



City of Racine

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

Meeting Minutes - Final Redevelopment Authority of the City of Racine

Alderman James T. Spangenberg
Scott Terry
Pete Karas
David Lange
Doug Nicholson
Robert Anderson
Jim Chambers

Thursday, June 10, 2010

4:30 PM

City Hall, Room 306

Call To Order

PRESENT: 5 - Scott Terry, James T. Spangenberg, David Lange, Robert Anderson and Jim Chambers

EXCUSED: 2 - Pete Karas and Doug Nicholson

Others present: Brian O'Connell, Director of City Development
Jean Wolfgang, Associate Planner
Kristin Niemiec, RCEDC

Approval of Minutes for the May 12, 2010 Meeting.

A motion was made by Commissioner Anderson, seconded by Commissioner Terry, to approve the minutes from the May 12, 2010 meeting. The motion PASSED by a Voice Vote.

10-5228

Subject: (Direct Referral) Request of the Executive Director for authorization to issue a request for proposals for the redevelopment of 1418 Washington Avenue.

Attachments: [RFP.Draft3](#)

Director O'Connell referred to the staff recommendations and the draft RFP. The Authority acquired the property because it was in disrepair. The plan was to stabilize the building and refurbish the façade and sell it for redevelopment. The developer would complete the renovation. The proposal is to sell the building for \$1.00 and have an iron clad agreement for the building to be renovated in 12 months. The technique of "adopt-a-building" has not been done by the Authority before.

Commissioner Chambers asked to see the renderings. Ms. Niemiec presented the renderings. Commissioner Terry asked if there was flexibility with the façade. Director O'Connell indicated that there would be flexibility in addressing the storefronts on the first floor; the second floor façade work is already complete.

Commissioner Anderson asked if this would be an owner-occupied only or would it be redeveloped and sold again. Director O'Connell indicated staff will seek a

developer that will own the property. Commissioner Anderson asked about advertising. Director O'Connell indicated staff will advertise and market to the Art community nationally, to the local community as well as the region. Commissioner Anderson asked about environmental concerns. Director O'Connell indicated that lead and asbestos may be the only issues. The building takes up the entire site and there are no known past uses that would make soil issues likely.

Commissioner Chambers asked if it could be redeveloped and then sold. Director O'Connell indicated there would be a preference for the developer to own the property. Commissioner Chambers asked if this body would choose the developer. Director O'Connell indicated that they would. Commissioner Terry asked what would happen if the property was not rehabbed in 12 months. Director O'Connell indicated there would be a reversionary clause and the property would come back to the City.

Director O'Connell discussed an application fee. The fee of \$500 or \$1000 would be collected with the application, if the project is chose it would become the option fee. If the project was not chosen, the money would be returned to the applicant. Director O'Connell also introduced the use of the RFP form. He pointed out that the form asks for a plan to hire locally, in accordance with Racine First.

Commissioner Lange asked what the possible assessed value of this property would be after rehab. Director O'Connell indicated that he will consult with the City Assessor and report back to the Authority.

Director O'Connell reviewed some of the RDA policies listed in the application form. Staff will bring these policies to the Authority or formal adoption to apply to all future requests for proposals. The policies include rejecting any party that has delinquent real estate or personal property tax, has had a County of Racine tax foreclosure within the past 5 years, has an outstanding judgment with the City of Racine, has outstanding health or building code violations, has been convicted of a felony that causes a concern for the neighborhood stability or safety, and has outstanding offers or uncompleted performance or a RDA or City sale.

Commissioner Terry asked about the Racine First reference in the application, which he likes. Associate Planner Wolfgang explained that since the City has the Racine First program already in place, it makes the most sense to use the framework in place.

The application fee was further discussed and commissioners agreed that \$500 to \$1000 for this type of project is good. Larger projects may call for a larger fee.

A motion was made by Commissioner Lange, seconded by Commissioner Chambers, to adopt Resolution 10-17 authorizing staff to issue a request for proposals for 1418 Washington Avenue. The motion PASSED by a Voice Vote.

10-5229

Subject: (Direct Referral) Request of the Executive Director for authorization to retain professional services for valuation of equipment and fixtures at 1348 & 1423 State Street.

Attachments: [City of Racine, Cliff's, proposal.](#)
[1423 State St](#)

Associate Planner Wolfgang indicated that the RDA is acquiring property at 1348 State Street. As part of the relocation we need valuation of the fixtures, some of which the City may purchase from the owner and some of which may get moved, depending on the cost. This was the only response received. Director O'Connell

indicated we also own the Cruise Inn that has fixtures. To start the process of auctioning the fixtures off, value needs to be established. Staff will try to negotiate the price of the contract for the Cruise Inn down.

Commissioner Terry asked what the turnaround time would be, Associate Planner Wolfgang indicated ten (10) days.

A motion was made by Commissioner Lange, seconded by Commissioner Terry, to adopt resolution 10-18, allowing staff to enter into a contract for valuation services of fixtures. 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 \(Tousis West Racine Option\)](#)
[memo to RDA 060310](#)
[10-17 Tousis Amendment](#)

Director O'Connell referenced a memo updating the Authority on the West Racine Development Proposal by Tousis. The deadlines in the Tousis option have passed. There was a deficiency in value needed for the project and the TID. Staff met with the Tousis team twice and could not reach an agreement or get the value needed. Staff recommends we not renew the option, but return the \$5000 fee in good faith.

Commissioner Anderson asked if this is mutually agreed upon, Director O'Connell indicated it was.

A motion was made by Commissioner Anderson, seconded by Commissioner Lange, to adopt resolution 10-19, not renewing the Tousis option. 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](#)

Director O'Connell indicated that this refers to the Phase I that was done. Mr. Tousis thought that some known conditions were not identified in the Phase I. Industry standards for a Phase I review is to review documents about past use. Phase II analysis would include things such as soil sampling. The Phase I the Authority provided was adequate and soil testing may be part of a Phase II done by a developer. Traditionally, the seller provides a Phase I, and the buyer provides a Phase II for financing.

For this site there are questions about fill of an old railroad line. Chair Spangenberg pointed out that some portions of the site we know more about than others. We know about the subsurface conditions at the locations the City razed buildings.

Commissioner Terry asked what the obligation of the City is regarding the potential soil issues. Director O'Connell indicated that the legal obligation is being met with providing the Phase I. The moral obligation is to disclose the possible geotechnical

issues along the rail line. We can negotiate with future developers paying for the testing. Commissioner Chambers asked about providing a clear disclaimer. Director O'Connell indicated it would be more of a disclosure, not a disclaimer. The disclosure will have to be provided to future developers. Commissioner Chambers asked about the agenda item. Director O'Connell explained that this is a communication received by the Authority in April and the recommendation is to receive and file at this meeting, since the Authority did not act on it at the April meeting.

Director O'Connell proposed that an architect be retained to put a possible site plan together and see if the value needed for the TID can be obtained. This would also give the neighborhood a chance to give input again and would lead to another RFP. Chairman Spangenberg pointed out that the property has been tied up in options for 3 out of the past 4 years. Director O'Connell also indicated that the four quadrants of the site could be developed separately.

Commissioner Terry asked about the soil issues. Director O'Connell indicated the soil testing needs to occur at a time when there are building plans.

A motion was made by Commissioner Anderson, seconded by Commissioner Terry, to receive and file the item. The motion PASSED by a Voice Vote.

Schedule of future meetings.

There is a conflict with first Mondays of the month with other committee meetings and holidays. The meeting date would be the Monday prior to the first Common Council meeting. If that Monday is a holiday for City offices, the meeting shall be on Friday before the Common Council meeting. If that Monday is a holiday for City offices, the meeting shall be on Friday before the first Common Council meeting of that month. The time will still be 4:30 p.m. The future meeting dates will be:

*Friday, July 2, 2010
Monday, August 2, 2010
Friday, September 3, 2010
Monday, October 4, 2010
Monday, November 1, 2010
Monday, December 6, 2010*

Adjournment

Meeting adjourned.

If you are disabled and have accessibility needs or need information interpreted for you, please contact the Department of City Development at 636-9151 at least 48 hours prior to this meeting.