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City of Kenosha Redevelopment Authority
Minutes
January 20, 2009

MEMBERS PRESENT: Larry Keating, Bruce McCurdy, John Potente and Adelaide Swartz

EXCUSED: Tom Carls and Alderman Katherine Marks

STAFF PRESENT: Jeff Labahn, Zohrab Khaligian and Sharon Krewson

The meeting was called to order at 5:34 p.m. by Bruce McCurdy and roll was taken.

Approval of Minutes of December 16, 2008 Meeting

A motion was made by Mr. Keating and seconded by Mr. Potente to approve the minutes of the August 19, 2008 meeting as written. The motion passed unanimously (4 ayes; 0 noes).

1. Redevelopment Authority Financial Report

Mr. Keating said the Financial Report is readable and gets right to the point. Staff does a nice job on the report. Zohrab Khaligian, Community Development Specialist, said it is mostly Ms. Smith putting the information together. Mr. Keating said the report is well done.

A motion was made by Ms. Swartz and seconded by Mr. Keating to receive and file the Financial Report as submitted. The motion passed unanimously (4 ayes; 0 noes).

Mr. McCurdy requested that Items 2 through 5 be taken together. Members of the Authority were in agreement.

2. Offer to Purchase Agreement to Acquire Property located at 4609 36th Avenue (Coulter)

3. Offer to Purchase Agreement to Acquire Property located at 4615 36th Avenue (Coulter)

4. Offer to Purchase Agreement to Acquire Property located at 4811 37th Avenue (Coulter)

5. Offer to Purchase Agreement to Acquire Property located at 4817 37th Avenue (Coulter)

Sharon Krewson, Real Estate Agent, said the four (4) properties are owned by the same person and going into foreclosure. Ms. Krewson said she is hoping to get them for short sale at \$150,000 each. The property at 4811 37th Avenue has been approved by the

lender for short sale. Mr. McCurdy asked what the timeline is for the approvals. Ms. Krewson said the four (4) properties will go to Common Council on Wednesday, January 21, 2009. Ms. Krewson said there are seven (7) lenders involved on the four (4) properties. Mr. Potente asked what the likelihood is of obtaining the approvals prior to Common Council tomorrow. Ms. Krewson said she can still bring the offers to Common Council prior to lender approvals.

Mr. Keating asked where the funds were coming from to purchase the properties. Has the \$225,000 from the City been put into Fund 461 yet? Ms. Krewson said we have CIP Funds of \$600,000 to purchase the properties. The \$225,000 for 2009 has not been put into Fund 461 yet.

Mr. Keating asked if the funds from the Federal grant were expected in March. Ms. Krewson said yes, but there may be another fourplex going into foreclosure by then. With the federal funds, the City has to pay 15% less than the appraisal amount. An appraisal will be necessary in order to use the federal funds. They are trying to get this requirement changed. Ms. Swartz asked if they would accept the assessed value. Ms. Krewson said the City would not want to pay off of the assessed value. Ms. Swartz asked who is requiring the 15% restriction. The restriction to pay at least 15% less of the appraised value is required by the Federal Grant. The City applied for \$2.5 million of the Neighborhood Stabilization Grant. We may not get all that we ask for, but we should get some. Mr. Keating asked if there was a precursor. Ms. Krewson said the City would have to spend the money within 18 months. Mr. Keating asked if we could use the funds for these four (4) fourplexes. Ms. Krewson said we could if our appraisal was complete. Mr. McCurdy said there will be additional fourplexes to purchase in the Wilson Neighborhood to use the grant money on.

Mr. Potente said there was the problem where the Authority wanted to purchase the Barn property was denied at Common Council. Will we get the same result with these offers? Mr. Khaligian said these fourplexes are in both a neighborhood plan area and a redevelopment area which should help. Mr. Keating asked if Alderman Kennedy, the alderman for the district, supports the project. Mr. McCurdy noted that Alderman Kennedy supported the purchase of the Barn property. Ms. Krewson said Alderman Kennedy is in support of the project so he should vote in favor of the purchases. Mr. Potente said he was surprised and confused following the Common Council meeting as to why we wanted the Barn property being that it's not in a target area.

Mr. McCurdy said the Common Council will ask where the funds will come from to purchase the fourplexes. Mr. Keating said the rehab issues will come up again also. Ms. Krewson said the redevelopment plan approved the purchase, demolition and construction of new single family homes in the Wilson Neighborhood. Ms. Swartz said a good point to make against the rehab issue is that many of the fourplexes are going into foreclosure because the owners can not find tenants.

Mr. Keating said the Authority does need to put the presentation together for the Aldermen stating what we do, why, and how we spend our money. Mr. McCurdy said the presentation should start with the Crow property and various other areas before developing them. Blight elimination is the main purpose of the Authority. The Authority does not take any money from the general fund so they do not have to repay any of the money.

Mr. Potente asked if staff had much contact with the aldermen. Jeff Labahn, Director of City Development, said staff met with almost all of the aldermen at the beginning of their terms and explained what City Development was all about. It appears that needs to be revisited. Mr. McCurdy said at the beginning of their terms, the aldermen were most likely inundated with a lot of material.

A motion was made by Mr. Keating and seconded by Ms. Swartz to approve the Offer to Purchase Agreements to acquire 4609 36th Avenue in the amount of \$150,000 (Coulter), 4615 36th Avenue in the amount of \$150,000 (Coulter), 4811 37th Avenue in the amount of \$150,000 (Coulter), and 4817 37th Avenue in the amount of \$150,000 and forward to the Common Council for approval. The Offer to Purchase Agreements will be acted upon after all approvals have been received. The motion passed unanimously (4 ayes; 0 noes).

6. Any Other Business as Authorized by Law

Ms. Krewson said regarding the Barn property located at 2114 52nd Street and their vacant lot across the street, that Alderman Juliana would like the offer resubmitted to Common Council after the hole is filled. Ms. Swartz asked what the main objective was for denying the offer. Ms. Krewson said because the property was not in a project area. Alderman Juliana would like to have ownership of the parking lot and lease it out to area businesses. Mr. Keating said maybe in a few months we could send it through again after these four (4) fourplexes go through. Mr. Potente asked if the seller would consider selling just the parking lot. Ms. Krewson said she doubted it. Ms. Krewson said the hole is being filled in and Neighborhood Services and Inspections is involved. Mr. McCurdy asked if the owner is moving ahead with his other project. Ms. Krewson said yes, he is going to open the old Brewmaster's on the south side. Mr. McCurdy agreed that the Authority should wait 1-2 months before bringing this offer back to Common Council. Ms. Krewson said she will meet with Frank Pacetti, City Administrator, to keep him informed of where the Authority is. Ms. Swartz suggested that next time the surrounding businesses should be contacted to see if interested in leasing, what the amount of return on the property would be, etc. Mr. Keating asked if the lot where the tavern was could be turned into a parking lot. Ms. Krewson said the City would not allow that. Aiello Florist looked at the property, but at this time is not interested. Mr. McCurdy said in the past the City has purchased property, turned it into parking for area businesses, and then the businesses went out of business.

Ms. Krewson said next month the Authority will meet to discuss the Metra Station. The Chicago/Northwestern's lease with the cafe operator expired in July 2008. Currently, the cafe is month-to-month and rent is \$200 plus 10% of ticket sales. Len Brandrup wishes to discuss this in Closed Session. The City has a grant to rehab the entire building. Mr. Keating asked to have the contract brought to the next meeting. Mr. McCurdy said if the KRM goes through, the location will be ideal.

7. Public Comments will be limited to subjects within the jurisdiction and responsibilities of the Authority

Public comments opened. No public comments. Public comments closed.

A motion was made by Mr. Potente and seconded by Mr. Keating to adjourn the meeting. The motion passed unanimously (4 ayes; 0 noes). The meeting adjourned at 6:10 p.m.

City of Kenosha Redevelopment Authority
Minutes
February 17, 2009

MEMBERS PRESENT: Alderman Katherine Marks, Tom Carls, Larry Keating, Bruce McCurdy, and John Potente

EXCUSED: Adelaide Swartz

STAFF PRESENT: Jeff Labahn, Zohrab Khaligian and Sharon Krewson

The meeting was called to order at 5:45 p.m. by Bruce McCurdy and roll was taken.

Approval of Minutes of January 20, 2009 Meeting

A motion was made by Mr. Keating and seconded by Mr. Potente to approve the minutes of the January 20, 2009 meeting as written. The motion passed unanimously (5 ayes; 0 noes).

1. Redevelopment Authority Financial Report

Zohrab Khaligian, Community Development Specialist, said the Statement of Authorizations and Expenditures, page 3, does not include the 2008/2009 funds. The 2008 and 2009 funds are authorized funds. Our actual cash included in the report is for 2007, 2006 and remaining funds from other program income. The \$450,000 for 2008 and 2009 are authorized funds available for the City to borrow but we do not have the funds to date.

Alderman Marks asked what the process was to request the \$450,000. Do we have to use all the funds we currently have before we request the additional money? Zohrab Khaligian replied that yes, the Authority does have to spend funds they currently have first. The Authority was proposing to use the 2008 funds and leave the 2009 funds for future acquisition, but the authorization is there to borrow down the funds at a later date. Mr. Keating stated the Authority needs to have a project in order to use the \$450,000. Mr. Khaligian said the Department of City Development has funds also, so we would not have needed to tap into the \$450,000 to acquire the four (4) fourplexes. The problem is that the Common Council could zero out the fund and the Authority would not have any funds to draw down. The Financial Report currently indicates we have the funds.

A motion was made by Mr. Keating and seconded by Mr. Carls to receive and file the Financial Report as submitted. The motion passed unanimously (5 ayes; 0 noes).

2. Any Other Business as Authorized by Law

No other business was presented.

3. Public Comments will be limited to subjects within the jurisdiction and responsibilities of the Authority

Public comments opened.

Len Brandrup, Transportation Director, said the City owns the parking lots surrounding the Metra Station. The Redevelopment Authority owns the Metra Station. The lease agreement was in place prior to the Authority becoming the owner. The lease agreement has had two (2) assignments. The first was to KCT, Ltd. for one year, then to Nafi Kalan and Rezak Pehlivan. An amendment to the agreement removed Nafi Kalan from the lease. Rezak Pehlivan is the currently running the Metra station by himself. The lease expired in July 2008. Mr. Pehlivan is on a month-to-month lease.

Transit applied for a CMAQ grant to rehabilitate the Metra Station. This \$500,000 Grant will be lost if the funds are not utilized by the end of this year. Mr. Pehlivan is aware of the situation. We would like to bring an architect on board to design the renovation of the station.

Public comments closed.

A motion was made by Mr. Carls and seconded by Mr. Keating to convene into Closed Session per Section 19.85(1)(eg) Wisconsin Statutes and May or May Not Reconvene into Open Session for Purpose of Holding a Hearing and Making a Final Determination. The motion passed unanimously (5 ayes; 0 noes). Roll was taken.

Open Session reconvened.

4. Metra Train Station

A motion was made by Alderman Marks and seconded by Mr. Keating to extend the current lease for six (6) month for continuation of services at \$200 per month. The motion passed unanimously (5 ayes; 0 noes).

A motion was made by Mr. Carls and seconded by Mr. Potente to adjourn the meeting. The motion passed unanimously (5 ayes; 0 noes). The meeting adjourned at 6:55 p.m.