



City of Racine

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

Meeting Minutes - Final

Redevelopment Authority of the City of Racine

*James Spangenberg
Gregory Holding
Jen Adamski-Torres
Doug Nicholson
John Crimmings
Alderman Tracey Larrin
Robert Anderson*

Thursday, June 1, 2017

6:00 PM

City Hall, Room 303

Call To Order

Acting Chairman Spangenberg called the meeting to order at 6:00 p.m.

PRESENT: 5 - James Spangenberg, Jen Adamski-Torres, Doug Nicholson, John Crimmings and Robert Anderson

EXCUSED: 1 - Gregory Holding

Misc. Notes/Arrivals

Alderman Tracey Larrin (not listed in the attendance) was also present for the Authority.

Approval of Minutes for the April 3, 2017 Meeting.

Director Connolly noted that the minutes being approved should be those of the May 11, 2017 meeting.

A motion was made by Adamski-Torres, seconded by Alderman Larrin, to approve the minutes of the May 11, 2017 meeting. The motion PASSED by a Voice Vote.

[512-17](#)

Subject: (Direct Referral) A request from Andrew Meyer for review and approval of a White Box Program Grant for the property at 322 Sixth Street.

Attachments: [322 Sixth Street WB](#)
 [June ABM White Box 322 Sixth Street](#)

Chief Building Inspector Ken Plaski introduced the item to the Authority. He stated Andrew Meyer is looking to receive a grant to assist with opening a restaurant in one of the spaces at 322 Sixth Street. He stated his request is limited by square footage since the building is only 1660 square feet. Meyer would be eligible to \$16,600.00 in total grant funds.

Meyer further described his request. He stated the bathrooms were existing and they are adding a kitchen to the space.

Director Connolly stated the proposal before the Authority is for HVAC, plumbing and

electrical. She explained the total project amount and informed the Authority that there will be about \$27,400 left in the White Box budget after this proposal is approved.

She stated this appeared before the Downtown Area Design Review Commission (DADRC) for their review and they approved the grant. She stated at the DADRC some questions were raised regarding buildings with multiple tenant spaces and possibility of allowing more than one grant for a property with multiple tenant spaces. Another is do the grants need both RDA and DADRC approval or would the RDA relinquish all approval authority to the DADRC. This information will be brought to the RDA at the next meeting.

Adamski-Torres asked if the hallway meets ADA standards. Meyer said yes.

Adamski-Torres asked if there were tenant in mind. Meyer stated yes.

Meyer clarified it is the second tenant space from College Avenue that he is looking to receive the White Box grant.

A motion was made by Adamski-Torres, seconded by Alderman Larrin, to approve the White Box Grant application for 322 Sixth Street. The motion PASSED by a Voice Vote.

[513-17](#)

Subject: (Direct Referral) Consider Resolution 17-18 authorizing the RDA Executive Director and Chairman to sign all documents, on behalf of the RDA, to enter into an option agreement for the former Ajax Property (1520 and 1536 Clark) with Cardinal Capital Management, Inc. of Madison, Wisconsin for the purposes of redeveloping the property in a manner consistent with prior approvals provided to Herman and Kittle in 2016.

Attachments: [June ABM Cardinal Capital Option to Purchase](#)

Note: This item was taken up after the Brownfield Properties Report.

Connolly introduced the item. The option to redevelop the site with North Pointe was withdrawn and Cardinal Capital expressed interest in the site. She stated the request is for another option to purchase the property. The agreement with Cardinal Capital mimics the agreement that was prepared for North Pointe. She stated the option period would be from June 1, 2017 – June 31, 2018.

Erich Schwenker explained Cardinal Capital and their business structure. He stated they have been around for 15 years and they work with nonprofits within the state to provide affordable housing. He stated they mostly do veteran's housing and they have 200 units in Racine including the Lincoln School apartments. Schwenker explained that they work with the Center for Veteran's Issues and are responsible for the majority of Continuum of Care (CoC) in Milwaukee including special needs housing. They are the largest WHEDA borrower in the nonprofit realm. Not concerned about the 9% LITHC credit. He stated 4% is not as competitive as the 9% credit. There will be a range of income including market rate apartments.

Adamski-Torres asked if there were ever not enough vets to fill a project.

Schwenker stated it has not happened yet and he is confident it will get filled by people who live in the area.

Connolly stated the recommendation is a little different than what was originally asked. She stated we would like to keep the purchase price around \$10,000.00 to cover the costs already spent on the property. She stated the HOME financing may or may not be available for the project, however, there are Brownfield revolving loan funds that could possibly be utilized for the property.

Ryan Douglas vouched for the work that Cardinal Capital has done. He stated they have taken the impossible and made it possible and that is what this building needs.

Connolly explained the cost to demolish the entire structure would be more than \$685,000 per the quote received.

Lechner stated that there are other quotes coming in, however, reminded the Authority that with the demo the caps would remain. He stated it is a complicated demo because the size of the building and how it is divided. He stated the cost of demolition does not include recycling and salvaging the bricks.

Connolly stated the building is on the National Register of Historic Places.

A motion was made by Anderson, seconded by Nicholson, to approve Resolution 17-18 giving the option to Cardinal Capital. The motion PASSED by a Voice Vote.

[514-17](#)

Subject: (Direct Referral) Consider Resolution 17-19 authorizing the RDA Executive Director and Chairman to sign all documents, on behalf of the RDA, to enter into an option agreement for the property located at 1418, 1420 and 1422 Washington Avenue with the Racine Revitalization Partnership, of Racine Wisconsin for the purposes of redeveloping the property.

Attachments: [RRP Draft Option and predevelopment agreement](#)
 [June ABM RRP Option to purchase](#)
 [RDA Res 07-23](#)

Director Connolly stated at the previous meeting of the RDA, Ed Miller (Racine Revitalization Partnership - RRP) gave a presentation regarding obtaining the property at 1418 Washington Avenue. She stated RRP is asking for an option from the RDA to look at the building. They are offering an option fee of \$100 and a purchase price of \$101. She stated they are proposing to spend roughly \$38,000.00 for predevelopment services such as Phase I study, site plan and specs, market analysis, etc.... In return, RRP would like the RDA to provide an ALTA survey and environmental survey. She stated the option period would be from June 1 – December 31, 2017. The request is to allow RRP to look at the building and perform some predevelopment work in the building.

Anderson asked what extent would be the building be renovated.

Miller stated there would be apartments and a commercial space on the first floor.

Director Connolly gave background of the site. She stated the RDA purchased the building for \$109,000 and was part of the dollar building program from 2009 onward. She stated the dollar building program was unsuccessful for the property and explained some of the costs with maintaining the property. She stated more than \$150,000 was probably spent in maintaining the building.

Adamski-Torres asked about the taxes on the property.

Miller stated taxes would be somewhere between \$3000.00 and \$5000.00.

A motion was made by Anderson, seconded by Alderman Larrin, to adopt RDA Resolution 17-19, approving the request of granting an option to RRP. The motion PASSED by a Voice Vote.

Brownfield Properties Report

A. Update on Racine Steel Castings Property

Donna Volk from Ramboll Environ explained their environmental work on the RSC site as well as the environmental conditions. She stated the north lot contains polychlorinated biphenyls (PCBs). She stated the goal is to redevelop the site for industrial use. She stated regarding PCBs EPA defines them between low occupancy use (6 ½ hours per week) vs. high occupancy use.

She stated there is not as big of a concern for the south lot when it comes to PCBs. She stated there are three remedial options alternatives: 1.No action; 2. Three components (limited soil excavation/offsite disposal of PCB contaminated soil, natural attenuation of groundwater (capped), and site capping consistent with the proposed redevelopment – which will include alternative two and thermal treating the soil to return it back to the site.; 3. Three components to include the same as Alternative 2. She stated Alternative 1 is not acceptable for the site.

She explained Alternative 3 would require the concrete to be demolished and would drive the costs higher. She stated Alternative 2 would be the preferred alternative as it would remove the contaminated soil from the area.

She stated that for the South Lot there would be an industrial use restriction and groundwater would not be used.

Volk stated the North Lot there is the presence of Trichlorobenzene in the soil. Four options are being considered.

She explained the preliminary costs for the North Lot.

Connolly stated we will have to get some costs benefit analysis to see what we want to do with site. There will have to be public hearings regarding remediation for both lots before the RDA can proceed further on the cleanup of the site.

Nicholson asked if there were more EPA grants that can be applied for.

Connolly stated possibly, once we get to that point we will weigh all of the EAP and DNR for any available funding.

Volk stated there are two EPA grants on the site for \$200,000.

When a developer comes in WEDC also has grant monies available, they focus on redevelopment jobs and market value.

Atty. Bill Scott stated if a development plan or developer, some of the costs can be alleviated by working with the development. He explained if you know exactly where

something is it can be left there if need be, can vault it in and leave it in place. He stated alternatives are being identified. He stated it is a major PCB site that is why the cleanup is taking some extended time.

A motion was made by Adamski-Torres, seconded by Alderman Larrin, to receive and file the Brownfields Property Report. The motion PASSED by a Voice Vote.

Report of the Executive Director

A. Update on RFP for “on-call” real estate brokerage services (on hold)

A RFP was issued, however, no response was received. Have been in touch with several local brokers and some local commercial brokers may be sending proposals within the next couple of months.

B. Proposed RFP for snow removal and mowing for RDA and City-owned properties (completed)

Bid was granted to Larry's Landscaping.

C. Proposed RDA training (Visit to Milwaukee RDA in Summer 2017)

Date is pending for RDA training with the Milwaukee RDA in summer; we are hoping for a date July or August.

D. Update on White Box Program

Getting close to the end of the monies allocated. Another application is already in process, may be back next month for a request for more money from Council

RDA-Owned Property Report

A. Update on 233 Lake Street – Hotel & Event Center

None. Public meetings looked to be scheduled for RDA and CC in June. Hold June 20 and 27th for presentations regarding the Event Center.

B. Update on 615 Marquette Street (Case Plow Works Building)

Waiting the final preservation work for project. Hoping for National Register Designation for the property

C. Update on 1520 and 1536 Clark Street (Ajax Building)

None. Will continue to get quotes for demo and interior building surveys.

D. Update on Southside Industrial Park

The contract with the broker expired in January. The question posed to the RDA was whether to have one real estate company for all of the properties or a separate one for the Southside Industrial Park properties.

E. Other RDA-owned and City-owned property Report

None for Machinery Row – hopefully in July; acquired all properties in West Bluff and working on Stream Bank Request for Qualifications.

Adjournment

A motion was made by Anderson, seconded by Nicholson to adjourn the meeting. There being no further business, the meeting adjourned at 7:14 p.m.