



Legislation Text

File #: Res.0025-17, **Version:** A

Alderman Shakoor

Economic Incentive for Renovation of Historic Property at 2219 Washington Avenue

WHEREAS, the Racine County Economic Development Corporation (RCEDC) has requested that the City of Racine provide financial assistance for Circa on Seventh, d.b.a Culinary Infusions, ("Culinary Infusions"), currently of 2219 Washington Avenue, in the Uptown Commercial District and Tax Increment District (TID) #19.

WHEREAS, Culinary Infusions plans to renovate the former Our Savior Lutheran Church and manse into an event space that would be used for weddings, corporate parties, and private parties, which property is listed in the National Register of Historic Places.

WHEREAS, Culinary Infusions plans to invest over \$1,800,000 in the property at 2219 Washington Avenue for a commercially taxable entity, which was previously used as a church facility and, therefore, non-taxable.

WHEREAS, Culinary Infusions intends to create seven new jobs with an average wage of \$16.82/hour as part of their development plan, which will be completed in calendar year 2017.

WHEREAS, Culinary Infusions requests an annual tax increment assistance of \$16,194 for five years for a total of \$80,971, which represents 50% of the total estimated tax increment of \$32,289 per year. The assistance requested is a gap incentive between the high cost of renovating the historic site and the resulting appraised value of the property.

WHEREAS, the requested tax increment incentive is consistent with the TID #19 Plan and will result in property being renovated and placed back on the tax rolls.

WHEREAS, the Redevelopment Authority supports the use of tax increment assistance from TID #19 for Culinary Infusions because their investment in the property is increasing the tax base of the City of Racine and reinvigorating an important property within the City.

AND WHEREAS, the Redevelopment Authority recommends that the financial assistance be based upon certain conditions;

RESOLVED, the use of tax increment assistance from TID #19 for Culinary Infusions because their investment in the property is approved.

FURTHER RESOLVED, such use of tax increment assistance is conditioned upon the following:

- Conventional financing for the facility be in place by March 1, 2017.

- Business be open with an occupancy permit no later than June 1, 2017.
- A minimum capital investment of \$1,800,000.
- The business continues to operate on the site for the full five-year agreement.
- A minimum of seven new, full time equivalent (FTE) jobs be created over a three-year period.
- Preference for City residents in the recruitment, screening and referral for FTE positions.
- 50% target for City residents in all FTE positions.
- Annual reporting to the City of Racine and RCEDC on FTE creation.
- All property taxes paid in a timely manner.
- Insurance requirements
- The property is not tax exempt and is fully taxable as a commercial property within the City of Racine.

FURTHER RESOLVED, City staff is directed to create a financial assistance agreement and the Mayor and City Clerk are authorized and directed to execute a financial assistance agreement with Culinary Infusions consistent with this Resolution.

Fiscal Note: Because the incentive is a “pay-as-you-go” incentive, the private taxable investment will be made before the incentive will be provided. Therefore, funds are projected to be available within TID #19 and continue to be available for the five-year period of the agreement.