fraction of work needed. For example, we are finding that the grant usually covers only a part of the electrical or plumbing work to be completed.• We believe the success of the White Box program in the downtown is due to

the promotion and marketing of the program by the Downtown Racine Corporation staff, who see the White Box program as a good method of resolving downtown vacancies. The success is also due to downtown being a very desirable location for new businesses.

RECOMMENDED ACTION:

We would ask that the RDA recommend that the White Box Policies on project completion be changed, as follows:

White Box Program Application – Page 5

The City of Racine reserves the right to refuse reimbursements in whole or in part for that which:

- Does not conform to the program of guidelines.
- Does not conform to the proposals submitted in the application and authorized by the DADRC or the RDA.
- Are not commensurate with the workmanship and cost customary to the industry.
- Are not completed within ~~120 days~~ one year from the date of award. The City will not reserve funds and any approval not completed or significantly progressing may be cancelled. Request for an additional six month extensions will be considered and awarded administratively only if made in writing with at least 50% completion of the approved project demonstrated.
- If the finished project does not conform to the application as it was submitted and approved.
- ~~If the project takes longer than one year to complete.~~
- For work that is not commensurate with the workmanship and cost customary to the industry.

FISCAL NOTE:

The proposed changes to the White Box program will not have a fiscal impact on the City of Racine or the RDA, except that we may have issues of White Box grants being awarded and reimbursed in different fiscal years. This is not an issue and we can account for these lags between project award and reimbursement with continued accounting.

WHITE BOX REPORT, February 1, 2018

Applicant	Address	Date Awarded	Amount Awarded	Project Progress to Date (percent complete)	Total Cost of Project
Jim Fox	209 Sixth Street	24-Apr-17	18,000	55%	44,000
Carl Kump	420 Main Street	11-May-17	16,945	100%	41,000
Tad Ballantyne	408 Main Street	11-May-17	20,000	100%	100,000
Andrew Meyer	322 Sixth Street	1-Jun-17	16,600	70%	43,900
James Spangenberg	4221 Washington Avenue	3-Aug-17	20,000	95%	87,000
Tesa/Joe Schulte	501 Sixth Street	3-Aug-17	20,000	15%	58,481
Scott Monroe	1028 Douglas Avenue	5-Oct-17	20,000	40%	300,000
Robert Osborne	318 Main Street	5-Oct-17	16,870	20%	48,437
Kimyron Bonner	327 Main Street	2-Nov-17	11,420	45%	23,000
Tom Bain	411 Main Street	2-Nov-17	20,000	30%	42,000
Ron Christensen	328 Main Street	7-Dec-17	20,000	60%	50,000
James Wasley	613 Sixth Street	4-Jan-18	13,300	0%	28,000
Jason Berry	305 Main Street	4-Jan-18	10,800	0%	44,500
Mark and Chris Flynn	214 3rd Street	1-Feb-18	20,000	0%	188,000

TOTAL:			\$243,935		\$1,098,318
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