



City of Racine

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

Meeting Minutes - Draft

Planning Heritage and Design Commission

Wednesday, August 25, 2021

4:30 PM

Virtual

Call To Order

Mayor Mason called the meeting to order at 4:36 p.m.

PRESENT: 5 - Mason, Jones, Hefel, Peete and Jung

Approval of Minutes for the August 16, 2021 Meeting

A motion was made by Jung, seconded by Peete, to approve the August 16, 2021 meeting minutes. The motion **PASSED** by a voice vote.

[0667-21](#)

Subject: Request from Mark Madsen of Nielsen, Madsen and Barber, representative of Rhino Holdings Racine, a Delaware LLC, seeking approval of a two-lot Certified Survey Map at 2211 South Green Bay Road. (PHDC-21)

Attachments: [Recommendation](#)
 [Applicant Submittal](#)

Jeff Hintz, Planning Manager, presented the certified survey map. He stated the applicant proposes to put Home Depot on a lot by itself, separate from the High Ridge Center. The proposal follows our ordinances; therefore, staff recommends approval subject to conditions a. - e.

A motion was made by Jung, seconded by Hefel, to approve the proposed certified survey map subject to conditions a. - e. The motion **PASSED** by a voice vote.

4:30 P.M. PUBLIC HEARINGS

[0670-21](#)

Subject: Request by Vincent Lang, representing ReBelle Realty LLC, for consideration of a conditional use permit to operate a real estate brokerage office, classified as a business and professional office, as allowed Sec. 114-328 of the Municipal Code in an existing building at 3624 Washington Avenue. (PHDC-21)

Recommendation of the Planning, Heritage, and Design Commission on 08-25-21: That the request by Vincent Lang, representing ReBelle Realty LLC, for consideration of a conditional use permit to operate a real estate brokerage office in an existing building at 3624 Washington Avenue be approved, subject to conditions a. - g.

Fiscal Note: N/A

Attachments: [Review and Recommendation](#)
 [Applicant Submittal](#)
 [Public Hearing Notice](#)
 [Comments-3624 Washington](#)
 [#0670-21 Resolution](#)

Michelle Cook, Associate Planner, presented the proposal to operate a real estate brokerage office at 3624 Washington Ave; the northeast corner of Washington Ave. and West Lawn Ave. It is zoned R-4 General Residence, which allows for offices in a commercial structure with a Conditional Use Permit. She stated that the building has been used as an office since 1950, including a dental office. She showed the aerial view, zoning and buildings nearby, and land use designation in the area. She presented the proposed site plan, which will include three offices, and signage will be 12 sq. ft. and non-illuminated.

Cook explained that the business plans to operate Monday, Wednesday, and Friday, which may be expanded to a 40-hour work week later. She stated there are no changes to access, uses, or drainage and the on-street parking has served the previous businesses well. Therefore, approval is recommended subject to conditions a. - h.; including LED's will not be allowed.

Jung expressed his excitement about the business but was concerned about the signage because he doesn't think the size and character flow with West Racine design. Cook replied that the sign does follow guidelines. Hintz stated there is no West Racine design guideline like in downtown, so the sign requirements follow the zoning code. Mason added the sign doesn't feel residential in nature; it's very large.

Mayor Mason opened the public hearing at 4:52 p.m.

Andrew Baugher, owner of the property & ReBelle Realty, stated the he will be updating the landscaping and painting the building.

Peete asked the applicant if he would be willing to reduce the size of the sign. Baugher replied that he could work with Michael's Signs and his partners to adjust the signage.

Cook noted that there was an email comment about landscaping that was sent to commissioners.

There being no further public comments, Mayor Mason closed the public hearing at 4:56 p.m.

Mayor Mason stated that he wants the applicant to come back with a new sign.

A motion was made by Peete, seconded by Hefel, to approve the item subject to conditions a. - g. The motion PASSED by a voice vote.

Item 0671-21 and 0672-21 were discussed simultaneously.

[0671-21](#)

Subject: Review and discussion of the proposed establishment of the project plan, boundaries, and creation of Tax Incremental District No. 27 and consideration of an approving resolution. (PHDC-21)

Attachments: [Public Hearing Notice](#)
 [TID 27 Plan](#)
 [PHDC Resolution - TID 27](#)

Hintz presented the maps of the proposed TIDs and how a TID works. Specifically, a 10% tax increase would go to the TID instead of the original taxing entities. He stated that property taxes are the same in or not in a TID. The value of a property is based on supply and demand, the quality of the property, and market sales. Further, by State Law, a TID has no bearing on the assessed value of a property. Taxes are based on new development in the City, total dollars the City needs for operations, the mill rate, and assessed value of the property. As the city's value, as a whole, increases through increased property values and new construction/remodeling, the tax rate is based on total operating budgets as adopted by taxing entities, in this case the City, County, RUSD, and Gateway. The goal of the TID is to increase property values and reduce blight. Most (75%) of the funds will go to housing improvement programs such as: correction of code violations, repairs or improvements that extend the economic life of the home, additions or improvements to enhance the value of the homes, and down payment and closing cost assistance. The rest of the funds will go to public infrastructure updates including, but not limited to: road resurfacing, curb and gutter repair, installation of ADA-compliant crosswalks, installation, replacement or repair of storm water or sanitary sewers, and installation or repair of broadband internet infrastructure.

Dawn Gunderson, Ehlers, stated that the commission is considering action on new TIDs; this is a continuation of TID 22 and 23 created in 2019. The intent is to fund programs to prevent further deterioration of property and infrastructure in the area; to preserve and grow the tax base. She presented the maps of each TID including their acreage and assessor's average condition of the homes in the districts. She stated that both TIDs meet the property condition requirement that over 50% of the properties need to be in average or worse condition, according to the Assessor's property condition report. She stated that the City intends to fund projects Hintz mentioned within that boundary in the form of loans or grants for the housing programs. She then presented the projected revenue and expenditures for the programs over the 27-year life of the TIDs; which is about \$13.6 million of tax increment in TID 27 and about \$6.2 million in TID 28. The assumptions made are that the fair market value of properties in the TID will increase by 5% in 2021, 2.5% in 2022 and 2023, and then remains the same thereafter. She added that TID's 22 and 23 have had greater growth than these assumptions. She also noted that all programs will be funded with cash generated from the TIDs, the City will not be borrowing any money. She then went on to explain the timeline for creating the TIDs. The TIDs were presented to the Joint Review Board on August 23rd, if the items pass tonight they will be considered by Common Council on September 21st, the TIDs will start collecting increment, and then go back to the Joint Review Board on September 28th. The Joint Review Board is made up of representatives from the taxing entities.

Jung asked for clarification about what contributes to the assumptions around value growth. Gunderson said that TID 22 and 23 were more successful than anticipated, 13-18% growth. Therefore, any growth over the assumptions will provide more revenue

for these new TIDs. She added that current market conditions show there is growth and any improvements in the TIDs will also facilitate growth. Jung shared a positive experience with a constituent; the constituent was pleased that this will provide an opportunity to make home improvements.

Peete thanked staff and Gunderson for their presentations. He added that while some may not benefit from the loans, they will still get the benefit of increased assessed property values.

Mayor Mason opened the public hearing at 5:21 p.m.

Hintz stated that eight people signed up to speak over the phone. Mayor Mason stated that they each have three minutes to speak.

Brandon Leininger, 5004 Ridgeway Ave. (TID No. 27), spoke on the item. He noticed a lot of assumptions. He stated that he disagrees with Alder Jung and that increased property values always lead to increased property taxes. He asked how the Assessor's property conditions were determined and if there is a TID from 2008 to show how the economy then affected the TID as the economy now is going in a similar direction. He stated that no one wants another loan payment and that his background is in economics and finance. He said that his property was shown as needing rehab; meanwhile, his property taxes went up last year 8%. Therefore, he doesn't approve of this proposal.

Bill Bowers, City Development Director, replied to Leininger's concerns. He stated that property conditions are rated on Condition Dwelling Utility (CDU), which is in relation to the neighborhood, age of the home, and the condition it was in when first built in comparison to now. Further, it is difficult to assess the value without permits being pulled assessments. Overall market value is dependent upon the market regardless of TIF; they look at property sales in the neighborhood, not individually. Bowers explained that the property taxes are based on the levy; so it's not always tandem that when assessed value goes up the taxes go up. There are situations when the property values go up and the mill rate goes down because the levy is capped.

Brian Grandberry, 303 Belmont Ave (TID No. 27), said he is concerned about a park in his neighborhood. He was wondering if they could use the funds for park improvements. Mason stated that the TID funds are not designed to be used for park equipment, so he advised Grandberry to reach out to his alderman who can advocate for park improvements in the City budget. Grandberry asked how to apply for the grants. Mason said it would be similar to past housing programs. Matt Rejc, City Development Assistant Director, said its run through the Housing and Community Development division and that there is a pre-application form on the RacineHousingLoans.com website. He said the funding for these TIDs won't be available until 2023.

Jodi Akins, 2307 Prospect St. (TID No. 27), said she bought her house almost 14 years ago with the City of Racine down payment assistance program, child support, and waitress wage. She went on to say that several neighbors lost their homes in 2009-2011 and most were sold to landlords and property rental companies. The crime rate has increased recently and the neighborhood is barely surviving. Therefore, she wants to know if it will help landlords or homeowners. Mason replied that previous funds have been eligible for owner occupants, not landlords. Akins is concerned that many don't have good credit from COVID-related expenses. Mason said the intent is to be for

those that have low credit, unlike a bank. Bowers added that the programs will provide tools for homeowners to improve their home, promote homeownership in the neighborhood, and reduce landlords. He stated that some could be grants, not only loans. The program is designed to address the issues she's bringing up. Akins said no homes are currently available for purchase and most of the neighborhood is owned by one person. Mason stated he understands her frustration, and while the TID won't fix all of her concerns, it does reinvest substantial resources into the neighborhood and it is a powerful tool to improve the state of the neighborhood. She stated that she doesn't agree with the program.

John Melnik, 1803 Domanik Dr. (TID No. 28), asked how many commercial properties would be eligible and if homeowners would be eligible for grants. Bowers replied that this isn't for commercial properties, just for homeownership. Rejc added that owner-occupants and buyers are the only one's eligible, besides the funds allocated for public infrastructure. He stated that the public infrastructure improvements would be an indirect benefit to commercial properties. Melnik asked where he can get more information. Rejc referred him to the RacineHousingLoans.com website. Mason reiterated that the funds won't be available until 2023 because the funds need to be captured for a year before they are expended. He added that this TID is different as it doesn't include commercial properties.

Hintz called Tim Soderlund, 2341 Hansen Ave. (TID No. 28), whom did not answer.

Sandy Weidner, 2310 Thor Ave. (TID No. 28), stated that she has owned a home in the City of Racine for almost 45 years and she had a 12% increase in her property tax bill, in 2020, for the first time. She stated that she is concerned that this hearing is virtual as the 2019 meeting, for TID 22 and 23, was packed. She also said that TID 22 and 23 funds haven't been used yet and she is concerned the City is rushing into creating two more TIDs; therefore, she would like the creation of these to be postponed. She stated that a homeowner like her would only benefit from public infrastructure improvements because her home doesn't require improvements. She expressed concern that, today, there are still no guidelines for TID 22 and 23. She said the City is not prepared to create two more TIDs until the first two are running smoothly. She stated that she wants the lack of infrastructure funds allocated in TID 22 and 23 to be addressed. Mayor Mason reminded her that this meeting is to take public testimony on the creation of TIDs 27 and 28, not TID 22 and 23. She went on to say that TID 22 and 23 are similar to TID 27 and 28 so that is why she is referring to them. She is very concerned that public infrastructure improvements are rarely, if ever, being made. Therefore, she is asking for the committee to hold off on creating more TIDs until previous TIDs are used correctly.

Alderman Jeffrey Peterson, 1516 West Wood Cir. (TID No. 28), asked questions about TID 22 and 23. Mayor Mason reminded him that this about TID 27 and 28. Peterson then asked about why some beautiful homes in TID 27 and 28 are considered average or below. He stated that he will be voting against the items when they go to Common Council because he doesn't want to pay for improvements on other people's homes, the majority of his constituents are against the TID, and since there are no guidelines that means he wouldn't get a loan since his home is rated by the Assessor as above average. He's also concerned that rental properties aren't being addressed as he believes the rentals are the blight. He commended the RENTS and Code Enforcement programs. Overall, he doesn't think this will increase property values and that the goals are unrealistic. He would like to see how TIDs 22 and 23 play out. Lastly, he disagrees with Alder Jung saying that taxes won't go up, Peterson

believes they will go up.

Bowers re-addressed the condition rating. He stated that rating improvements lead to more desirability to be in that neighborhood; therefore, bringing new buyers. Also, he reviewed the properties that Peterson sent to Hintz and his assumption is that the interior may not be updated. He reiterated that the assessed conditions are mass valuation, not individual. He stated that the program goal is to stabilize the market values and the condition of the property doesn't affect eligibility. Rejc added that the criteria for eligibility for previous TID programs is to repair code violations and for those that want to improve the value of their house for 1:1 match funds. Specifically, program eligibility doesn't consider the assessor's conditions rating of a property. Hintz retried calling Tim Soderlund after Alder Peterson spoke, and he did not answer.

Mayor Mason stated that there were public comments e-mailed and submitted to committee members, some also spoke during the meeting.

There being no further comments, Mayor Mason closed the public hearing at 6:10 p.m.

Discussion after motion, before the vote:

Jung asked for clarification about the timeline. Bowers said the year delay is to let the values equalize and to accrue the cash to allocate the funds; to get 'cash in hand.' Dawn added that the valuation changes in 2021 will first become accessible in January 2022, with the taxes billed at the end of 2022, so the dollars don't come in until 2023.

Peete asked if there was a priority for the distribution of the funds. Bowers said that the 75% for housing and 25% for public infrastructure will be accessed simultaneously. Rejc confirmed.

A motion was made by Hefel, seconded by Jung, to recommend approval of the project plan, boundaries, and creation of Tax Incremental District No. 27 and consideration of an approving resolution. The motion PASSED by a voice vote.

[0672-21](#)

Subject: Review and discussion of the proposed establishment of the project plan, boundaries, and creation of Tax Incremental District No. 28 and consideration of an approving resolution. (PHDC-21)

Attachments: [Public Hearing Notice](#)
 [TID 28 Plan](#)
 [PHDC Resolution-TID 28](#)

A motion was made by Peete, seconded by Hefel, to recommend approval of the project plan, boundaries, and creation of Tax Incremental District No. 28 and consideration of an approving resolution. The motion PASSED by a voice vote.

END OF PUBLIC HEARINGS

Adjournment

Mayor thanked the public for their testimony. The TID's will go to the Common Council and then the Standing Joint Review Board.

Mayor Mason adjourned the meeting at 6:19 p.m.

If you are disabled and have accessibility needs or need information interpreted for you, please contact the Department of City Development at (262) 636-9151 prior to this meeting.

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- via Facebook Live at <https://www.facebook.com/CityOfRacineWI/>