

## Hintz, Jeffrey

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**From:** Mercedes Dzindzeleta <mdzinger@att.net>  
**Sent:** Thursday, May 13, 2021 11:43 AM  
**To:** Hintz, Jeffrey  
**Subject:** Public Hearing notice requested

**Importance:** High

Hello Jeff,

I definitely want to receive the notice of the “continuation of the public hearing” time and date asap so that I can partake again with it.

**RE:** CCM-Porters LLC, authorized agent for Cardinal Capital Management Inc.

NOTE: I had another comment that I would like to hear addressed by the developers.

plus I would have liked to heard their response to what I did say....

Yes, long meeting and happy I finally got to say what I did.

**\*\*Sixth Street** has been mentioned, or referenced, as the *‘Heart of the Arts’* for many years by the City and Downtown.

**\*\*SO** a building that would utilize some variation/s of color to add flow/motion to the metal or masonry would be in keeping and take/add to the street. EVEN rounded or angled corners for the three (3) primary seven (7) story look. May make winds flow better than with the sharp edge or corner.

**\*Using** the analogies of LEED and environmental design that they profess and stated they still learning about and using.

**BUT** I would definitely like a call and/or email when the day/date chosen. And hopefully I free to partake again too. Yes! I understand all the hoops they have to go through to start and the sooner the better for them and maybe for the downtown area too.

Thank you,  
Mercedes Dzindzeleta  
**262 632 2986 landline w/answering machine**  
262 632 8908 Cell w/texting

**Hintz, Jeffrey**

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**From:** micah waters <micahwaters@hotmail.com>  
**Sent:** Wednesday, May 12, 2021 11:04 AM  
**To:** Hintz, Jeffrey  
**Subject:** Porters Site Development

Question: Is the first floor Retail Space #2 along Wisconsin and 7th Street a Requirement or an Option?

It is good that the commercial edge along 6th Street is being restored.

The previously proposed renovation of the existing Porters Building was given some form of a variance on commercial space along Wisconsin and 7th.

Everyone agreed that with no viable retail along 7th Street, it didn't make sense to require a development to provide commercial space that had such a high probability of Vacancy.

Thank you,  
Micah Waters

## Hintz, Jeffrey

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**From:** Sadowski, Matthew  
**Sent:** Wednesday, May 12, 2021 11:53 AM  
**To:** Hintz, Jeffrey  
**Subject:** FW: Concerns voice by Sharon Mullen on 144 unit proposal on 6th street Porter's

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**From:** Sharon Mullen <[sharmullen2021@yahoo.com](mailto:sharmullen2021@yahoo.com)>  
**Sent:** Wednesday, May 12, 2021 11:52 AM  
**To:** Sadowski, Matthew <[Matthew.Sadowski@cityofracine.org](mailto:Matthew.Sadowski@cityofracine.org)>  
**Subject:** Re: Concerns voice by Sharon Mullen on 144 unit proposal on 6th street Porter's

From: Sharon Mullen  
[sharmullen2021@yahoo.com](mailto:sharmullen2021@yahoo.com)  
414-807-2868

To:  
Matthew Sadowski, AICP  
Department: Planning & Redevelopment, Manager  
Location: City Hall Room 102  
Phone: (262) 636-9151  
Email: [Matthew.Sadowski@cityofracine.org](mailto:Matthew.Sadowski@cityofracine.org)

Dear Mr. Sadowski:

Thank you for returning my call . As I related to you , I have several concerns and questions about Cardinal Capital Management's proposal for the former Porters 1 acre lot located at 301 6th Street for a 7 story, 144 unit apartment building with 12 retail spaces.

1. This 7 story modern architectural rendering does not blend with the 6th street historic 2 - 3 story buildings built between the late 1800s from 1881 to the early 1900s- Victorian, Italianate, Art Nouveau and Arts and Crafts. To fit in with the surrounding structures, the height should not exceed over 2 to 3 stories with similar historic architecture. On the other hand the proposed 7 story with balconies looks like Milwaukee's smart growth near downtown Milwaukee. Racine downtown historic buildings are unique and should be preserved with new construction blending in with those architectural styles.
2. This lot is only 1 acre or 43,560 square feet. To build 144 apartment units with parking is far too dense a population for this small lot. Twenty (20) Units would be more in proportion to the size.
3. We discussed the probability of these units being low income housing. You stated these would be rented at "market rates" which you stated for this area was \$750.00 for efficiencies, \$900.00 for a 1 BR, \$1100.00 for a 2BR and \$1500.00 for a 3BR. I asked you if these were being funded by Tax Credits WHEDA (Wisconsin Housing and Economic Development Authority) which requires a minimum of low to moderate income housing. You said, no, these would not be low income housing. You said, they would be rented at "market rate". I asked you how they were being funded and you said you didn't know as funding was not in your

department. You stated the following departments were in charge of coordinating the financing: Mr. Bill Bowers, Director of City Development, or Ms. Kathleen Fisher, City Finance Director or Mr. Paul Bornholt, City Administrator.

4. Some sources stated a project this size could be a combination of Federal, State and Local Tax credits requiring a minimum of 80% low income housing. There's a formula followed with a bank taking the tax credits and the project using the money for construction. In turn, for the project taking the tax credit funds, they agree to rent to a certain percentage, often up to 90% to low to moderate income housing. The renter receiving SSI, SSD, or other low income meeting income level caps will pay no more than 30% of their income. The project is guaranteed the remaining rent due usually from Section 8 Low Income Housing HUDs program. For example if the renter receives approximately \$875.00 from SSI they pay not over 30% of their income for rent and utilities or approximately \$300.00 and HUD or the government pays the project the remaining guaranteed market rate rents which would be from \$450.00 to \$1200.00 a month depending upon the number of dependents. The Cares Act has guaranteed rents will be paid, even if the tenant is not paying their portion. When the renter also pays, the project keeps the full amount between \$750.00 to \$1500.00 per unit. It is a win win for the project developer. Unfortunately, renters can be trapped for life living in subsidized housing and never owning their home.
5. I was surprised when you said this project would not be low income housing when this is the business of Cardinal Capital Management with over 9,500 units throughout the midwest including Wisconsin, Iowa, Colorado, Arizona and Georgia. In Milwaukee alone, they have 10 WHEDA Funded projects totalling 527 units of which 468 are low income housing or 89% consisting of elderly and family low income housing units.
6. If this project on 6th Street is also funded by WHEDA or other tax credits, will Cardinal Capital Management pay any property taxes? I checked with the Racine County Treasurer for their project, Lincoln School Apartments located at 1130 Carlisle. According to the County Treasurer's office, they paid only \$424.88 in property taxes for this year. I also contacted the Milwaukee Treasurer's office. Most of the addresses did not appear. For the 119 unit McKinley Gardens project, Cardinal Capital paid \$16,259.49. That amounts to an average of \$136.63 per unit paid for property taxes. If this is par for course, and Cardinal Capital Management will not be paying anything or a miniscule amount, this is very unfair and unjust for the rest of the downtown property owners who have to pay their property taxes.
7. I asked you about the water and sewer lines. You assured me that both the sewer and water lines were adequate in the street, that Cardinal Capital Management would pay for the laterals and the downtown property owners would not be billed for this. There is also a concern for the amount of garbage that 144 units would produce. In addition to paying a fee for water usage, water service charge, public fire, sewer usage, sewer service charge and storm-water charge on our water bill, we are also billed for sanitary sewer, recycling, bid districts, and fire inspection on our property tax bill. If Cardinal Capital doesn't pay property taxes, will that item also slide by for 144 apartment units? With this said, 144 apartment units does not necessarily mean 144 people. This could easily turn into 300 to 500 people living in this small space. One of the requirements of HUD is to spray every apartment with insecticide for cockroaches. The spraying never fixes the problem. It compounds the problem as more cockroaches develop. One mother who lived in a building with 8 Hud units, told me her young children developed asthma and various allergies from cockroaches crawling up their nose as they sleep. Garbage is picked up only once a week. Can you imagine the amount of garbage 300 to 500 people in this cramped space would produce? Will the cost of picking up the garbage for all those people be passed onto those who pay utilities and property taxes? In other words, will the surrounding property owners have to pay for the garbage pick-up on these apartments? With that amount of garbage, will there be a mice and rat and cockroach infestation?

8. The potential problems of cramming 144 units into this small space is very concerning. Assuming its low income housing which is the only way all 144 units would stay rented. What's for rent downtown is basically all low income housing. Anyone with an income who can afford to pay "market rates" of between \$750.00 to \$1500.00 a month will not be living in a cramped downtown Racine apartment building. They will buy or rent a house. Yes, sometimes the young come downtown to rent. They usually stay two to three months, decide it's too inconvenient to pay rent, move out and go back to Mom and Dad's basement. On the other hand, if these 144 units become low income housing, every unit will be rented. We have only to look at Chicago's Cabrini Green and its record of high crime due to poverty, drugs and packing large numbers of people in a small space to understand what this could potentially look like. When Cabrini Green was finally torn down, only the two story townhouses remained. You may argue 144 units isn't the same as Cabrini Green. However, we must see Cabrini Green as an example of a worst case scenario, and not repeat the mistakes of the past.
9. The proposed 12 business spaces for rent are also unrealistic. Downtown Racine has numerous first floor business spaces for rent. Unfortunately, even after using professional realtors, they remain empty. The same is true for Regency Mall and some of the Strip Malls. This along with restrictions from Covid 19 has closed businesses never to open again. Consequently, the remaining bars and restaurants are struggling to survive. There's numerous articles and economic commentators that will verify the effects of covid 19 on the walk-in retail industry. To verify this information, go to [bloomberg.gov](https://www.bloomberg.gov) and other articles that propose a new business model of converting large vacant malls and strip malls into housing projects.
10. This leaves the question, which retail businesses survive and do a good daytime business in downtown Racine? Unique stores selling something that is not readily available in other big box stores, and those businesses that have excellent customer relationship skills survive the downtown environment. For example, businesses like Sheepish that sell herbs and oils that are not available in other stores can thrive. The flower shops have also done well for generations delivering flowers for birthdays, weddings and funerals. The unique business and business that offer delivery have survived in spite of the \$20.00 parking ticket fines from 8:00a.m to 6:00p.m. After 6:00p.m, it's free parking in downtown Racine. The remaining businesses are bars and restaurants conducting the majority of their business on Thursday, Friday and Saturday evening starting at 6:00 p.m. to closing. The older crowd go to the restaurants to eat, drink and go home. The heavy drinkers go to the bars to listen to the bands, drink and go home much later. This is followed by a younger crowd walking bar to bar from 9:00 p.m. until late at night laughing and socializing spending very little.
11. Racine is not Milwaukee. Yes, large crowds of people will come downtown as long as there's something to entertain them. They come with their families for the Ilce Sculptures, and the Art Fair on Monument Square. There is also the 4th of July Parade, the Christmas Parade, and the St. Patrick's Day Parade that draws a crowd. During the parades they may buy some food but no retail goods. The retailers do some business during Party on the Pavement events if they have goods outside. However, as a rule they do not come to buy from the local businesses other than something to eat, drink and be entertained. So why do Raciner's have an aversion to patronizing downtown daytime businesses? I've observed the problems for over 30 years. The daytime \$20.00 parking fines are one of the reasons. There's also a lack of professional decorum from some local business owners. There is no place in a thriving successful business for gossip and making rude comments to customers. After a customer has been insulted by the owner or employee, they will never return to patronize that business. They could use some Kwik-Trip training where the employees are always polite and always say, "Thank you for stopping in, see you next time." as they hand the customer their change. Instead, the local Racine business merchant will say, "Is that it?", never thanking the

customer. Thank you is not in some of these Racine merchant's vocabulary. There's no excuse for being disrespectful to anyone. To not thank the customer and make a rude comment shows a lack of professionalism and good business sense.

There's also the problem of new business trying to get started. The city building department follows the International Building Code with its severely strict regulations. To comply with these regulations is very expensive. There's been a hen pecking order concerning who can open and succeed and who cannot open. One business will be ostracized and not allowed to open due to strict regulations. Whereas, another business is given very lenient provisions and immediately opens for business. That's one of the problems. The other problem is someone trying to follow their dream to be self employed. The public doesn't buy enough to stay open. At the end of their year's lease, they leave. Some lose their life savings. Everyone loses a year of rent payments.

12. The question is, How can you attract Raciners to come downtown and buy something other than food and something to drink. I believe the answer is to look at successful business models like 7 Mile Fair. Vendors pay around \$100.00 for the weekend for inside space. They offer a huge amount of discounted products from fruit and vegetables, to beauty products, to soap, leather goods, clothing at discounted prices and food vendors. It's the ancient Plaza on a grand scale. Seven Mile Fair is always packed. Another successful business model is the Renaissance Fair where vendors are in Elizabethan costumes selling their crafts such as leather goods and metal items. It's something unique, not sold elsewhere and the customers are entertained.
13. It's important and probably crucial to our survival to understand the current times and the forecasts for the future. Two major pipelines have been shut down. This will affect the price of everything including food that suppliers have stated may go up 40 to 60 percent. Sysco and major wholesalers have stated shipping and trucking costs have gone up so they will have to pass these costs onto the consumer. There will be a need for greenhouses being heated with pipes in the ground. A farmer in South Dakota successfully grows citrus trees using that system, some solar and water barrels. He uses a series of plastic pipes buried 6 feet in channels with fans at both ends that heat the greenhouse maintaining 50 degrees in subzero weather. He grows tropical trees along with fruit and vegetables providing year round produce. This developer may not be interested in this project, however, it's worth considering for some project.
14. I'll be very surprised if Cardinal Capital Management will deviate from their lucrative WHEDA tax credit financing for low income housing. If all 9500 units are low income housing, they found a successful niche to multi-millionaire heaven. It would be an insult to the intelligence of Cardinal Capital Management's CEO's to build 144 apartment units, 12 business spaces along with parking ramps without WHEDA tax credit funds or other tax credit funds to fund and build the project. It also would be an unwise business practice to try and rent 144 apartment units without HUD low income housing guarantees to pay the tenants monthly rents. These CEO's are neither naive or foolish. Also, if they went to the private sector, what lender in their right mind would fund the construction of 144 apartments in downtown Racine without guaranteed rents? Section 8 renters are under the manager's control. If they trash and smash, they're out forever. There's another one on the waiting list.
15. For the benefit of downtown Racine, there's a preferable alternative. The real estate market has an inventory shortage of houses and condos for sale. Real estate brokers and agents have numerous qualified buyers anxious to purchase a home. Because the inventory is low, houses are selling for more than listing price. With the width of the average downtown building being 20' wide x 60' depth this lot could accommodate 20 townhouses above the first floor business space. Maybe the buyer would also like to have a business space. That's 20 actually paying property taxes plus the business spaces paying property taxes would be an asset. If the townhouse model is used, the first floor could blend as a solid structure without

business space. The city would have to provide a variance. Along with architectural drawings, the developer could have a model built and have all the units sold before construction begins. This has been done for years.

According to Mr. Matthew Sadowski, Director of Community Development, the purpose of the zoom meeting for April 12, 2021 is to discuss the height of the building, the blending of the architecture with the surrounding buildings, and the impact of 144 apartment units as well as 12 business spaces upon the downtown. Without the government paying for everything, over 90% of the rental units could remain vacant as well as the business spaces. With the government paying for everything under tax credits and section 8 low income housing for 144 low income units the number of people living there could easily reach between 300 to 500. This project could easily turn into a major dilemma with overcrowding, poverty, unhealthy living conditions, drugs and violence. Also, there's a question concerning the project not paying property taxes if the project becomes low income housing.

I hope you will consider my suggestion for private ownership of not over 20 townhouses or condos along with a business that has some chance of success. We need more people paying property taxes to help relieve the burden on those of us who have to pay. Therefore, please deny Cardinal Capital Management's proposal as it has been presented. Request they submit a more feasible solution for a successful outcome for both them and downtown Racine. I hope I didn't offend anyone. With millions being invested in this project, isn't it better to be told the truth before you spend your money. I only ask that you carefully look into what I've written and then determine if this proposal is a wise decision. I wish someone would have told me the truth before I spent my money. In the event I'm unable to attend by virtual Zoom, please read my concerns and suggested solutions. Thank you.

Respectfully,

Sharon Mullen