



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
Jen Adamski-Torres
Doug Nicholson
John Crimmings
Robert Anderson
Alderman Tracey Larrin
James DeMatthew

Thursday, December 7, 2017

6:00 PM

City Hall, Room 303

Call To Order

PRESENT: 4 - James Spangenberg, Jen Adamski-Torres, Doug Nicholson and James DeMatthew
EXCUSED: 3 - John Crimmings, Robert Anderson and Tracey Larrin

Approval of Minutes for the November 2nd, 2017 Meeting.

A motion was made by Adamski-Torres, seconded by DeMatthew, to approve the minutes of the November 2nd meeting. The motion **PASSED** by a voice vote.

[1170-17](#)

Subject: (Direct Referral) A request from Ron Christensen for review and approval of a White Box Program Grant for the property at 328 Main Street.

Attachments: [328 Main Street WB](#)

Chief Building Inspector Plaski stated the applicant, Ron Christensen, of 328 Main Street is requesting a White Box grant to renovate for a bakery. He then reviewed all of the quotes and stated the maximum grant amount Mr. Christensen is eligible for is \$20,000.00.

City Development Executive Director Conolly stated the White Box grant had already been approved by the Downtown Area Design Review (DADRC).

A motion was made by DeMatthew, seconded by Adamski-Torres, to approve the request for a White Box grant for up to \$20,000.00 for 328 Main Street. The motion **PASSED by a voice vote.**

[1171-17](#)

Subject: (Direct Referral) A request from Tom Bain for review and approval of additional bids for a White Box Program Grant for the property at 411 Main Street. (1059-17)

Attachments: [411 Main Street WB Estimates - Updated 11.27.17](#)
[411 Main Street - Additional Submissions](#)

Mr. Plaski stated this is a continuation from an item on last month's agenda, where Mr. Bain wanted to submit more quotes for ceiling and plumbing work. He stated the maximum grant amount Mr. Bain is eligible for is \$20,000.00.

DeMatthew asked what business was going in the location. Plaski told him EyeOpenerz was moving in there from across the street.

Nicholson asked if there were two bids for the ceiling work. Plaski stated yes, Postorino Decorating and Algiers Acoustics.

A motion was made by DeMatthew, seconded by Nicholson, to approve the request for a White Box grant for up to \$20,000.00 for 411 Main Street. The motion PASSED by a voice vote.

[1172-17](#)

Subject: (Direct Referral) A request from James Wasley and Pamela Schermer for review and approval of a White Box Program Grant for the property at 613 Sixth Street.

Attachments: [\(1172-17\) 613 Sixth Street WB Submittal](#)

Mrs. Connolly stated that the applicants will not be here as they have asked for a deferral until the January 4th, 2018 meeting.

A motion was made by Nicholson, seconded by Adamski-Torres, to approve the deferral request. Motion PASSED by a voice vote.

[1173-17](#)

Subject: Communication from the Redevelopment Authority in relation to Resolution 17-30 authorizing the acquisition of lands in the TID No. 18 in Downtown Racine, to include those properties previously referred to as "Machinery Row." (Res. 0419-17)

Recommendation of the Finance & Personnel Committee on

12.11.2017: To approve Resolution 17-30 authorizing the acquisition of lands in the TID No. 18 in Downtown Racine as presented.

Staff Recommendation on 12-19-17: That City of Racine adopt Resolution 0419-17, authorizing the acquisition of lands in TID No. 18 in Downtown Racine and permitting the assignment of notes and mortgages to the Redevelopment Authority of the City of Racine as presented.

Fiscal Note: N/A

Attachments: [CC RES - RDA LAND ACQUISITION 12 19 2017](#)

Connolly asked the RDA to recall the end of October when they gathered with the Common Council and the Committee of the Whole to discuss the properties formally known as the Machinery Row properties, that are now being called Water Street

redevelopment properties. It was at this meeting that a resolution was approved to direct staff to take action in acquiring the properties, and that the RDA be the body that owns the properties to redevelop the lands. She stated they will be using the TID 18 development plan to acquire the properties.

RDA Environmental Attorney William Scott summarized environmental liability and how it applies to this property. This property has been declared blight; therefore the RDA is exempt from environmental liability since it is RDA's intent to remediate said lands. The exemption also allows the RDA to defer the expense if the cost of remediation is too costly. He stated there is some environmental impairment present that is not too costly. He believes there are no "land mines," but since it's covered by many buildings larger, unknown issues may occur.

Mr. Scott stated it's preferred that the RDA acquires the property since they have an exemption from any severe contamination, if that occurs.

DeMatthew stated that if we don't go forward with purchasing the properties, they go into foreclosure and fall into public bid; then who is responsible for the property and the contamination then?

Mr. Scott stated the city would only fall victim if they became an owner, whoever buys it becomes responsible. He stated only the local government would have the exemption and that getting the property in the hands of the RDA expedites the redevelopment process.

DeMatthew asked about the taxes.

Deputy City Attorney, Nicole Larsen, stated there are taxes due on it now, and the city would pay those if owned before January 1st, 2018. As of January 1st, 2018 the property would become tax exempt because the RDA would own it at that time. Therefore, it would be beneficial to obtain the property before year-end.

Adamski-Torres asked the time frame if it were to go to sale. Scott stated it would at least a year.

Nicholson asked if there was any way to get money from Blackwell's group. Connolly stated that there was discussion and still a possibility of civil action. She stated it's in the RDA's best interest to acquire the property as soon as possible, as decided at the Committee of the Whole and RDA meeting in October.

A motion was made by DeMatthew, seconded by Nicholson, to approve RDA resolution 17-30. The motion PASSED by a voice vote.

[1174-17](#)

Subject: (Direct Referral) RDA Resolution 17-31 authorizing the RDA Executive Director to enter into arm's length negotiations for the purchase of property at 1230 Sixth Street (Gospel Lighthouse Pentecostal Church of God, Inc., Tax ID No.'s: 03578001 & 03578002) and clarifying the RDA's intent to not use condemnation or eminent domain.

Attachments: [Resolution 17-31 Purchase of 1230 Sixth Street Final](#)

Connolly stated she is asking permission from the RDA to enter into negotiations, through City of Racine staff representing the RDA, with the broker and owners of 1230 Sixth Street. She stated the reasons for considering purchase of the property are:

the property prominently lies in the RootWorks plan area, and there is development potential. She stated price has not been discussed, but they have an appraisal per City ordinance and have engaged in a relocation expert to determine potential relocation expenses.

DeMatthew asked who brought this property to us.

Connolly stated staff has known about the property for awhile, as it has been on the market for several years. They have been considering it for redevelopment along the Root River.

Connolly stated the RDA and the Common Council will have to approve the purchase before it is acquired and clarified the intent of the RDA or City of Racine to not use condemnation or eminent domain to acquire the property.

A motion was made by Nicholson, seconded by DeMatthew, to approve RDA resolution 17-31. The motion PASSED by a voice vote.

[1175-17](#)

Subject: (Direct Referral) RDA Resolution 17-32 authorizing the RDA Executive Director to negotiate a development agreement resulting in sale of the property at 1418, 1420, 1422 Washington Avenue to the Racine Revitalization Partnership (RRP), following the terms in the predevelopment/option agreement approved by RDA Resolution 17-19.

Attachments: [Resolution 17-32 Negotiate Development Agreement Sale of 1418 Washington Ave to RRP](#)

Ed Miller, Executive Director of Racine Revitalization Partnership, Inc. (RRP) gave the RDA a memorandum showing the amount RRP has spent and the findings on the property to date. He stated that lead and asbestos tests have been done, and they abated the asbestos found. He stated they have spent about \$23,000 out of pocket, which is less than anticipated so far. He stated they are very much looking forward to working on the rehab to get affordable apartments and two retail spaces on the market.

DeMatthew asked if they are market-rate apartments.

Miller stated they will be affordable, as they will be using some HOME funds through the city, and that affordable is very close to market-rate in the City of Racine.

Connolly stated they are really excited for this property and how valuable the partnership has been.

A motion was made by DeMatthew, seconded by Adamski-Torres, to approve RDA resolution 17-31 for properties at 1418-1422 Washington Avenue. The motion PASSED by a voice vote.

[1182-17](#)

Subject: Communication from the Executive Director submitting the claims of Patrick Fagan for consideration.

Attachments: [Agenda Briefing Memo - Fagan](#)

Deputy City Attorney Larsen presented RDA staff recommendations for the moving and storage expenses submitted by Patrick Fagan. She recommended partial denial of the

move claim, in the amount of \$581,223.95 for the reasons that the claim was unreasonable in that it uses prevailing wage rates which is not applicable and also that the claim was not substantiated. Larsen further recommended partial denial of storage expenses in the amount of \$6,500.00 for the reason that the actual amount recommended for payment covers 2 years of storage.

A motion was made by DeMatthew, seconded by Nicholson, to approve partial denial of the moving claims in the amount of \$581,223.95; and a partial denial of storage expenses in the amount of \$6,500.00. The motion PASSED by a voice vote.

[1183-17](#)

Subject: Communication from the Executive Director submitting the claims of Richard Olson for consideration.

Attachments: [Agenda Briefing Memo - Olson](#)

Deputy City Attorney Larsen presented RDA staff recommendations for the moving and storage expenses submitted by Richard Olson. Larsen recommended no action be taken on the first claim and partial denial of the second claim, in the amount of \$102,088.40 (claim #2), for the reason that the claim is unreasonable in that it uses prevailing wage rates which is not applicable. Larsen further recommended that the claims for \$12,182.09 (claim #3), \$280,000.00 (claim #4), \$181,579.00 (claim #5), and \$491,764.00 (claim #6) be denied in full due to the claims being submitted beyond the two years required by Wis. Stat. sec. 32.20, that some amounts are unreasonable in that they are based upon prevailing wage rates which is not applicable, that some expenses were never actually incurred, and that some claims were not substantiated.

She stated that if any new evidence is found on these claims she will bring it to the RDA for reconsideration.

A motion was made by DeMatthew, seconded by Adamski-Torres, to approve partial denial of claim #2 and full denial of claim numbers 3,4,5, and 6. The motion PASSED by a voice vote.

Report of the Executive Director

A. Center for Community Progress Report

Connolly stated the Center for Community Progress visit went well, and that she expects to see a report by the end of the week. She stated she will be bringing the report to the RDA, as she expects they will need money to implement the action plan.

B. City Capital Improvement Plan Implementation

Connolly stated the Common Council did approve the CIP, and that there are many top priority topics in the plan that will be staffs main focus going forward through intergovernmental groups.

C. White Box Program Update

Connolly stated that we have 12 White Box grants, with two under consideration this month, summing to 14 total. She stated that she feels this grant program has made a significant change in the building occupancies in the downtown area. She stated that

she will be coming back with changes to the program because staff has found that more time is needed for compliance. She recommended a year completion deadline due to the shortage of contractors.

D. RDA Commercial Brokerage RFQ

Connolly stated the RDA talked about them having their own commercial broker. She stated that they went out to RFQ last year with no responses. She stated that they are going to go out again and really connect with the commercial brokerage/real estate community this time.

E. Website and Marketing Update

Connolly stated that the website has been really well received. She stated Jeff Towne and Ben Lehner along with the City Development staff, continue to update and improve usage. She stated that we have RDA banner and posters for RDA properties.

Brownfield Properties Report

A. 1425 N. Memorial Drive (Racine Steel Castings)

Mr. Scott gave an update on the pilot test. He explained the issues of the sit and the remediation being done to enable future development. He stated the pilot test is being done to the area with the most most contamination, currently the North lot, to make the South lot easier to work on. He stated the Cool-Ox procedures currently being done on the North lot will leave water and Carbon Dioxide. He stated they are a little worried about the top layer freezing, but they have many ideas to keep the soil warm. He also stated that the Cool-Ox solution will stop working when frozen, but will still work for 90 days if it freezes and thaws. Connolly stated there will be a retest in February or March.

B. Harborside Property (Walker Site)

Connolly stated that this site has had much interest from developers lately. She stated the RDA has a Great Lakes Coastal Zone Management Grant that will allow application of green infrastructure to the site, within the next year.

RDA-Owned Property Report

A. 233 Lake Street (Hotel & Event Center)

Connolly stated the event center will not being going forward per the result of the Common Council meetin on December 5, 2017.

B. Southside Industrial Park

Connolly stated the RDA has begun talking with a potential purchaser. She stated that they have worked through some due diligence issues; there was a mix up of BRRTS numbers through the DNR. She stated this issue has been resolved and she will bring

this topic back in January.

C. 1520 and 1536 Clark Street (Ajax Property/Cardinal Capital)

Connolly stated Cardinal Capital continues to work with the RDA to work due diligence on the site and prepare the site for redevelopment. She stated they intend to come to the RDA in the spring with a development proposal and financial requests. She stated Cardinal Capital is making significant investments on progress.

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

a. Root River Dock Demolition Project

Connolly stated the dock demolitions were completed in October, and that we are happy with the look of it now.

b. West Bluff Stabilization Project

Connolly stated City Development, Parks, DPW, Engineering, and the consultants all met for a project kick-off meeting. The project is a study of the habitat and structures in the West Bluff area; she stated they want to replace the trees with deep rooted shrubbery to stabilize the streambank.

c. West Bluff Bike Trail Implementation Grant

Connolly stated they want to do a phase two from the Fund for Lake Michigan to extend the bike trail.

Administrative Business

DeMatthew stated the City of Racine had a visit from keynote speaker Roger Brooks, whom talked about 'Downtown Revitalization: 20 Ingredients for Outstanding Downtowns.' DeMatthew stated that Brooks presented ways of increasing the values of downtown, making it a more accessible walkable area, decreasing speed of traffic, and more outside cafes. He stated he is asking for permission to purchase of the programs Mr. Brooks provides to spur development downtown.

Connolly stated that DeMatthew is asking if the RDA can become a member of the Destination Development Association. She stated the programs offer training videos and a website with user access. She stated that their dues are \$360, but a decision does not need to be made right now.

DeMatthew stated that many other surrounding communities are interested in using this method as well. He also stated that the owner of Dewey's came up with an idea and is fundraising to put up a "Historic Downtown Racine" sign similar to the "Historic Third Ward" sign in Milwaukee.

Adjournment

A motion was made by Adamski-Torres, seconded by DeMatthew, to adjourn the meeting. The meeting adjourned at 7:50 p.m.