

For Immediate Release
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City of Racine Receives \$1 Million State Grant for Machinery Row Redevelopment Project

WEDC's Idle Industrial Sites Redevelopment grant provides key assistance to project that revitalizes Root River corridor

MADISON, WI. April 1, 2015 – The City of Racine has been awarded a \$1 million grant from the state's Idle Industrial Sites Redevelopment Program, an initiative that helps help spur the redevelopment of abandoned properties throughout Wisconsin.

The grant, awarded by the Wisconsin Economic Development Corporation (WEDC), will be used to help fund a \$65 million project that calls for transforming 20 acres of idle industrial property along the Root River into a mixed-used development that will include commercial, retail and residential space.

The city and developer Financial District Properties Machinery Row LLC are planning the redevelopment of two large industrial buildings in Racine's Machinery Row district on Water Street—a project expected to revitalize the city's riverfront and create more than 100 jobs in the first phase and ultimately more than 500 jobs.

"This redevelopment has the potential to transform what is now a neglected area into a place where people can live, work, shop and dine along the scenic riverfront," said Reed Hall, secretary and CEO of WEDC, the state's lead economic development organization. "This is one of the most significant economic development projects in Racine's history, and WEDC is pleased to be able to provide support for this ambitious initiative."

"We are excited that the state and WEDC have the same vision as we do for the Machinery Row site," said Racine Mayor John Dickert. "The Idle Industrial Site grant will allow the project to move forward quickly and provide environmental remediation for the project. Thanks to the teamwork on this project we will begin the rebuilding of our riverfront for all of Racine to enjoy."

"We are grateful to WEDC and Governor Walker for awarding the City of Racine with these funds that are yet another step forward in our goal to create a catalytic project that will provide the people of Racine a lasting economic impact," said Jennifer Kakert, CFO of Financial District Properties Machinery Row.

"These funds will significantly help with remediating costly environmental contamination and cleanup," added Jim Bowman, the company's development director. "Without this state assistance, the costs to address existing



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environmental issues would prohibit our ability to attract the necessary capital to complete this very complex redevelopment project.”

WEDC’s Idle Industrial Sites Redevelopment Program, created in 2013, stimulates investment and job creation in idle, abandoned and underutilized manufacturing sites that cannot be solely redeveloped by the private sector due to their scale and complexity.

The competitive program offers grants of up to \$1 million to communities for the implementation of redevelopment plans for sites of 10 acres or more that have been idle, abandoned or underutilized for at least five years. The sites must have had at least 25 years of prior commercial or industrial usage to qualify.

The funds can be used for demolition, environmental remediation, or site-specific improvements defined in a redevelopment plan.

In this latest round of funding, the City of Oak Creek received \$1 million for the Drexel Town Square project and the City of Merrill received \$417,250 to help fund a \$1.4 million redevelopment project along the Wisconsin River. WEDC expects to award a total of \$3.4 million to municipalities in this round of funding, and more grant announcements will be made in coming weeks.

In addition to the grant, WEDC also is supporting the Machinery Row project by authorizing the developer to receive up to \$9 million in Historic Preservation Tax Credits for the project. The actual amount of tax credits is contingent upon how much the developer spends on rehabilitation work. The City of Racine is providing \$7 million in assistance for infrastructure needs on the site.

The Machinery Row project calls for redeveloping two buildings totaling 720,000 square feet on the former J.I. Case property at 900 and 820 Water Street that are more than 100 years old. The 440,000-square-foot building at 900 Water Street will be renovated into about 165 market-rate apartments with supportive commercial enterprises; the other building will house about 280,000 square feet of mixed use development. It also includes an urban grocery store with sufficient space for a farmers market and a recreation facility.

The Root River riverfront at Machinery Row will become a 3-acre public park, promenade and gathering space in a location that has not been fully accessible to the public for more than a century. The area also will be connected to existing and planned regional walking, biking and recreational trails.

About the Wisconsin Economic Development Corporation

The Wisconsin Economic Development Corporation (WEDC) leads economic development efforts for the state by advancing Wisconsin’s business climate. WEDC nurtures business growth and job creation by providing resources, technical support and financial assistance to companies, partners and communities in Wisconsin. Visit www.inwisconsin.com or follow WEDC on Twitter @_InWisconsin to learn more.