



# City of Racine

City Hall  
730 Washington Ave.  
Racine, WI 53403  
[www.cityofracine.org](http://www.cityofracine.org)

## Meeting Minutes - Draft

### Standing Joint Review Board

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Wednesday, June 24, 2020

3:30 PM

Virtually

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#### Call To Order

*Mayor Mason called the meeting to order at 3:35 p.m.*

*Present – 5: James Palenick, Brian O’Connell, Cory Mason, Sharon Johnson, and Brian Nelson*

#### Approval of Minutes for the October 7, 2019 Meeting

**A motion was made by Palenick, seconded by Nelson, to approve the minutes of the October 7, 2019 meeting. The motion PASSED by a Voice Vote.**

#### Appointments (as needed)

##### a. Public Member

*Mayor Mason nominated Jim Palenick as public member.*

**A motion was made by O’Connell, seconded by Nelson, to elect Palenick as the public member. The motion PASSED by a Voice Vote.**

##### b. Chairperson

*Mayor Mason expressed interest in the Chairman position.*

**A motion was made by Palenick, seconded by Nelson, to elect Mayor Mason as the Chairman. The motion PASSED by a Voice Vote.**

#### Review of the responsibilities of the Joint Review Board

*Responsibilities of the Joint Review Board were briefly reviewed.*

#### [0358-20](#)

**Subject:** 2019 Fiscal Results of the City of Racine Tax Incremental Districts.

**Attachments:** [2019 TID Fiscal Reports](#)

*Kathleen Fischer, Assistant Finance Director, explained the request. She stated that under the TID law we are required to review fiscal results of each TID. Fischer stated there are 15 active TIDs in the City and the oldest two are to close in June 2020. She stated TID No. 2 was extended by the Common Council for a year to allow for housing programs. Fischer stated TID No. 9 is the most successful TID and it currently shares*

with TID No. 17, TID No. 21, and what will be discussed tonight, potentially TID No. 24. Fischer explained there were exciting developments underway within the city including the Ajax development – TID No. 19.

Detailed fiscal results are attached to this agenda item.

**A motion was made by O'Connell, seconded by Palenick, to receive and file the fiscal report. The motion PASSED by a Voice Vote.**

[0359-20](#)

**Subject:** Review and discussion of the proposed creation of Tax Incremental District No. 24.

**Attachments:**     [Racine TID No. 24 Project Plan Draft](#)

Todd Taves, Ehler's and Associates, reviewed the request. He explained the statutory criteria for creating a new TID and stated that the proposed TID will be an "in need of rehabilitation or conservation" district. He stated the proposed TID will assist in the rehab of the convention center. Taves reviewed the intended site and described its boundaries.

Matthew Sadowski, Manager of Planning and Redevelopment, provided a little more prospective on the site and showed the area of the proposed TID.

Taves explained that the project is proposed to occur in two different phases. Phase I of the project is expected to be completed by January 1, 2023. Taves explained the tax increment that would be generated.

Taves explained the costs and projects for Phase I. He stated the ongoing costs would be a pay as you go model.

Taves explained the projected cash flow for the proposed TID. He stated the cash flow projects that the district would be able to close in 2042, however the TID would have a maximum life of the year 2048.

Mayor Mason briefly explained the context of the project.

Palenick stated the developer has been doing a great deal of work on the site including conducting Phase I and Phase II environmental studies, geotechnical borings, design work, etc. He stated that staff feels good about the project.

Nelson asked if there were any amounts or dates of the project that have been modified due to the impact of COVID-19.

Palenick stated that they have not seen anything other than positive outcomes in relation to the pandemic, e.g. lower interest rates. He stated there is a potential that the developer may invest more money into the project.

Nelson asked if the timeline for the project remained the same.

Palenick responded yes, they are still hoping to start by October of this year.

**A motion was made by O'Connell, seconded by Johnson, to receive and introduce the request, allow the public comment period to begin, and postpone action for no earlier than two weeks. The motion PASSED by a Voice Vote.**

[0360-20](#)

**Subject:** Review and discussion of the proposed creation of Tax Incremental District No. 25.

**Attachments:** [Racine TID No. 25 Project Plan Draft](#)

*Sadowski provided an overview of the site for the proposed TID.*

*Taves stated that it is an "in need of rehabilitation or conservation" district. He stated that the project would move forward in two distinct phases – Phase I would include the redevelopment of 2100 and 2200 Northwestern Avenue and would be completed by January 1, 2022.*

*Taves explained that in Phase I there is a minimum value of \$10,700,000 and in Phase II an assumed additional value of \$40,000,000 created between 2023 and 2027. He stated the TID is a pay as you go.*

*Taves stated there is a transfer to the TID proposed from TID No. 14. The proposed TID No. 25 would have a projective closure in 2045. Taves showed the projected cash flow showing both the Phase I and Phase II anticipated increment.*

*Sadowski gave a brief presentation regarding the project itself.*

*Mayor Mason further explained the project within the proposed TID. He stated that there is an 18-acre campus made by the old malted milk plant. He stated it is a great set of historic buildings. Mayor Mason stated Phase I would include the first two buildings and Low Income Housing Tax Credit (LIHTC) was received for the project. Mayor Mason described the layout of the potential planning. He stated the developer of the project would like to rival the Pabst Building in Milwaukee.*

*Mayor Mason explained that the valuation for the property is low at this point given many of the buildings have been abandoned. He described the location of the project and stated it is close to the Lincoln King Neighborhood, the Wustum Museum, and the Racine Country Club. He stated the developer also did the Gold Metal Lofts.*

*O'Connell expressed his enthusiasm for the request. He stated as the former Director of City Development he has spent time working on a project for the site in one way or another. He stated that the project has the potential be like the Tannery or the Pabst projects in Milwaukee and he is very encouraged to see the project move forward.*

**A motion was made by O'Connell, seconded by Nelson, to receive and introduce the request, allow the public comment period to begin, and to postpone action on the item for no earlier than two weeks. The motion PASSED by a Voice Vote.**

[0361-20](#)

**Subject:** Review and discussion of the proposed amendment to the project plan for Tax Incremental District No. 9.

**Attachments:** [Racine TID No. 9 Project Plan Amendment Draft](#)

*Taves explained that the request for the amendment to TID No. 9 is complementary to TID No 24. He showed the cash flow as it currently stands and stated the TID amendment would transfer funds to TID No. 24 with a projected project closure in 2034.*

*Taves stated another element to the amendment of TID No. 9 is the subtraction of a*

*parcel. He stated the parcel to be removed is expected to be reconfigured and would cause TID No. 9 to not have a continuous boundary.*

**A motion was made by Palenick, seconded by O'Connell, to receive and introduce the request, allow the public comment period to begin, and to postpone action on the item for no earlier than two weeks. The motion PASSED by a Voice Vote.**

[0362-20](#)

**Subject:** Review and discussion of the proposed amendment to the project plan for Tax Incremental District No. 14.

**Attachments:**      [Racine TID No. 14 Project Plan Amendment Draft](#)

*Taves explained that the proposed amendment to TID No. 14 is to allow for funds to be transferred to TID No. 25. He stated that last year for sharing from TID No. 2 will come in the year 2022. He stated there would be a one-time transfer to TID No. 25 of \$3,150,000. He stated the closure of TID No. 14 is anticipated to be in 2028.*

**A motion was made by O'Connell, seconded by Nelson, to receive and introduce the request, allow the public comment period to begin, and postpone action on the item for no earlier than two weeks. The motion PASSED by a Voice Vote.**

**Next Meeting Date: July 9, 2020**

**Adjournment**

*There being no further business, the meeting adjourned at 4:13 p.m.*

**Due to the COVID-19 Pandemic, this meeting was held virtually via the following:**

**Phone: 1-844-992-4726    Access Code: 132 121 9135**