



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, September 2, 2009

4:00 PM

City Hall, Room 209

Call To Order

PRESENT: 7 - Cory Mason, Scott Terry, Pete Karas, John Crimmings, James T. Spangenberg, David Lange and Robert Ledvina

Others present: Director Brian O'Connell, Mayor John Dickert, Alderman Q.A. Shakoor II, Alderman Michael Shields, Associate Planner Jean Wolfgang, Nicole Loop, Brent Oglesby, Richard Christensen, and Albert Gardener.

Approval of Minutes for the July 1, 2009 Meeting.

A motion was made by Alderman Spangenberg, seconded by Commissioner Lange, to approve the minutes of the July 1, 2009 meeting. The motion **PASSED** by a voice vote.

4:00 P.M. PUBLIC HEARING 4:00 P.M.

[09-4067](#)

Subject: (Direct Referral) Proposal to amend the Redevelopment Plan for State Street Corridor Redevelopment Area Number 4.

Recommendation of the Redevelopment Authority on 9-2-09: That the Council approve the boundary amendment as proposed for State Street Corridor Redevelopment Plan Number 4.

Fiscal Note: N/A

Attachments:

[Affidavit RDA Amendment State Street Corridor](#)

[State Street Corridor PH Notice](#)

[State Street Civic Association Communication \(2004\)](#)

[Redevelopment Plan State Street Corridor \(4\)](#)

[Redevelopment Plan Amendment State Street Corridor \(4\)](#)

[RDA Resolution 09-13 \(State Street Corridor #4\)](#)

Chairman Crimmings opened the public hearing at 4:03 p.m., referenced the notice of the hearing that was published and described the procedure for affected property owners to object officially to the proposed redevelopment plan amendment.

Director O'Connell indicated that the proposed amendment changes the boundaries of State Street Corridor Redevelopment Area #4. In the process of investigating the

razing of the two buildings owned by the Authority, 1350 and 1354 State Street, issues with the party wall that is shared with 1348 State Street were discovered, necessitating the acquisition and demolition of that building also. The resulting vacant land will be a redevelopment opportunity.

Jim Eastman, president of Merchants Moving, 1215 State Street, spoke in support. He had written a letter in 2004 along with the State Street Civic Association requesting the Authority address this block by acquiring property and razing it. There has been a federal grant and this action will allow the use of these funds to accomplish razing the buildings. This is a vital part of improving the State Street neighborhood.

There were no other public comments.

Public hearing closed.

A motion was made by Alderman Spangenberg, seconded by Cory Mason, to adopt resolution 09-13 amending the boundary to the State Street Corridor Redevelopment Plan Number 4.

Commissioner Terry asked why the entire 1300 block was not included. Director O'Connell noted that the other properties were in better condition.

The motion PASSED by a voice vote.

It was not yet 4:30 p.m., so the Authority continued on with the remainder of the agenda and took up the second public hearing at 4:30 p.m.

09-4069

Subject: Item 29 of 5-18-04 being a communication from representatives of the State Street Civic Association, Inc., wishing to discuss the City's interest in the State Street Corridor.

Director O'Connell indicated that this is the same communication that Mr. Eastman referred to. The appropriate action is to receive and file.

A motion was made by Commissioner Karas, seconded by Alderman Spangenberg, that this item be received and filed. The motion PASSED by a voice vote.

09-4070

Subject: (Direct Referral) Request of Charles Kent for a commercial façade grant for 726 Yout Street.

Director O'Connell indicated that a major repair came up within the past few days and the applicant will re-apply in spring when he has the money available again.

A motion was made by Commissioner Terry, seconded by Alderman Spangenberg, that this item be received and filed. The motion PASSED by a voice vote.

09-4071

Subject: (Direct Referral) Request of the Director of City Development for funding from the Intergovernmental Revenue Sharing Fund to continue the Commercial Façade Grant Program.

Recommendation of the Redevelopment Authority on 9-2-09:

That the Council approve \$100,000 in additional funding for the Commercial Façade Grant Program from the Intergovernmental Revenue Sharing Fund.

Fiscal Note: The funds are available in the Intergovernmental Revenue Sharing Fund.

Attachments: [RDA Resolution 09-15 \(Façade Grant Program\)](#)

Director O'Connell indicated that the Authority advises the council on the use of these monies.

Principal Planner Matt Sadowski described the program and reviewed before and after pictures. At this time the fund only has \$14,830 of uncommitted money and staff recommends that the fund be refreshed. The fund was last refreshed in 2006.

A motion was made by Commissioner Mason, seconded by Alderman Spangenberg, to adopt resolution 09-15, approving \$100,000 in additional funding from the Intergovernmental Revenue Sharing Fund for the Commercial Façade Grant program. The motion PASSED by a voice vote.

09-4072

Subject: (Direct Referral) Communication from the Executive Director submitting change order number one to contract for façade restoration on 1418 Washington Avenue, Bane-Nelson, contractor.

Attachments: [RDA Resolution 09-16 \(1418 Washington Avenue façade contract\)](#)

Director O'Connell indicated this property was acquired by the Authority and the proposed façade work was essential to preserve the integrity of the building. Bane-Nelson was the low responsible bidder and awarded the contract. When the work was bid out, the specifications required the bids to address replacement of the first floor piers, which are currently flagstone with cream colored brick as an alternate improvement at the Authority's choice. Director O'Connell said the work was desirable and funding was available.

A motion was made by Commissioner Mason, seconded by Commissioner Lange, to adopt resolution 09-16, approving change order number one for the façade restoration of 1418 Washington Avenue for up to \$10,800. 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.

Director O'Connell indicated this item was not ready and should be deferred.

A motion was made by Alderman Spangenberg, seconded by Commissioner Karas, to defer this item. The motion PASSED by a voice vote.

09-4074

Subject: (Direct Referral) Request of the Executive Director that the Authority, as successor to O&L Real Estate, LLC, assign its interests in the 900 Building condominium to 900 Building, LLC.

Attachments: [RDA Resolution 09-17 \(900 Building, LLC\)](#)

Director O'Connell indicated that the Authority acquired property at 1750 Phillips

Avenue from O&L Real Estate, LLC. As part of the transaction, the Authority acquired the LLC and dissolved it. Just prior to the acquisition, the LLC created a condominium at what is now the HALO Shelter. This approval will transfer any residual, limited interest the LLC had in the condominium to the Condominium Association.

A motion was made by Commissioner Karas, seconded by Commissioner Ledvina, to adopt resolution 09-17 authorizing the execution of documents that the Authority, as successor to O&L Real Estate, LLC. assign its interests in the 900 Building condominium to 900 Building, LLC. The motion PASSED by a voice vote.

09-4081

Subject: Contract for forestry maintenance at 1014 Martin Luther King Drive.

Attachments: [BID 1014 MLK Jr. Drive Forestry Maintenance](#)
[RDA Resolution 09-18 \(1014 MLK Jr. Dr. Forestry Maintenance\)](#)

Director O'Connell indicated that some of the trees at the location need to be removed or trimmed.

A motion was made by Alderman Spangenberg, seconded by Commissioner Lange, to adopt resolution 09-18 authorizing a contract to the low qualified bidder for tree service at 1014 Martin Luther King Jr. Drive in the amount of \$3,600. The motion PASSED by a voice vote.

4:30 P.M. PUBLIC HEARING 4:30 P.M.

09-4068

Subject: (Direct Referral) Request of Dewy Rose Capital Ventures to acquire 1321 State Street from the Redevelopment Authority.

Attachments: [DRCV Option Extension Request](#)

Chairman Crimmings opened the public hearing and referenced the hearing notice that was published for the item.

Director O'Connell introduced the property on the corner of State and Silver Streets. He reminded the Commissioners that, about two years ago, the Authority approved a proposal by the Dorsey Group for the Corrine Owens Square project. The Authority has received a communication from Brent Oglesby asking to take over the project and requesting an 18-month option.

Mr. Oglesby spoke regarding the project. He passed out a packet of renderings that were the same as the ones the Dorsey Group previously submitted. In September of last year, Mr. Oglesby began working with Dorsey regarding a partnership, which eventually led to Oglesby taking the project over from Dorsey. Mr. Oglesby met with Director O'Connell back in April. The project would be a mixed-income approach, not low-income housing as Dorsey had planned on doing, and would have 24 town home units. There will also be a mix of commercial and retail space. He would like to incorporate green concepts such as a green roof and a geo-thermal HVAC system.

Herb Katt, 223 Four Mile Road, spoke in support of Mr. Oglesby and the proposed project. He is a member of the State Street Civic Association and his business has been in the neighborhood since 1990 and he sees positive improvements.

Al Gardner, 1941 Brougham Lane, spoke in support. He supports having a local

developer and feels the City should again support this project.

Alderman Michael Shields, 1850 Thirteenth Street, president of the NAACP local chapter, spoke in support of the project. He indicated that this project would honor the civil rights movement.

Seyoum Mengesha, 3720 North Bay Drive, spoke in support of the project. He provided a positive character reference for Mr. Oglesby. He would like to see Oglesby get the full 18-months requested.

Craig Oliver, 2521 Arlington Avenue, spoke in support of the project. Building this project would honor Ms. Owens.

Ola Baiyewu, First Choice Apprenticeship program, 1124 Marquette Street, spoke in support. He has worked with Oglesby for the past five years and thinks he is a good fit for this project.

Pastor Charlene B. Mills, spoke in support. Ms. Owens attends her church.

Phillip Hill, 2830 Winthrop Avenue spoke in support. Mr. Hill is a business owner that was assisted by Mr. Oglesby in starting his business. This project would be a great opportunity for minority-owned businesses. The Corrine Owens vision is a part of this project.

Richard Christensen, 546 State Street, spoke in support of the project. He supports Oglesby's vision for the project.

Alderman Q.A. Shakoor II spoke in support. This will enhance and approve the quality of life. He is inspired by Corrine Owens as are so many people in Racine. This city should honor Ms. Owens with this project.

Jim Eastman, 1215 State Street spoke in support of this project. In 2007 there were two projects presented to the Authority. At that time the possibility of having the same developer work at the 1014 Dr. Martin Luther King, Jr. Drive was also discussed. He would like to see even more improvements undertaken by the City in this neighborhood. The association wants something that Ms. Owens will be proud of. KRM will have a profound affect on this development. He would like more details of the project and how it would fit in with the neighborhood.

Chairman Crimmings closed the public hearing.

Director O'Connell explained that typically we would have a staff recommendation. Staff has two alternates. The first is that since the Authority has endorsed this project before, it would be continuing with the same project, but a new developer. Another view is that the relationship with the past developer is over, economic conditions have changed, and the Authority should wait until more is known about the economy and the possible KRM commuter rail service, then at that time issue a request for proposals.

Commissioner Karas moved to adopt resolution 09-14 authorizing staff to enter into an option agreement with Dewy Rose Capital Ventures LLC for 1321 State Street. Motion was seconded by Commissioner Lange.

Chairman Crimmings asked if an option exists. Director O'Connell explained that Mr. Dorsey focused on obtaining the tax credits and never executed an option agreement. Nor was the option fee paid to the Authority. There is no option

agreement for 1321 State Street.

Extensive discussion followed.

Mr. Oglesby addressed the Authority again. The renderings handed out are the proposal, he said. Working with City staff, the project may be changed. He will be flexible. As far as his background, this will be his first solo development. He has worked for developers and worked on completed projects, but no developer can get financing without control of the land. He also focused on business development. He can provide a resume to the Authority.

Commissioner Mason asked what the current status of the project is. Director O'Connell indicated that the Authority is not actively seeking development. Cory Mason asked what obligation is involved with the option. Director O'Connell explained that if there is a significant deviation from what was proposed, the project would come back to the Authority. Otherwise, the developer would continue to get approvals, obtain financing, and make more concrete plans until a development agreement was reached. Commissioner Mason voiced his concern about the lack of details. We see the KRM plans change weekly in Madison; things could be different in the next 18 months versus the past two years, he said. He is not prepared to make a decision today. He would like to defer the item so more questions could be answered.

Chairman Crimmings asked if the Authority is required to go for another request for proposals. Director O'Connell answered that the Authority can act on an unsolicited proposal. Another developer could have come forward during the period following publication of the hearing notice. Chairman Crimmings restated there is no option currently and we don't have to act on this today.

Commissioner Mason clarified that future consideration can include doing another RFP for this project. Director O'Connell concurred.

A roll call vote was taken: Ayes: 2 - Karas, Terry. Noes: 5 - Ledvina, Lange, Mason Spangenberg, Crimmings. Motion failed.

A motion was made by Commissioner Mason to defer this item, seconded by Commissioner Terry. Commissioner Ledvina asked the objective of bringing this to the next meeting. Commissioner Mason indicated he would like more detail from Mr. Oglesby. He would like KRM and non-KRM approaches to be presented. Commissioner Terry asked if by doing this we were opening ourselves up to receive additional proposals. Director O'Connell indicated that we would, but City Development has not been contacted by anyone else. Discussion occurred regarding consistency.

Motion carried by a voice vote with Commissioner Terry voting No.

END OF PUBLIC HEARINGS

Meeting recessed to be reconvened in Room 301.

Meeting reconvened with all members present except Commissioner Karas.

CLOSED SESSION

Chairman Crimmings stated, "It is intended that the Authority will convene in closed session pursuant to Section 19.85 (1) (e), Wisconsin Statutes, to deliberate concerning the possible acquisition of property which for competitive of bargaining reasons requires a closed session. The Authority will reconvene in open session to announce its decision on this matter and continue other business before the Authority."

A motion was made by Commissioner Lange, seconded by Commissioner Ledvina, to go into closed session. The motion PASSED by a roll call vote.

AYES: 6 - Cory Mason, Scott Terry, John Crimmings, James T. Spangenberg, David Lange and Robert Ledvina

EXCUSED: 1 - Pete Karas

[09-4083](#)

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

OPEN SESSION

A motion was made by Commissioner Lange, seconded by Commissioner Ledvina, to go into open session. The motion PASSED by a roll call vote.

AYES: 6 - Cory Mason, Scott Terry, John Crimmings, James T. Spangenberg, David Lange and Robert Ledvina

EXCUSED: 1 - Pete Karas

Status report on ongoing redevelopment projects:

Director O'Connell gave the following updates:

1130 Washington Avenue

The Authority had approved giving a 90-day option to Abdo Markethouse. Abdo Markethouse has not executed any documents nor taken any action toward doing so. The 90-day period expires on September 13th. At the next meeting we will discuss whether to do another request for proposals.

State Street Corridor

The street re-construction has begun. Streetscape improvements will be a part of that project.

Uptown Properties

We will have a walking tour of the properties. The department's secretary will contact the Commissioners for available dates.

1501 West and 1500 May Streets

Habitat for Humanity was interested in these properties. They lack utilities and Habitat lost some funding due to the proximity to the railroad tracks. The properties will not be sold to Habitat for Humanity.

Administrative Business

None.

Adjournment

A motion was made by Commissioner Terry to adjourn the meeting, seconded by Commissioner Ledvina. Motion carried.