



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*

Wednesday, April 7, 2010

4:00 PM

City Hall, Room 205

Call To Order

PRESENT: 5 - Scott Terry, Pete Karas, John Crimmings, James T. Spangenberg and David Lange

ABSENT: 1 - Cory Mason

EXCUSED: 1 - Robert Ledvina

Approval of Minutes for the February 3, 2010 Meeting.

Commissioner Terry moved to add to the minutes regarding item 09-4387, "Staff was advised to implement these items including Emerging Business Enterprise and residents preference provisions in the next request for proposal excluding the scoring system." Motion to amend the minutes was seconded by Commissioner Lange.

Alderman Spangenberg moved to approve the minutes of the February meeting as amended, motion was seconded by Commissioner Terry. 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.

Attachments: [SSIP Design Guidelines DRAFT Jan09](#)
[RDA resolution 10-10](#)

Director O'Connell indicated that most industrial parks have guidelines on building materials, signs, and performance standards of the businesses. Staff is asking these guidelines be adopted and implemented by deed restriction.

A motion was made by Alderman Spangenberg, seconded by Commissioner Lange, that this to adopt resolution 10-10. The motion **PASSED** by a Voice Vote.

10-4655

Subject: Request by Karen Sorenson on behalf of Tom Tousis requesting an extension of deadlines for West Racine redevelopment project.

Attachments: [Tousis extension request](#)
[RDA Resolution 10-06 \(Tousis West Racine Option\)](#)

Director O'Connell explained that at the last meeting we were waiting for the option fee. Shortly after the February meeting, the fee was received. Now the schedule in the option needs amending. Also, since the February meeting, a concern about the total value of the project has come up. Staff suggests they take time to work with Tousis to bring the assessed value of the project to the amount needed for the Tax Incremental District.

Commissioner Karas had some questions about the values. He asked if just real estate tax or is personal property tax is included. Director O'Connell indicated that real estate, improvements, and personal property are all included. The \$2.8 million value is the estimated assessed value for real estate only, it does not include personal property. This amount also happens to be the same number first given by the architect as the value of just the building, which has caused confusion. Commissioner Karas asked if everything is included in the assessment. Director O'Connell indicated it included everything. Commissioner Karas asked if the \$5 million in assessed value needed is just for this parcel or does it include a larger part of the West Racine TID. Director O'Connell indicated there are more properties in the district, but the TID plan calls for \$5 million at this location. Commissioner Karas asked if this was deferred, what would happen to the entire timetable. Director O'Connell indicated that it will not change much since the value issue would have to be addressed in the development agreement. Commissioner Karas asked if there is a way to reach the TID goal without adding to the cost of this project. Director O'Connell explained that plan called for a total of \$10 million in increment, \$5 million at this location and \$5 million across the street where the old Piggly Wiggly was. This was proposed as a phased development and perhaps there could be discussions on how to develop the remainder of the property more quickly.

Alderman Spangenberg indicated that according to the finance department \$10 million is needed in total with \$5 million needed on each side of the street. Since we are behind on the plan there have been financing costs yearly and we need \$5.1 to \$5.5 million.

Chairman Crimmings asked for clarification if the south side of Washing needs to have \$5 million in tax base to pay for the cost of the acquisition. Director O'Connell stated the schedule was originally for 2006 and there has been an increase in debt service and holding costs so now more than \$5 million is needed.

Alderman Spangenberg added that the debt service is \$196,000 per year. He would like to see a grocery store or large restaurant to increase the value on the corner.

Commissioner Karas asked if there were no development, would the amount of value needed in the future increase the longer it is vacant. Director O'Connell indicated that the longer it is vacant the more costs that are incurred that would need to be covered. Chairman Crimmings suggested staff be allowed to see if they can work this out in the next month.

Alderman Wisneski spoke. There was a meeting held in West Racine by Tousis. There is a difference in opinion on value. They are at \$4.1 million and we are at \$2.8 million and that is the heart of the issue.

City Assessor, Ray Anderson, spoke. He said cost is not market value. There was a commercial land sale in 2009 for use as a comparable and he used that for the land value. He used the Marshall Swift estimator and got to a \$2.8 million on the high side. He suggested hiring a third party appraiser as a way of negotiating. Alderman McCarthy spoke and asked if the comps used were gas stations or if they included the restaurant and other elements of the project. Anderson indicated that he included

office and fast food. The upper level will be used for storage, not office, so the value is very generous. Alderman Spangenberg asked if they considered the Tousis station on the North side. Assessor Anderson indicated that an assessor had recently visited the property and it is being reviewed because Tousis thought it was too high at \$1.31 million.

Chairman Crimmings reiterated that staff recommendation is to defer so staff could work on the value issues with the developer. There needs to be a motion to defer until the May 5 meeting. Commissioner Karas asked if more detailed information can be given to commissioners such as the Marshal Swift worksheets and comparables being used. Chairman Crimmings indicated that there needs to be a change in development. Commissioner Karas wants to see the data in case the issue is still relevant next meeting. Staff was advised to get the valuation information to commissioners. Alderman McCarthy suggested the third party valuation may be appropriate. Chairman Crimmings indicated that this is a serious expense and staff should work with the developer to see if a compromise can be reached.

A motion was made by Commissioner Lange, seconded by Commissioner Terry, to defer this item for one month. The motion PASSED by a Voice Vote.

10-4961

Subject: (Direct Referral) Communication from Tom Tousis, Better Day Petroleum, wishing to discuss "Concerns about the condition of West Racine Redevelopment site (Washington Market Site) and liability issues resulting from recent discovery."

Attachments: [Tousis concerns](#)
[Tousis letter 04-06-10](#)

Karen Sorenson presented a letter to the commissioners. Mr. Williams wanted to speak regarding a Phase I Environmental Review mistake. Chairman Crimmings indicated that we won't discuss this without time to digest the material presented at the meeting. Alderman McCarthy suggested the commissioners defer the item but allow Mr. Williams to speak. Chairman Crimmings asked what the commissioners wished to do.

Commissioner Terry indicated that it is fair for them to make a presentation. Mr. Williams was allowed to speak.

Mr. Williams discussed the letter. He stated that a garbage dump was located at the North Shore Rain right-of-way and auto repair part of the post office use. He indicated that the property to the south was owned by Mr. Hinsman and had industrial waste issues.

A motion was made by Commissioner Karas, seconded by Commissioner Lange, to defer the item. The motion PASSED by a Voice Vote.

10-4796

Subject: (Direct Referral) Report by LF Green Development, LLC on the status of environmental remediation in Southside Industrial Park.

Attachments: [SSIP report](#)

Director O'Connell indicated that last month a communication was received by LF Green Development LLC that we are in the final stages of getting closure for the South Side Industrial Park. Wells are monitored quarterly and came back clean the first quarter.

A motion was made by Commissioner Karas, seconded by Alderman

Spangenberg, to receive and file the item. The motion **PASSED** by a Voice Vote.

10-4811

Subject: (Direct Referral) Request of the Executive Director to designate LF Green Development, LLC as environmental consultant for Southside Industrial Park.

Attachments: [LF Green Development request](#)

Linda Fellenz was working for Kapur and Associates when the environmental work began on the Southside Industrial Park. Since then Fellenz has gone out on her own as LF Green Development, LLC. She still has an affiliation with Kapur and Associates and will continue to manage the project as agreed upon.

A motion was made by Alderman Spangenberg, seconded by Commissioner Lange, to receive and file the item. The motion **PASSED** by a Voice Vote.

10-4812

Subject: Request of Racine Community Outpost for financial assistance for the Uptown area COP house.

Attachments: [Racine Community Outpost request](#)
[RDA resolution 10-11](#)

Director O'Connell explained that Community Outpost, Inc. is a non-profit that provides community policing offices. They found a property to purchase at 1900 16th St. using \$50,000 of the TID 16 funds. This office would serve the Uptown business area and surrounding neighborhood.

A motion was made by Commissioner Karas, seconded by Commissioner Lange, to adopt resolution 10-11. The motion **PASSED** by a Voice Vote.

10-4957

Subject: (Direct Referral) Request of the Executive Director for authorization to retain a relocation specialist for the State Street Neighborhood Initiative Project.

Attachments: [Racine scope](#)
[Resume Dettmann LLC.2010](#)
[Draheim qualifications](#)
[RDA resolution 10-12](#)

Director O'Connell explained that we had previously amended the redevelopment plan to include a tavern on State Street. Staff solicited bids from four relocation specialists around the state and received two proposals. The lowest qualified bidder was Dettman and Associates.

A motion was made by Alderman Spangenberg, seconded by Commissioner Ledvina, to adopt resolution 10-12. The motion **PASSED** by a Voice Vote.

Administrative Business

Resolution commending Robert Ledvina

Commissioner Ledvina has resigned for health reasons. Director O'Connell read a resolution honoring Robert Ledvina and his service to the Redevelopment Authority.

A motion was made by Alderman Spangenberg, seconded by Commissioner Terry, to adopt the resolution commended Commissioner Ledvina. The motion PASSED by a Voice Vote.

Chairman Crimmings announced his resignation after 20 years of service.

Adjournment

Meeting adjourned.