



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, October 7, 2009

4:00 PM

City Hall, Room 205

Call To Order

PRESENT: 6 - Scott Terry, Pete Karas, John Crimmings, James T. Spangenberg, David Lange and Robert Ledvina

EXCUSED: 1 - Cory Mason

Cory Mason was present by phone from 4:15 p.m. to 5:30 p.m. and did not vote.

*Others present: Brian F. O'Connell, Director of City Development
Jean Wolfgang, Associate Planner*

Approval of Minutes for the September 2, 2009 Meeting.

A motion was made by Alderman Spangenberg, seconded by Robert Ledvina, to approve the minutes of the September 2, 2009 meeting. Brian O'Connell indicated that Pete Karas was not in closed session and the minutes shall be revised to reflect this change. The motion PASSED by a Voice Vote.

[09-4231](#)

Subject: Approval of a Term Sheet for the sale of land in the Southside Industrial Park.

Director O'Connell explained that before the Authority is a proposal for the warehouse and distribution center at the Southside Industrial Park. Jenny Trick from RCEDC indicated that Jerry Bloom, owner of Treasures Media, chose the Southside Industrial Park for his company. Mr. Bloom began a small retail bookstore in 2002. They have been in Racine in the Badger Plaza on Durand Avenue for a few years. Treasures Media has 50,000 square feet and they are in need of more space. Treasures has gone from a retail business to a distribution business. They propose an 80,000 square-foot distribution center and are planning a 40,000 square-foot addition in the future. This would take the workforce from 30 employees to 60 employees. They have a vision of revitalization for the City.

Staff proposes the authorization of a term sheet that would lead to a development agreement (draft resolution is 09-19). Director O'Connell reviewed the term sheet. The forgivable mortgage is slightly different than past practice. With these terms would come a formal development agreement that would be submitted to the Common Council.

A motion was made by Alderman Spangenberg, seconded by David Lange, to adopt resolution 09-19 approving the proposed term sheet. 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 that in light of Treasures Media developing a large portion of the Industrial Park, the design guidelines need to be slightly revised.

A motion was made by Scott Terry, seconded by Robert Ledvina, to defer this item. The motion PASSED by a Voice Vote.

[09-4232](#)

Subject: Proposal guidelines for the development of the West Racine site on the corner of Washington Avenue and West Blvd.

Director O'Connell explained that, through the West Racine Aldermen, they reviewed and drafted the guidelines for future RFP's. This will be a reference document.

Commissioner Karas asked if the item was received and filed, would it just be an informational item. Director O'Connell indicated that it would.

A motion was made by Pete Karas, seconded by Alderman Spangenberg, that this item be received and filed. The motion PASSED by a Voice Vote.

[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](#)

Nicole Loop, Assistant City Attorney clarified that an option doesn't exist. There was a resolution for the Authority to enter into an option, but no contract was entered into. This property is not listed for sale, nor was there a request for proposals.

Chairman Crimmings pointed out that the Authority does not have an offer to purchase or a draft option agreement. He also pointed out that the Authority does not have an established value for the property with or without KRM.

Brent Oglesby from Dewy Rose Capital Ventures presented. He pointed out that the letter he wrote asked to acquire the land or extend the option. He reviewed his resume including his education, credentials and past development experience. He said he first realized the value of Transit Oriented Design (TOD) in Washington D.C. and later in London. He came back to Racine to establish and help the people. He is proposing a \$6.6 million project using local labor. He would be willing to make the project seven stories, if desired, and to work with the City.

The project he proposed included 24 market-rate town homes, 10,000 square feet of commercial and office space and 1,200 square feet of public space honoring Ms. Corrine Owens. Mr. Oglesby envisions a TOD that is a public and private partnership creating local jobs. Green components of the proposal include rainwater capture, rain gardens, and a geothermal HVAC system. As far as market feasibility, he referred to the HNTB Corporation study. He proposed to finance \$4.6 million with a construction loan. There would be a preference towards homeownership. Mr. Oglesby reviewed a detailed schedule to conclude his presentation.

Director O'Connell indicated that he does not want to open the gate for many proposals until we know the future of KRM. He recommends the Authority direct staff to draft a resolution to put a moratorium on development of the property for 12 months or until the fate of KRM is known. He also recommends the Authority receive

and file this communication.

Commissioner Karas thanked Mr. Oglesby and pointed out that we are at least six years away from KRM being in motion; we should not exclusively look to KRM. He feels this is a good proposal and the Authority should move forward.

Commissioner Karas moved to grant a 12-month option to Dewy Rose. Alderman Spangenberg asked for specifics such as price. Commissioner Karas amended the motion that the Authority to direct staff to work out the terms of an option with Dewy Rose. The motion was seconded by Commissioner Terry.

Chairman Crimmings indicated the Authority has a fiduciary responsibility to the City. If KRM services Racine, that will dictate property values. If we sell this for the \$75,000 as proposed two years ago and it is announced KRM is coming next week, we have denied the tax payers a higher price. Commissioner Karas pointed out that we do not know the fate of KRM and if KRM doesn't come through, then we have a development. There was discussion between Chairman Crimmings and Commissioner Karas regarding the land value. Commissioner Karas asked if there were other developers wanting the land. Chairman Crimmings responded by saying we have removed blight from State Street and we need to plan a good development. He also pointed out that we have not even marketed this property and we should not deal exclusively with Mr. Oglesby.

Commissioner Terry added that by waiting, the Authority would be speculating on KRM. He said we have high unemployment and this would help that situation.

Chairman Crimmings indicated that a moratorium would allow the City to do further planning. He noted that several other developers have been granted options and not followed through and that 12 or 18 months is too long. He said he likes Mr. Oglesby and hopes the City works with him in the future.

Commissioner Lange indicated we need to do more work and get with a broker and get prices with and without KRM. We should have a moratorium until we are ready.

A motion was made by Commissioner Karas, seconded by Commissioner Terry, to work out the terms of an option with Dewy Rose Capital Ventures, LLC. The motion FAILED on a Roll Call Vote.

Ayes (2): Scott Terry, Pete Karas

Nays (4): Alderman James Spangenberg, Robert Ledvina, David Lange, John Crimmings

A motion was made by Commissioner Lange, seconded by Commissioner Ledvina, to receive and file the item. The motion PASSED by a Voice Vote, with Commissioner Karas and Commissioner Terry voting No.

09-4233

Subject: Approval of a one-year contract for lawn care and snow removal to the lowest qualified bidder, Lawn Keepers Services LLC.

Attachments: [Lawn Keepers BID award letter](#)
 [Lawn Keepers pricing](#)

A motion was made by Commissioner Karas, seconded by Commissioner Lange, to adopt resolution 09-20, awarding lawn and snow contract to Lawn Keepers Services, LLC. The motion PASSED by a Voice Vote.

09-4234

Subject: Approval of change order number 2 for the façade restoration project at 1418 Washington Avenue up to \$3,450.00 for windows.

Attachments: [Bane-Nelson change order request](#)

Director O'Connell explained that the windows are unique and the mullion is not a standard size. The windows have to be custom fabricated.

A motion was made by Alderman Spangenberg, seconded by Commissioner Lange, to adopt resolution 09-21. The motion PASSED by a Voice Vote.

09-4235

Subject: Request of the Executive Director for authorization to accept an Economic Development Incentive (EDI) grant from the US Department of Housing and Urban Development for blight removal and reconstruction efforts in the State Street Corridor area in the amount of \$950,000.

Attachments: [2009 Neighborhood Initiative Project Grant Agreement](#)

Director O'Connell explained that a grant agreement has been received. This authorizes signing of the paperwork and the resolution is required by HUD.

A motion was made by Commissioner Karas, seconded by Commissioner Ledvina, to adopt resolution 09-22. The motion PASSED by a Voice Vote.

09-4236

Subject: Request of the Executive Director of the Redevelopment Authority for authorization to deed 955 Marquette St. to the City of Racine for right-of-way.

Recommendation of the Redevelopment Authority on 10-7-09:
That the Chairperson of the Redevelopment Authority, Executive Director of the Redevelopment Authority and City Attorney be authorized and directed to proceed with the transfer of 955 Marquette Street (parcel ID 02826001) to the City of Racine as right-of-way of West Street between Marquette Street and Gideon Court.

Further, that this item be referred to the Public Works and Services Committee for its review and approval.

Fiscal Note: Only city staff time and real estate recording fees are associated with this transfer.

Recommendation of the Public Works and Services Committee on 10-27-09: That the City of Racine accept the deed for 955 Marquette Street from the Redevelopment Authority for future purpose as street right-of-way.

Fiscal Note: There will be nominal costs to facilitate this land transfer.

Attachments: [Parcel #02826001](#)
 [RDA resolution 97-01](#)
 [RDA Resolution 09-23 \(955 Marquette Street\)](#)
 [Street Dedication \(02826001\)](#)

Director O'Connell explained that this 7.5 foot strip of land was set aside for right-of-way, but not transferred.

A motion was made by Commissioner Karas, seconded by Commissioner Ledvina, to adopt resolution 09-23 allowing the transfer of 955 Marquette Street to the City of Racine for right-of-way. The motion PASSED by a Voice Vote.

09-4237

Subject: Request of the Executive Director to either be directed to prepare a request for proposals for 1130 Washington Avenue or to seek a listing agent.

Attachments: [1130 Washington Ave Staff Report 001](#)

The time elapsed for the developer that was granted an option. Mr. Singh, who previously submitted a proposal, has again expressed interest in this location. Staff suggests another request for proposals.

A motion was made by Alderman Spangenberg, seconded by Commissioner Lange, to direct staff to prepare a new request for proposal for 1130 Washington Avenue. The motion PASSED by a Voice Vote.

4:30 P.M. PUBLIC HEARING

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.

(Also refer to City Plan Commission)
(Also refer to Access Corridor Committee).

Attachments: [TOUSIS](#)

Director O'Connell explained that the acquisition of this area began in 2002. The site is now cleared and is a temporary home to the farmers market. There have been three prior proposals for this site. The last proposal failed when a conditional use permit was not granted by Council. Tom Tousis submitted his communication directly to the Common Council.

Chairman Crimmings opened the public hearing.

Mr. Tousis presented a site plan and elevation. The proposal includes a grocery store, restaurant, branch bank, and gas station. The name of the development would be the Washington Market. There would not be any corporate brand attached. Mr. Tousis explained the design. He said he would like to a canopy that would mimic a train depot and incorporate iron, copper, and brick. There would be minimal light and more lighting would be added with motion detectors. The lights would be LED and downward aimed. There would also be a food waste compost generator and a neighborhood recycling center. Solar panels would be incorporated on the roof. Rain

water would be reclaimed. There was difficulty in site plan creation due to the utility easements on the property. Outdoor seating will be included. He tried to make the development look like what West Racine had looked like in the past.

Dick Hinsman of 1242 West Boulevard spoke against this project due to the gas station component. He invested \$500,000 in his building and built the property for his love of West Racine. The Authority should not grant an option because he has not seen a traffic study. The Authority should leave its options open and things will get better. The study of 2002 included fine dining and unacceptable uses were a gas station and a car wash.

Frank Smith of 3308 Washington Avenue spoke as a representative of the West Racine Business District. He read a prepared statement. They are in support of the restaurant and a liquor license for such. They do not support a gas station or a license for sale of alcohol at a gas station.

Tom Reiterzen of 11107 79th Street, Pleasant Prairie spoke on behalf of the Building Alliance, Southeast Wisconsin Building Trade Unions, in favor of the project.

Wayne DeKeuster, 1517 Deane Boulevard spoke against the project. He has concerns about 24-hour operation and traffic. He also has crime concerns. He pointed out that the station on Indiana and Washington has closed and other stations are having problems.

Laurence Gregg of 3400 Wright Avenue spoke against the project. He is interested in the long-term prosperity of West Racine. He does not like a drive-in and drive-out development. He feels the grocery store will only be a convenience store. He has traffic concerns. He wants new development to compliment existing businesses.

Karen Sorenson of 202 72nd Avenue spoke in favor of the development. About 10 years ago she invested in West Racine. Two years ago she received her real estate license and has worked with Mr. Tousis. Ms. Sorenson is working on her commercial license. No option was included with this proposal.

Alderman Shields spoke in support of the project. He doesn't want to see entrepreneurs shot down.

Dean Doperalski of 3720 Republic Avenue spoke in favor of the project. He looks forward to union construction work. He also wishes his neighborhood had a gas station.

John Willock of 923 Grove Avenue spoke in support of the project. His taxes went up and his property value has gone down. He would like this project on the tax rolls. He likes all the services provided in the project. In this economic climate having jobs in the neighborhood would be welcomed. He does not have traffic concerns.

Randy Bryce of 1718 Wind Dale Drive spoke in favor of the project. He likes the fact it would be a local owner and looks forward to jobs being created. You can't go to fine dining if you don't have a job. He doesn't understand the grief this proposal is receiving.

Elaine Ekes of 2910 Green Street spoke in favor of the project. She doesn't want the Authority to be too quick to turn away a developer. She isn't thrilled with the gas station proposal, but she feels the benefits outweigh any negative impacts. There are similar developments in Milwaukee that are successful. He needs an option to pursue this development.

Keith Deschler of 1304 Grover Street spoke in favor of the project. This property has not been developed due to the easements. This development fits into the neighborhood and he would like to walk to the businesses proposed.

Linda Glass of 1500 Arthur Avenue spoke against the proposal. She takes issue with the gas station. There is a station closed that is .7 of a mile away. There are two others within a mile. For this proposal to be green they would have to eliminate the gas station. The Tousis station at Goold and Douglas is just a huge concrete slab. She opposes video gambling. She doesn't consider West Town Foods and MJ Foods grocery stores, but some might. She has concerns about the traffic problems that would be worsened.

Nancy Fest of 1006 Carlton Drive spoke in favor of the development. She feels the developer is working with West Racine businesses. She doesn't think the areas would support a fine dining restaurant. She likes the green design. She wants traffic to increase so more people shop in West Racine. Minimum wage jobs are important.

Mike Otteliem of 2341 Thor Avenue spoke in support of the project. He supports having a local family develop West Racine. He has collected 1300 signatures in support of the project. He asked the Authority grant an option.

Wesley Gable of 1624 Yout Street from Teamsters Labor Union spoke in support of the project. With 17% of unemployment he would like to see this project move forward. He feels the developer has changed his plan to meet the desires of the neighborhood. The construction would be done by union labor and permanent jobs would be created. This grocery would be bigger than the former Piggly Wiggly, which was 8,000 square feet.

Ola Baiyewu spoke in support of the project. He runs a program that serves people that can't find work and are preparing for careers in the building trades.

Robin Wilson of 917 Grant Street spoke against the project. The gas station is unacceptable. He fears the environmental impact. If the grocery store opens he would like there not to be any video gambling machines. He thinks the gas station will cause a noise problem. He would support this proposal without the gas station.

Alderman Holding spoke about the process and encouraged the Authority to approve an option to work out the details.

Chairman Crimmings pointed out that there is not an option agreement presented. This is the first the Authority has seen this proposal. This property is listed and Mr. Tousis should work with the listing agent. That is the process that should be followed.

Chairman Crimmings closed the hearing.

Alderman Spangenberg commented that the Authority needs more information. This property has been tied up with options for too much time. He is against a long option, but for a shorter-term option.

Chairman Crimmings indicated that his expectation would be that when an option is presented to the Authority, more information would accompany this. Commissioner Karas would like to act on this today. He thinks there may be consensus on the proposal when the option is presented. He would like to take some action.

Chairman Crimmings indicated that this is the first time the Authority has seen the proposal. We now know what Mr. Tousis wants to build and we have heard from the neighborhood.

A motion was made by Commissioner Karas, seconded by Commissioner Terry, to direct staff to negotiate an option agreement with Mr. Tousis and bring it back to the Authority. Commissioner Ledvina asked about a timeframe. Chairman Crimmings indicated by the next meeting staff should present what is negotiated. Alderman Spangenberg requested more information be provided. The motion PASSED by a Voice Vote.

END OF PUBLIC HEARING

CLOSED SESSION

Chairman Crimmings called a closed session with a roll call vote. The motion PASSED by the following vote:

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

EXCUSED: 1 - Cory Mason

[09-4083](#)

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

[09-4238](#)

Subject: Lease of outdoor advertising space on Redevelopment Authority property.

OPEN SESSION

Chairman Crimmings went back into open session with a roll call. The motion PASSED by the following vote:

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

EXCUSED: 1 - Cory Mason

Adjournment

Meeting adjourned.