



City of Racine

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

Meeting Minutes - Revised 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, February 3, 2010

4:30 PM

City Hall, Room 205

Call To Order

PRESENT: 5 - Cory Mason, Scott Terry, John Crimmings, James T. Spangenberg and Robert Ledvina

ABSENT: 1 - Pete Karas

EXCUSED: 1 - David Lange

Others present: Brian O'Connell, Director of City Development
Jean Wolfgang, Associate Planner
Kristin Niemiec, RCEDC
Nicole Loop, Assistant City Attorney
Kandy Myers
Karen Sorenson

Approval of Minutes for the January 6, 2010 Meeting.

A motion was made by Alderman Spangenberg, seconded by Commissioner Ledvina, to approve the minutes of the January 6, 2010 meeting. 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](#)

Director O'Connell indicated staff is still working on this project.

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

09-4387

Subject: (Direct Referral) Communication from Commissioner Scott Terry regarding evaluation of development proposals.

Attachments: [Staff Report to the Redevelopment Authority of the City of Racine](#)
[Milwaukee Form](#)
[Past Racine RFP](#)

Associate Planner Wolfgang provided a staff report comparing the request for proposal from a variety of communities. The major items that could be added to what

Racine has been doing includes collecting \$1,000 earnest money with submittals, using a form to ensure the same information is gathered from each developer, and a scoring system. There was discussion on each of the items. 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.

A motion was made by Alderman Spangenberg, seconded by Commissioner Terry, that this item be received and filed. 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 a special meeting in December, an option was approved, but not fully executed as the option fee was not paid by Mr. Tousis. Karen Sorenson spoke on behalf of Mr. Tousis. She indicated that she is waiting for a survey and has just deposited \$5,000 to Landmark Title. Chairman Crimmings indicated that the option does not state a title company would hold the funds, it says it is to be paid to the City.

Attorney Loop read paragraph 9 of the contract that states the fee is to be paid to buyer within five days of the documents being signed. There is no language that references payment being made to Landmark Title. The money was to be paid to the City. Also, the City has not received proof of payment and is first hearing about this at this meeting. Attorney Loop stated that this option has not been activated and there is no option to extend.

Alderman Spangenberg stated that the developer's claim that he was unaware of storm sewer pipes on the property does not justify his failure to proceed. When a developer puts together development there should be an engineer and architect on the team to figure these things out. Alderman Spangenberg moved to receive and file. The motion failed for lack of a second.

Commissioner Terry asked Ms. Sorenson what the discussion was in regards to the \$5000 fee. Chairman Crimmings interjected and said that the whole point of the option was to hold the land and do further study. If the money was not paid, there is no option. The developer signed the agreement and the contract is to pay the money to the City. Mr. Tousis should not have signed the document if he did not agree to it.

Attorney Loop indicated that the option does not exist and cannot be extended. She believes Mr. Tousis has shown no intent to comply with the option. Chairman Crimmings pointed out that the Authority set a precedent on State Street. Also, once before Mr. Tousis had an option with the Authority and did not pay the option fee for 1130 Washington Avenue. Chairman Crimmings also pointed out that an option is non-refundable and is the cost to hold the property, different from earnest money. Commissioner Terry asked Ms. Sorenson if this was understood. Ms. Sorenson indicated that without the survey, Mr. Tousis does not want to pay the funds.

Attorney Loop asked Ms. Sorenson where the survey contingency is in the option agreement. There is none. She pointed out that the option fee is step one and the survey is a separate issue.

Commissioner Mason asked staff to review the timeline. He said it seems this is the fifth time we discussed this and wondered what is different? Chairman Crimmings indicated nothing is different. We have an option agreement that has not been fulfilled because the fee has not been paid. Commissioner Mason asked if this item were received and filed, would the option become null and void. Chairman Crimmings indicated that the option is null and void now. The developer did not fulfill his obligations. Attorney Loop explained that under basic contract law, you need acceptance and consideration to have a contract.

Commissioner Lange asked when the money was due. Attorney Loop replied that it was due January 11, 2010. If parties agree to have payment made by Friday, the option could survive. The problem is that Mr. Tousis has not agreed to make the payment verbally.

Director O'Connell stated that staff has struggled with this. Legally, we do not have an option. Allowing them to pay and then looking at new deadlines would basically be a new option. Mr. Tousis could have moved forward with his plans understanding that changes may be needed during process.

Commissioner Mason asked what the opinion of the City would be on this. Director O'Connell indicated that the Authority makes the decision on this matter. Attorney Loop serves as counsel to both the City and the Authority.

A motion was made by Commissioner Mason, seconded by Commissioner Terry, that if the option fee of \$5000.00 is received by the Executive Director in Room 102, City Hall, 730 Washington Avenue, Racine, Wisconsin on or before 4:30 p.m., Monday, February 8, 2010, the Authority will consider an option with Tom Tousis (d.b.a. Better Day Petroleum) identical to the option approved by resolution 09-30 of December 14, 2009, except for an extension of the deadlines in Addendum A, Section 8 "Application Schedule."

Spangenberg indicated that he doesn't think the money will show up. This should be received and filed because there is no option. Spangenberg made a motion to amend Mason's motion to Friday, February 5, 2010. The motion was seconded by Ledvina. Motion to amend failed.

The original motion by Mason PASSED by a 3-2 Vote.

[10-4667](#)

Subject: (Direct Referral) Request of the Executive Director to enter into a professional services contract with ARC Architectural Group for design services related to 1526 Washington Avenue.

Attachments: [ARC Architectural request](#)
[RDA Resolution 10-07 \(ARC Architectural 1526 Washington Avenue\)](#)

Director O'Connell explained this is the New Day building. The Authority has rehabbed the building to a point that it is an empty box and is waiting for potential users. Director O'Connell requests a contract with ARC for \$6,800 to develop plans for a build out.

A motion was made by Alderman Spangenberg, seconded by Commissioner Ledvina, to approve resolution 10-07. The motion PASSED by a Voice Vote.

[10-4668](#)

Subject: (Direct Referral) Request of the Executive Director to enter into an agreement with the Racine Arts Council for an Art site installation at 1526 Washington Avenue.

Attachments: [Racine Arts Council request](#)
[RDA Resolution 10-08 \(Racine Arts Council 1526 Washington\)](#)

Director O'Connell explained that in the downtown area, you have seen art installations in vacant store fronts. Racine Arts Council coordinates this project. An art installation at 1526 Washington Avenue would liven up the storefront. There is need for a backdrop, which is estimated at \$1,500.

A motion was made by Alderman Spangenberg, seconded by Commissioner Mason, that to approve resolution 10-01. The motion PASSED by a Voice Vote.

[10-4677](#)

Subject: Communication from Racine Urban Garden Network requesting use of 734 S. Marquette Street for a community garden.

Attachments: [2010-01-17 ltr City re garden site](#)
[Application Site Plan](#)
[RUGN Steering Committee](#)
[RDA Resolution 10-09 \(RUGN 734 S. Marquette St.\)](#)
[RUGN letters of support](#)

There was a request by Racine Urban Garden Network (RUGN) for a community garden at 734 S. Marquette St. Director O'Connell indicated that staff is impressed with the presentation of this group. This is a location that is not likely to be developed in the near future. Kandy Meyers gave a power point presentation on community gardens and the plans for 734 S. Marquette St. Director O'Connell indicated that staff has made RUGN aware of the site conditions and staff is confident this will work. This is similar to the farmers' market in West Racine using that property on an interim basis. Staff suggests a five-year commitment. We can assess the market for the site in five years and decide what to do at that point. Commissioner Mason asked if the contract would come back to the Authority. Director O'Connell indicated only if there were major changes. Commissioner Terry is concerned that this will be hard to undo or to kick them out. Director O'Connell expressed he has had some of the same concerns, as this agreement comes up for renewal they can contact us for an extension. Staff has been upfront with the fact this is for five years and if the market picks up, the site will be developed. RUGN has a sense for scale and are not overinvesting in the site.

Commissioner Mason asked if the conditional use review will address soil conditions. Director O'Connell indicated that the first thing done will be the soil tests.

A motion was made by Alderman Spangenberg, seconded by Commissioner Mason, to adopt resolution 10-09. The motion PASSED by a Voice Vote.

Administrative Business

[10-4712](#)

Subject: Discussion of report by Artspace Projects, Inc., regarding the Uptown artist relocation project.

Attachments: [racineartspacefinalreport](#)

Director O'Connell explained that Artspace is a national consultant that has reviewed the redevelopment initiatives in Uptown and the artist relocation program. The report indicates that they were impressed with the art community in Racine and the report recommends we stay the course. There is a market niche for the arts in Uptown. Chairman Crimmings complimented the report.

A motion was made by Commissioner Mason, seconded by Commissioner Terry, that this be received and filed. The motion PASSED by a Voice Vote.

Adjournment

There being no further business before the Authority, Chairman Crimmings adjourned the meeting.