



City of Racine

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

Meeting Minutes - Draft

Redevelopment Authority of the City of Racine

Thursday, August 1, 2019

5:00 PM

City Hall, Room 303

Call To Order

Chairman Adamski called the meeting to order at 5:00 p.m.

PRESENT: 5 - Adamski, Nicholson, Anderson, DeMatthew and Jung

EXCUSED: 2 - Crimmings and Mason

Approval of Minutes for the July 18, 2019 Meeting.

A motion was made by DeMatthew, seconded by Alder Jung, to approve the minutes of the July 18th meeting. The motion PASSED by a Voice Vote.

[0882-19](#)

Subject: Resolution 19-23 accepting a proposal from and directing staff to enter into a contract with SVN Hintze Commercial Real Estate for the marketing of the Southside Industrial Park.

Attachments: [SVN HINTZE Proposal](#)
[Resolution 19-23 SVN Commercial Real Estate Proposal for SSIP](#)

Executive Director Amy Connolly explained the request and introduced Jay Hintze with SVN Hintze Commercial Real Estate. Connolly stated that Mr. Hintze made an unsolicited proposal to be the real estate representative for the South Side Industrial Park (SSIP). She stated the last time a Request for Qualifications (RFQ) was presented, only one response was received. She stated the response was accepted, however, was not very successful in producing a sale. She stated that she spoke with John Crimmings about the potential of SVN representing the RDA. She stated Mr. Hintze is the former Mayor of Glendale and is knowledgeable about city functions and commercial real estate.

Mr. Hintze spoke and stated he was present to answer any questions. He stated he was the mayor of Glendale for six years and has experienced several types of redevelopment projects such as the Bayshore Town Center, multiple streetscapes, and the redesign of municipal signage. He stated he also understands Tax Incremental Districts.

Connolly stated she would recommend the RDA engage SVN. She stated that as part of the resolution, staff is recommending that the SSIP be relisted. She stated the terms are the same as they were when the RDA accepted the previous RFQ response.

Mr. Hintze stated he currently has two listings in Racine, the Porters site and the Merchants Moving site. He stated he is willing to work with the RDA any way he can.

In response to Adamski, Mr. Hintze stated that his partner Dawn Davis is also from

Milwaukee. He apologized for her absence.

Connolly suggested, if it works out, to work with SVN for the marketing of other RDA properties.

Discussion after the motion:

In response to Adamski, Mr. Hintze stated that signage would cost \$500-\$600 and the drone would be \$180.

A motion was made by Anderson, seconded by Jung, to adopt RDA Resolution 19-23 approving the request. The motion PASSED by a Voice Vote.

[0883-19](#)

Subject: Resolution 19-24 recommending the use of City Intergovernmental Shared Revenue Funds for economic development assistance to the Tannery at the Edge of the River Development and recommending approval of the incentive agreements, as proposed.

Attachments: [ABM - Tannery Incentive](#)
[Tannery Incentive Agreement](#)
[Resolution 19-24 Tannery Incentive](#)

Connolly explained the request. She stated that Inspired Development purchased and has begun renovating/deconstruction the building at 230 Sixth Street. She stated they have gutted the building completely. Connolly stated that the request before the RDA is a request for funds to help with the different phases of the project.

Connolly described the different phases of the project. She stated Phase I will consist of the construction of a total of 129 residential units which will occupy the former Gospel Lighthouse building and a new seven-level building at the corner of Sixth and Racine Streets. She stated Phase II would be located north of Phase I (and north of the Sixth Street Bridge) and will consist of 180 residential units in a new seven-level building. She stated Phase III will be located south of the Sixth Street Bridge and will be a combination of riverfront townhomes along with residential units within redeveloped existing structures.

Connolly explained that, currently, the transition main runs to the corner preventing any building from being built facing the street. She stated that the recommendation is that the funds be given to pay for the relocation of the main. She stated the cost is \$1.5 million and has already been included in the 2019 Capital Improvement Plan budget.

Connolly explained that staff is also requesting payment of any Residential Equivalent Connection (REC) Fee charges for water service to any and all phases of the project. She reminded the RDA that they already approved paying the REC for certain developments. Connolly stated the REC fees would come from the Intergovernmental Revenue Sharing Fund.

Connolly stated that the third request as part of the incentive is that the city waive building fees in an amount equal to \$2,000 for each \$million of investment up to a maximum waiver of \$60,000.

Connolly stated the final request as part of the incentive is that the city pay up to 50% of the costs associated with the relocation and undergrounding of We Energies electric

facilities that would not exceed \$400,000.

Connolly explained the parcel that is owned by Inspired Development. She stated that the request is also proposing to take a portion of the Water Street right-of-way (ROW) and take it to the river to square off the parcel so they are able to properly use the property, and a portion of 526 Marquette Street.

In response to DeMatthew's question about giving the developer land, Connolly stated that is what is being proposed. She stated that Inspired Development will provide an easement to the river so that the city can develop a public river walk. She stated that an easement will be provided for the Sixth Street Bridge for under the bridge, however, we do not yet have plans for that portion of the project. She stated there were buildings underneath the bridge that have since been demolished.

DeMatthew asked if it would help cut down the cost of burying the electrical lines since the sewer has to be dug up.

Connolly stated no, it does not.

Adamski asked about any concerns regarding contamination.

Connolly stated that the developer has conducted a Phase I. She stated they still need to work through the zoning approval process.

City Administrator Jim Palenick stated that when the city did a series of Tax Incremental District (TID) amendments, the property was removed from the TID so they will pay 100% property taxes. He stated we have a guarantee of \$2 million in Phase I that will produce about \$321,000 in taxes to the city.

Connolly stated that the total use of Intergovernmental Shared Revenue Funds would be about \$410,000 which would lead to \$20 million in private investment. She reviewed the criteria for use of Intergovernmental Shared Revenue Funds.

Jung stated he is inspired with the development and that it is fantastic to see river front development at this time. He described the current times as a Racinenaissance.

DeMatthew stated that this project would be a kickoff for the other riverfront projects. He stated that it ties in nicely and gives potential developers something to look at.

A motion was made by Jung, seconded by DeMatthew, to adopt RDA Resolution 19-24 approving the request. The motion PASSED by a Voice Vote.

[0884-19](#)

Subject: Resolution 19-25 approving the acceptance of Revolving Loan Fund Supplemental Grant funds in the amount of \$450,000.00 from the US Environmental Protection Agency.

Attachments: [ABM USEPA Supplemental Funding Award Acceptance](#)
[Resolution 19-25 Accept a USEPA supplemental grant for RLF](#)

Connolly described the request. She stated the funds would go into the Brownfield Revolving Loan Fund and be available in the pot of money to other developers. She stated that the @North Beach project was the first loan made out of the Revolving Loan Fund. She stated staff is asking for the resolution accepting the funds to be adopted.

A motion was made by Nicholson, seconded by Anderson, to adopt RDA Resolution 19-25 approving the request. The motion PASSED by a Voice Vote.

[0885-19](#)

Subject: Brownfields Update.

Connolly introduced Donna Volk and Abby Reichling from Ramboll Environ and Attorney Bill Scott. She stated that the Brownfield Team and the amount of work and economic development projects has been the best experience.

Atty. Scott stated that in late 2017, Connolly thought about putting a Brownfield Team together. He stated the Brownfield program is robust and fully functional. He stated they have been successful in securing grant funding and moving projects through the lifecycle.

Atty. Scott stated we have a large number of sites that are being dealt with that are at various stages of the process – from negotiation with buyers, Phase I, site cleanup, case closure, and pre-regulatory permitting negotiation. He stated we receive consistent and repeated success at obtaining grant money because we have shown a record of success.

Atty. Scott explained that the Brownfield Team is well organized and working diligently to eliminate blight and prepare brownfield sites for redevelopment.

Volk explained the priority areas that are currently being worked on – RootWorks, Racine Steel Castings, Downtown/Lakefront, Southside Industrial Park, and Uptown. She stated that the former Machinery Row site is approximately 33 acres and is ready for development.

Volk explained that the Wisconsin Department of Natural Resources (DNR) requires quarterly groundwater monitoring even with a very low level impact. The Former Machinery Row site is currently going through groundwater monitoring.

In response to DeMatthews, Volk stated the most that would be required for groundwater monitoring would be eight quarters, however, we are looking for less than that for the site.

Volk stated there is a \$500,000 cleanup grant through the USEPA that was awarded in June 2019 (that requires a 20 percent match) for pre-design evaluation, remedial action planning, and remediation of the Former Machinery Row and 615 Marquette Street sites.

Volk reviewed the progress at the Racine Steel Castings – North Lot site. She stated the north lot is approximately 2.2 acres and has the highest level of contamination. Volk explained the environmental issues with the site and stated that additional groundwater monitoring is planned to be conducted on a quarterly basis for the remainder of 2019.

Volk reviewed the Racine Steel Castings – South Lot site. She stated six additional groundwater monitoring wells were installed and that was covered with the EPA Site Assessment Grant. She stated there are low level metals present on the site and additional groundwater monitoring has been conducted in December 2018, March 2019, and June 2019.

Former UPEC Site – 1500 N. Memorial Drive.

Volk stated the site is located across the street from Racine Steel Castings and is approximately three acres. She stated the city received the site from the County and a Phase I was conducted on the site.

Harborside/@North Beach – 1129 Michigan Boulevard

Volk explained that we assisted with DNR closure on the site which was approved in August 2018 and that the developer's consultant has submitted plans relative capping - improving by installing a parking lot and a thicker soil cap. She stated groundbreaking is expected in September 2019.

USEPA Brownfields Grants

Volk explained the grants that have been awarded to the city and the RDA. She stated in regards to the EPA Grant, the goal is to spend \$200,000 prior to the next grant cycle so that we are able to apply for another grant.

In response to DeMatthew, Atty. Scott stated prefunding is due to funding cycle money received October 1st.

Volk stated that the EPA allows 90 days for pre-spending. She stated applications are usually made in December with approval being received in May or June and funding comes in on October 1st.

Volk gave updates on the following projects:

General Converters – 1325 16th Street. She stated a buyer is interested in the property. She stated it is tax delinquent and has some arsenic impacts on the soil and groundwater. She stated the County, Brownfields Team, and Racine County Economic Development Corporation have met with the potential buyer.

Connolly stated the property has been tax delinquent for at least 10 years.

DuMore Property – 1300 17th Street. Volk stated there is an interested prospective purchaser for the property. She stated that the site is eligible for the USEPA Assessment Grant and the plan is to conduct a Phase I on the property.

Former Horlick Complex Properties – Volk stated we are using some of the USEPA Assessment money (hazardous materials) to evaluate the property and to tell how to remediate the property in order to get case closure. She stated a Phase I was done prior to the purchase of the property. Volk explained that there is a small parcel on the site, 1500 Summit Avenue, which had one tank that was present. She stated the former owner is receiving case closure and there was a very low level of contamination.

In response to DeMatthew, Connolly stated that the project was awarded a federal housing tax credit for the 2100 Northwestern Avenue building. She stated no historic tax credits were received for the property.

Volk stated currently Phase II is being conducted on 1450 Summit Avenue.

Volk gave a list of additional sites within the city that are either happening on their own or do not require much attention right now – West Bluff Site, Former Ajax Site, 233

Lake Avenue, Merchant Moving Site, 1535 High Street, 1505 High Street, Junction Triangle Properties, and Gold Metal Lofts.

A motion was made by Jung, seconded by DeMatthew, to receive and file the update. The motion PASSED by a Voice Vote.

Adjournment

Prior to the adjournment of the meeting, Chairman Adamski and the RDA gave appreciation to and thanked Executive Director Connolly for all of her work with the RDA.

There being no further business, the meeting adjourned at 6:03 p.m.