

REDEVELOPMENT AUTHORITY OF THE CITY OF KENOSHA
Minutes
January 17, 2012

MEMBERS PRESENT: Alderman Katherine Marks, Alderman Orth, Bob Johnson, Everett Butler, Eric Migrin and John Potente

STAFF PRESENT: Zohrab Khaligian and Jeffrey B. Labahn

The meeting was called to order at 5:04 p.m. by Alderman Marks and roll was taken.

A motion was made by Mr. Potente and seconded by Mr. Migrin to approve the minutes of the December 13, 2011 meeting as written. The motion passed unanimously. (Ayes 6; Nays 0)

1. Financial Report for December 31, 2011

Zohrab Khaligian, Community Development Specialist, said we have received all four gas removal quotes from WE Energies for the Wilson Heights fourplexes and they will be removed within the next few weeks. Next month some gas demolition costs may be reflected in the statement.

Alderman Orth asked if any of these properties are in the City's name and do they need to be transferred to the Redevelopment Authority. Mr. Khaligian said the properties are either in the name of the City, Housing Authority or Redevelopment Authority. Alderman Orth said it seems there would be a benefit to have them all as Redevelopment Authority with one person monitoring them. Alderman Orth suggested we start the procedure to have them all transferred to the Redevelopment Authority.

Mr. Potente said there is Miscellaneous Revenue, where did we get that money? Mr. Khaligian said this is interest from the fund.

Alderman Orth asked if we are accepting bids for the METRA Station. Alderman Orth said the property is owned by the Redevelopment Authority, but the rebuild was done through transit, so why are they in charge? Mr. Khaligian explained the Authority has a long term lease with Transit. They pay the expense of upkeep and are in charge of the tenant.

A motion was made by Mr. Potente and seconded by Alderman Orth to Receive and File the Financial Report. The motion passed unanimously. (Ayes 6; Nays 0)

2. Wilson Redevelopment Project - Redevelopment Options

Mr. Khaligian explained at the last meeting the Authority requested Staff obtain the value of the properties from the Assessor. That information is provided. Now the Authority needs to decide if they want to acquire scattered properties based on foreclosures and property owners willing to sell at this lower value or pay the current assessed value and assemble the west side of 37th Avenue, south of 48th Street.

Mr. Potente asked can we use these values as ammunition to urge the owners to sell their property? Mr. Khaligian said many of them do not need to sell. If they get a value they want from the property, they will sell.

Mr. Johnson asked what is Mr. Labanowsky's motivation to sell? Mr. Khaligian said possibly because he is getting older. If they sell the property voluntarily, we can give the tenant a six (6) month notice to move and avoid relocation costs.

Alderman Marks said maybe we should go back to Mr. Labanowsky and ask if he wants to sell the property he was trying to sell to us previously. He may be more interested now that the assessed value is less. Alderman Orth said we should pursue this if we can get the property at the \$120,000-\$125,000 range.

Mr. Johnson said he wants to make sure we articulate on the \$30,000 assessed value difference.

Mr. Migrin suggested a different direction. We could offer an amount, such as \$50,000, to have the owner improve their property, but they must reduce it from a fourplex to a duplex property. This would improve the property and lower the density. Mr. Khaligian said he didn't think the area would improve unless there is some home ownership. Mr. Johnson said he likes the idea, but agrees with Mr. Khaligian. This idea may only be a "band-aid" to a later problem.

Mr. Potente said what if we purchase the property at a price like \$145,000 and then sell it back to someone, but it has to be "owner occupied" for a period of maybe 10 years. They would then have a stake in the area. We could do a mailer out to the property owners in the area and see who is interested.

Alderman Orth suggested the property owner may be willing to sell when they have to renew their commercial loan. The owner may be more interested at that time.

Mr. Butler said Mr. Labanowsky wanted us to purchase a specific property. We could say we will purchase that property with the condition that he must sell us an additional property at the same price. Mr. Khaligian said he was pushing that property for \$140,000. We could try to use the value that the Assessor establishes, basically \$115,000 to \$125,000. Alderman Orth added at that cost we could possibly purchase three properties this year.

Jeffrey B. Labahn, Interim Director, noted the amounts approved by the Common Council: \$12,000 for property maintenance, \$100,000 for acquisition/demolition of any foreclosures and \$250,000 for acquisition/demolition/relocation of any fourplex units, for a total of \$362,000. Alderman Orth added we could possibly get additional money if we request it from the Council.

Mr. Migrin said he likes the idea of a mailer to the property owners to determine if anyone is interested in selling at a lower value. If Mr. Labanowsky is not interested, maybe a different property owner is. Alderman Marks asked would you do the mailer in phases or the entire area? Mr. Migrin said there would be no harm in letting them know everyone is being considered, that may press them to make a decision faster.

Alderman Marks suggested that Staff draft a letter that would be sent to the property owners. Alderman Marks suggested establishing the area the letter should be sent to, possibly 37th Avenue, from 45th to 50th Street.

Mr. Potente said he would like to send it to a larger area, for more discussion from the property owners. Alderman Orth suggested not to address the letter to multiple people. This may prompt someone else to outbid the City and hold the property at a higher price to sell to the City. Mr. Johnson said we don't want to lose the ability to negotiate the price. The property owner may be motivated if it is not public.

A motion was made by Mr. Potente and seconded by Mr. Johnson to send a letter to all property owners on 37th Avenue, from 45th Street to 50th Street, stating the Redevelopment Authority is interested in purchasing their property. The deadline should be before the next Redevelopment Authority meeting. The motion passed unanimously. (Ayes 6; Nays 0)

Public Comments

No public comments.

Authority Comments

Alderman Orth noted that Room 204 is now equipped to tape the meeting, let's tape the meetings in the future.

Mr. Johnson said we should track the value of acquiring the properties. The value consisting of reduction in police and fire calls as well as the increase in property values. This would be a worthwhile project for possibly a college class.

Staff Comments

Mr. Labahn said the RFPs for Asbestos removal are due on Thursday, January 19th. Also, Transit sent out a new RFP for a tenant to occupy the METRA Station, but no one submitted a proposal.

Mr. Khaligian said the Wangard Group, from Milwaukee, took over the Brass Site in December of 2010. They are currently working on ways to develop.

A motion was made by Alderman Orth and seconded by Mr. Johnson to adjourn the meeting. The motion passed unanimously. (Ayes 6; Nays 0) The meeting adjourned at 6:08 p.m.

Meeting Minutes Prepared by: Kay Schueffner, Community Development & Inspections