



# City of Racine

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

## Meeting Minutes - Final Redevelopment Authority of the City of Racine

*Chairman John Crimmings, Alderman James T. Spangenberg  
Cory Mason, Scott Terry, David Lange, Robert Ledvina, Pete Karas*

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Wednesday, December 2, 2009

4:00 PM

City Hall, Room 209

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### Call To Order

**PRESENT:** 5 - Pete Karas, John Crimmings, James T. Spangenberg, David Lange and Robert Ledvina

**ABSENT:** 1 - Scott Terry

**EXCUSED:** 1 - Cory Mason

### Others Present:

Brian F. O'Connell, Director of City Development

Jean Wolfgang, Associate Planner

Nicole F. Loop, Assistant City Attorney

Jenny Trick

Kristin Niemiec

Other members of the public

### Approval of Minutes for the November 12, 2009 Meeting.

A motion was made by Robert Ledvina, seconded by David Lange, to Approve the Minutes . The motion **PASSED** by a Voice Vote.

#### 09-4073

**Subject:** (Direct Referral) Communication from the Executive Director submitting design guidelines for development in the Southside Industrial Park.

**Recommendation of Redevelopment Authority on 12-2-09:** That the item be deferred.

*Director O'Connell indicated this is still being worked on.*

A motion was made by James T. Spangenberg, seconded by Pete Karas that this item be deferred. The motion **PASSED** by a Voice Vote.

#### 09-4083

**Subject:** (Direct Referral) Potential acquisition of currently unused industrial property.

**Recommendation of Redevelopment Authority on 12-2-09:** That the item be received and filed.

*Director O'Connell explained that this item was previously considered in closed session. As the subject property is 2301 S. Memorial Drive, this item has been superseded by item 09-4482 to be considered later on the agenda.*

A motion was made by Pete Karas, seconded by James T. Spangenberg, that this item be Received and Filed. The motion PASSED by a Voice Vote.

09-4158

**Subject:** Communication from Tom Tousis submitting a plan wishing to negotiate a one year plan for purchase of the property and developers contract on the southwestern corner of Washington Avenue and West Boulevard.

**Recommendation of Redevelopment Authority on 12-2-09:** That the item be deferred.

**Recommendation of the Redevelopment Authority on 12-14-09:** That pursuant to sec.16.1333(9)(d), Wisconsin Statutes, the Common Council approve the option granted by the Authority to Tom Tousis, doing business as Better Day Petroleum Company.

**Fiscal Note:** Terms and conditions of the option are described in the attachments to this item.

**Attachments:**      [TOUSIS](#)  
                                 [Tousis proposed option 120209](#)  
                                 [Tousis Resolution 09-30](#)

*Director O'Connell explained that City Development and City Attorney staff met with representatives of Mr. Tousis on November 18, 2009. Based on that meeting, a revised option agreement was expected. At the time staff recommendation to defer was prepared, no new paperwork had been received from Mr. Tousis. A revised option was received by City Development today at noon. Chairman Crimmings indicated that he would like to take this up at a special meeting as the staff can't review documents in the same day. Commissioner Karas asked how long it would take for staff to review. Chairman Crimmings thought a week would be adequate. Discussion about scheduling a special meeting took place.*

A motion was made by James T. Spangenberg, seconded by Robert Ledvina, that this item be deferred. The motion PASSED by a Voice Vote.

09-4482

**Subject:** Communication from the Director of City Development requesting authorization to enter into a development agreement with American Tire and Recycling Corporation. (Res.09-1770)

**Recommendation of the Finance & Personnel Committee on 12-07-09:** That the Mayor and City Clerk be authorized to enter into a development agreement with American Tire and Recycling Corporation with the understanding that Committee concerns regarding wage structure, benefit information, schedule on job creation, and an understanding that this will not be a salvage yard be addressed.

**Recommendation of Redevelopment Authority on 12-2-09:** That the proposed use of \$39,600 from the Intergovernmental Revenue

Sharing Fund meets the standards set forth in section 46-268 of the Municipal Code, and  
Further recommends that the Mayor and City Clerk be authorized to enter into an agreement with American Tire and Recycling Corporation.

**Fiscal Note:** Funds would come from the Intergovernmental Sewer Revenue Sharing fund.

**Attachments:**     [American Tire and Recycling request](#)

*Director O'Connell indicated that there have been briefings on this issue in closed session under a previous agenda item. American Tire has been working with RCEDC to locate in Racine. This company recycles tires into playground covering and fuel. Tires would be cut apart in a Racine location and shipped to Niagara, Wisconsin to do further shredding and recycling. American Tire identified 2301 S. Memorial as a perfect location. They forecast the creation of 88 jobs. The property is appropriately zoned. Staff has been working with American Tire. The property is for sale. Initially the city considered purchasing the property. Now a third party buyer has come forward to purchase the property and lease it to American Tire. During an 18-month period there is a need for a subsidy to lease a portion of the property until the company is able to expand into the remainder of the space. Before the Authority is proposed business development agreement. In this situation, the Authority is providing a recommendation to the Council regarding the use of Intergovernmental Sewer Revenue Sharing funds for the subsidy.*

*Ms. Jenny Trick from RCEDC indicated that there is a similar facility in New London, Wisconsin. The company will be putting the capital into equipment instead of into real estate. They have been successful in central Wisconsin and hope to capture some of the Chicago market.*

*Chairman Crimmings asked why the Authority is involved. Director O'Connell indicated that when the Sewer agreement was struck the funds were to be used for redevelopment and the review of the use of funds is to be done by the Redevelopment Authority. By ordinance, the Common Council shall consult with the Authority on the use of these Revenue funds. He explained that draft resolution 09-29 is a recommendation to the council.*

*Commissioner Karas asked about the environmental impact of the operation. Director O'Connell explained that the operation is the cutting of tire sidewalls from the treads. All work is to be done inside. There is no opportunity for tires to be stored on the outside. Commissioner Karas asked if there is waste. Director O'Connell indicated that there is not a waste product in the process. Commissioner Karas asked if the hires will be City residents. Director O'Connell indicated that it is addressed in the business development agreement and Racine residents will be given preference.*

*Chairman Crimmings indicated that he met the principals of the business and was impressed.*

*Mr. Wes Gable, 1624 Yout Street, Racine, asked Director O'Connell about contact information for American Tire and Recycling. Director O'Connell offered to provide specifics after the meeting.*

**A motion was made by James T. Spangenberg, seconded by Robert Ledvina, that Resolution 09-29 be Adopted. The motion PASSED by a Voice Vote.**

**Presentation from WHEDA**

*Kim Plache presented on New Market tax credits and other loan guarantee programs available to Racine.*

**Administrative Business**

**None**

**Meeting adjourned**