AGENDA CITY OF STURGEON BAY CITY PLAN COMMISSION

Wednesday, December 21, 2016 6:00 p.m. Council Chambers, City Hall 421 Michigan Street

- 1. Roll call.
- 2. Adoption of agenda.
- 3. Approval of minutes from November 16, 2016.
- 4. Conditional use request from Jak's Place for a walk-in mental health resource center, located at 1623 Rhode Island Street.

Presentation
Public hearing
Consideration of

5. Consideration of: PUD modification and balcony encroachment for Door County

Maritime Museum.

- 6. Consideration of: Zoning classification for Jefferson Street corridor.
- 7. Consideration of: Zoning code amendment to allow accessory dwelling units.
- 8. Consideration of: Project Plan amendment for Tax Increment District #4.
- 9. Public comment on Plan Commission related items.
- 10. Adjourn.

NOTE: DEVIATION FROM THE AGENDA ORDER SHOWN MAY OCCUR.

Notice is hereby given that a majority of the Common Council may be present at this meeting to gather information about a subject over which they have decision-making responsibility. If a quorum of the Common Council does attend, this may constitute a meeting of the Common Council and is noticed as such, although the Common Council will not take any formal action at this meeting.

Plan Commission Members:

Rick Wiesner – Chair Ron Vandertie Mike Gilson Jeff Norland Robert Starr Dennis Statz Steven Hurley

12/16/16 1:30 p.m. CN

CITY PLAN COMMISSION

Wednesday, November 16, 2016

A meeting of the City Plan Commission was called to order at 7:00 p.m. by Chairperson Rick Wiesner in the Council Chambers, City Hall, 421 Michigan Street.

Roll call: Members Jeff Norland, Ron Vandertie, Bob Starr, Rick Wiesner, Steven Hurley, and Dennis Statz were present. Excused: Member Mike Gilson. Also present were City Administrator Josh Van Lieshout, Planner/Zoning Administrator Ryan Kernosky, Community Development Director Marty Olejniczak, and Community Development Secretary Cheryl Nault.

Adoption of agenda: Moved by Mr. Norland, seconded by Mr. Statz to adopt the following agenda:

- 1. Roll call.
- Adoption of agenda.
- 3. Approval of minutes from October 19, 2016.
- 4. Consideration of: Cooperative ground sign for Tractor Supply Company and Pick 'n Save.
- 5. Consideration of: Jefferson Street corridor rezoning to Mixed Commercial-Residential (C-5).
- 6. Discussion of: Zoning code amendment to allow accessory dwelling units.
- 7. Consideration of: Future meeting time.
- 8. Public comment on Plan Commission related items.
- 9. Adjourn.

Carried.

Approval of minutes from October 19, 2016: Moved by Mr. Vandertie, seconded by Mr. Statz to approve the minutes from October 19, 2016. All ayes. Carried.

Consideration of: Cooperative ground sign for Tractor Supply Company and Pick 'n Save: Mr. Kernosky stated that Tractor Supply Company has petitioned for a cooperative ground sign for Tractor Supply Company and Pick n' Save that needs approval from the Plan Commission since cooperative signs can be 25 feet tall and up to 200 square feet in size. The proposal is for the sign to be 25 feet high and 99 square feet for each face. Creative Sign Company will install the sign, but it will actually be constructed by a sign company out of Alabama.

Mr. Kernosky added that if a new business or businesses would occupy the rest of the K- Mart building, only wall signage would be allowed, since the square footage is maxed out for the pylon sign.

Commission members were concerned with the brightness of the sign. Mr. Statz stated that he preferred the raised backlit "halo" letters, with LED lights.

Discussion continued. Moved by Mr. Starr, seconded by Mr. Vandertie to approve the cooperative ground sign, subject to review by the Aesthetic Design & Site Plan Review Board.

Creative Sign Company representative Andrea Swanson stated that this is a more economical sign. If bulbs are taken out there would be inconsistent lighting. That is why the bulbs are placed so close together. LED lights are actually less expensive and last longer than fluorescent bulbs. She mentioned that a diffuser to tone down the lighting could be added. Vinyl could be placed on the back side of the sign.

Mr. Kernosky thought that the steel tube holding the signs seemed to be unscaled to the size of the sign.

Mr. Hurley said the sign had a cold feel to it and suggested some type of landscaping around the sign to warm up the area.

Mr. Starr added to his motion, along with Mr. Vandertie's second, to add potential landscaping around the sign. All ayes. Carried.

Consideration of: Jefferson Street corridor rezoning to Mixed Commercial-Residential (C-5): Mr. Kernosky stated that a neighborhood meeting was held on November 15th, with 16 people in attendance, to discuss a potential rezoning for Jefferson Street. Most concerns were in regard to signage and parking if the use would change. There was a request from the neighborhood to send out a survey to gather feedback. There were no objections from those in attendance.

Mr. Olejniczak addressed parking concerns in the C-5 district. A property owner could pay in lieu of parking. That amount is set by the Finance Committee. There may be landscaping that property owners may not want to tear out for parking. A special overlay district to restrict Jefferson Street could be considered to prevent on-site parking in the front of the building.

Mr. Starr added that there are many older homes on Jefferson Street. C-5 zoning is specifically for those homes and this is an appropriate process to go through.

No further action was needed at this time.

Discussion of: Zoning code amendment to allow accessory dwelling units: Mr. Olejniczak began discussion explaining that an accessory unit would be a second unit on a property. It can create more affordable housing in a neighborhood. He went through the purpose to allow such accessory dwelling units, as well as potential requirements.

Commission members discussed items such as converting an upstairs of a garage to a dwelling unit, minimum floor area, setbacks for existing buildings, lot size, requiring parking space, etc.

Mr. Norland expressed his concern that this was opening a Pandora's Box, especially in existing neighborhoods. Over time it could become an eyesore.

Mr. Wiesner could see this as a duplex in the R-1 district. It would be a great idea if taking care of parents, etc.

Mr. Vandertie asked if we are trying to fix something that doesn't have to be

Mr. Starr stated there are pre-existing duplexes in R-1. He is cautiously interested in the accessory dwelling unit idea. Public input would be important.

Mr. Olejniczak mentioned that this could be done in certain districts only.

Chris Kellems, 120 Alabama St., stated she was concerned about permeability filling up lots. A variance should be obtained. She suggested doing a go slow approach.

Mr. Statz spoke about a carriage house idea with a small dwelling above a garage in back of the house. Mr. Norland responded that the older persons, such as parents, won't want to climb steps to a dwelling.

It was the consensus of the Commission to continue with discussion at a future meeting.

Consideration of: Future meeting time: Commission members discussed the possibility of changing future meetings to an earlier time of day. It was the consensus of the Commission to begin future meetings at 6:00 p.m.

Public comment on Plan Commission related items: There was no public comment.

Adjourn: Moved by Mr. Statz, seconded by Mr. Norland to adjourn. Carried. Meeting adjourned at 8:20 p.m.

Respectfully submitted.

Cheryl Nauto

Community Development Secretary

EXECUTIVE SUMMARY

TITLE: Conditional Use Permit Application – Jak's Place, Inc.

Background: A Conditional Use Petition from Jak's Place, Inc. (Jane Herlitz, Agent) has been submitted to the Community Development Department to utilize the former Community Clinic of Door County building (1623 Rhode Island Street) as a walk-in mental health resource center. Under section 20.12(2)(d), Professional Offices are required to receive a Conditional Use Permit from the City Plan Commission if the subject parcel lies within the R-4 (Multiple-Family Residential) zoning district.

In 2002 the City Plan Commission reviewed and approved a Conditional Use Permit for a medical clinic for this parcel, with the condition that the existing vegetation located between the parking area and South 16th Place must be retained and maintained.

Existing Conditions: The subject parcel is currently owned by Josephine & William Guenzel, and formally housed the Community Clinic of Door County in the 3,200 sq ft clinic facility. A roughly 9,300 sq ft parking area is accessed off of Rhode Island Street; the parcel is just less than 1 acre in size.

Surrounding Uses and Zoning:

North: R-4 – Vacant Parcel owned by the Door County Hospital

South: R-1 – Vacant Residential Lot East: R-1 – Single-Family Homes West: R-1 – Single-Family Home

Comprehensive Plan: Under the 2010 Comprehensive Plan Future Land Use (Figure 9-5A), this parcel is designated Single Family Residential (Lower Density). Single Family Residential (Lower Density) is described as "a residential area predominantly comprised of single-family homes at a density of up to 4 units per acre. Some two-family homes may be interspersed within this area." There appears to be no other specific recommendations for this parcel.

Proposed Use: Jak's Place Inc. is a project of Lakeshore CAP, and is a walk-in resource center for those impacted with mental illnesses. Jak's Place currently utilizes an old home on the corner of Egg Harbor Road and N 8th Avenue as their main office and is seeking to move their facility to the subject parcel. Under s. 20.12(2)(d) professional offices, which is what this is considered, are a conditional use of the R-4 zoning district.

Conditional Use Findings: Under s. 20.25(4) of the zoning code, a conditional use permit may only be issued by the plan commission upon making a finding that:

- (a) The establishment, maintenance, or operation of the conditional use will not be detrimental to or endanger the public health, safety, morals, comfort or general welfare.
- (b) The conditional use will not be injurious to the use and enjoyment of other property in the immediate vicinity for the purposes already permitted nor substantially diminish and impair property values within the surrounding area.
- (c) The establishment of the conditional use will not impede the normal and orderly development and improvement of surrounding property for uses permitted in the district.

- (d) Adequate utilities, access roads, drainage, and/or other necessary facilities will be provided.
- (e) Adequate measures will be taken to provide ingress and egress so designed as to minimize traffic congestion on the public streets.
- (f) The conditional use shall in all other respects conform to the applicable regulations of the district in which it is located and the plan commission shall find that there is a public necessity for the conditional use.

City staff believes that all conditions of a conditional use are met.

Plan Commission Options: The Plan Commission has the following options:

- 1) Approve the conditional use petition as presented
- 2) Approve the conditional use petition with conditions
- 3) Deny the conditional use petition

Staff Recommendation: Staff is supportive of the conditional use petition, and recommends approval with the condition that the existing vegetation along S. 16th Ave is retained as previously required.

Prepared by

Ryan Kernesky Planner/ Zoning Admin

Reviewed by: Marty Oleiniczak

Community Development Director

12/13/16 Date

Data

CITY OF STURGEON BAY CONDITIONAL USE PERMIT APPLICATION

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Date Received:	11-22-16	
Fee Paid \$_ Received By: _	20130 CD	

	APPLICANT/AGENT	LEGAL PROPERTY OWNER (If different)					
Name	Anká Place, Elno.	Lakeshore CAPE					
Company		702 State Strik					
Street Address	820 Egg Harlin Rd.	P.O. BOX 2315					
City/State/Zip	Sturger Bay 542	35 Manutouro W!					
Daytime Telephone No.	920-0818-0525	2315					
Fax No.	920-818-0435	920-686-8794					
STREET ADDRESS OF SUBJECT PROPERTY: 1623 Rhade Kloband Dt Location if not assigned a common address:							
TAX PARCEL NUMBER: 281-24-10010101							
CURRENT ZONING CLASSIFICATION:							
CURRENT USE AND IMPROVEMENTS: OF DUM COUNTY - medical							
IDENTIFY MUNICIPAL CODE SECTION PERTINENT TO REQUEST AND STATEMENT OF SPECIFIC ITEM BEING REQUESTED FOR REVIEW: SICTION 20,12 (AUL) (AUL) A BOOK IR—IN MUNICIPAL PUBLISHED)							
ZONING AND USES OF ADJACENT SURROUNDING PROPERTIES: North: RH - HOLDIAL PROPERTIES: South: RI - RESIDENTIAL; West: RI - RESIDENTIAL;							

PROPOSED, USE OF SURROUNDING PROPERTY UNDER COMPREHENSIVE PLAN:
Vorth: Public of Middle
South: AMA DOWNLING
East: Wall Works
West: Jungle Gamey
HAVE THERE BEEN ANY VARIANCES, CONDITIONAL USE PERMITS, ETC. GRANTED PREVIOUSLY FOR THIS
PROPERTY? 165 IF YES, EXPLAIN: LONGITION AS USE PLYMIT
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ttach an 8-1/2" X 11" detailed site plan (if site plan is larger than 8-1/2" x 11", also include 15 large sized copies), Ill legal description (preferably on disk), 8-1/2 x 11" location map, construction plans for the proposed project,
nd Agreement for Reimbursement of expenses. Site plan shall include dimensions of property, pertinent
fructures and buildings, proposed site improvements, signature of person who drew plan, etc.
Sphine Guerre Hate
roperty Owner (Print Name) Signature Date
- 16 11 man 1 1/2/20
ane Herlitz Millita 11/11/201
pplicant/Agent (Print Name) / Signature Executive Director Date
And I I A Dieta Land a realism mostling with at logot one member of staff
, have attended a review meeting with at least one member of staff and understand that I am is sponsible for sign placement and following all stages listed on the check list in
regard to the applicant.
and to the appropriate of the state of the s
11/7/2014 AMEXIMENT
Date of review meeting Applicant Signature Staff Signature
CHARIY O.)
Attachments:
Procedure & Check List Agreement For Reimbursement of Expenses
Agreement of Normanicament of Experience
STAFF USE ONLY
Application conditions of approval or denial:
Date Community Development Director

NOTICE OF PUBLIC HEARING

The City of Sturgeon Bay Plan Commission will hold a public hearing in the Council Chambers, 421 Michigan Street, Sturgeon Bay, Door County, Wisconsin on Wednesday December 21, 2016 at 6:00 p.m. or shortly thereafter regarding a request from Jak's Place, Inc. (Jane Herlitz, Agent) for a conditional use approval of a proposed professional office (walk-in mental health resource center). The proposed project is located within an existing building that formally housed the Community Clinic of Door County, located at 1623 Rhode Island Street, tax parcel # 281-24-10010101. The application is on file with the Community Development Department and can be viewed at 421 Michigan Street weekdays between 8:00 a.m. and 4:30 p.m. The public is invited to attend the meeting and give testimony in favor or against the proposed conditional use permit.

By order of: City of Sturgeon Bay Plan Commission Location Map - Public Hearing - Jak's Place, Inc.



City of Sturgeon Bay

Legend

City Tax Parcels Subject Parcel

City of Sturgeon Bay Community Development 421 Michigan Street Sturgeon Bay, WI 54235 920-746-2910

Photo: 4/2015



1623 RHODE ISLAND STREET

EXECUTIVE SUMMARY

Modification to Final Plan for Door County Maritime Museum – PUD and Balcony Encroachment

Background: The Door County Maritime Museum (DCMM) is requesting a minor modification to the Planned Unit Development (PUD) for their expansion project. The modification is to add a second story balcony. Per section 20.24(6) of the zoning code, "The plan commission may from time to time, approve minor changes within the project, but such changes shall not be of a nature that would affect the character and standard of the PUD."

As you may recall, the DCMM was granted a minor modification to the Final PUD by this body in May 2016. That modification shifted the observation tower to the northeast corner of the building, moving the tower 2 feet further from the northeasterly (water side) lot line. DCMM is now seeking to add a balcony off their addition. The proposed balcony would extend between 9 to 12 feet from the building and a portion will encroach onto City-owned property. At ground level the support posts for the balcony would be on the Museum side of the property line, but the balcony itself would extend about 2 feet over the line for about a 24-foot distance

Within the DCMM PUD ordinance, setback requirement along the waterside lot line was waived subject to approval of the final site plan, meaning that any building could be built with a zero setback from the property line. The proposed balcony is considered part of the building and must either be part of the approved site plan or must meet the minimum 5-foot setback of the underlying C-2 district. Thus the Plan Commission can approve the portion of the balcony on the DCMM property by approving the modified plan.

For the portion extending onto city property, it will require council approval. If the Plan Commission has no concerns regarding the balcony encroachment it can recommend to the council to enter into a license agreement or easement between DCMM and the City.

Plan Commission Options:

- 1) Approve the modification to the final PUD for the addition of the balcony as presented and recommend to council to enter into a license agreement with DCMM for the balcony encroachment
- 2) Approve the modification to the final PUD for the addition of the balcony and to allow the balcony up to the lot line, but recommend against the balcony encroachment onto city property

3) Deny the modification all together

Prepared b

ernosky anner Zoning Admin Date

(2/14/16

Reviewed by:

Marty Olejniczak

Community Development Director











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MASSACHUSETTS

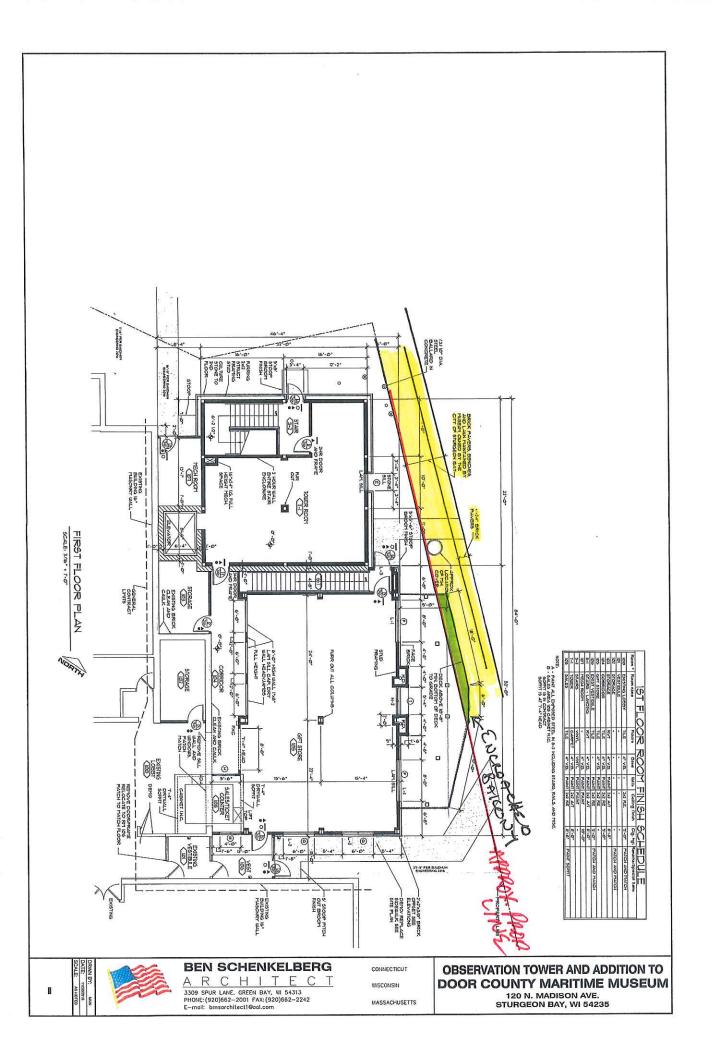
OBSERVATION TOWER FOR:
DOOR COUNTY MARITIME MUSEUM

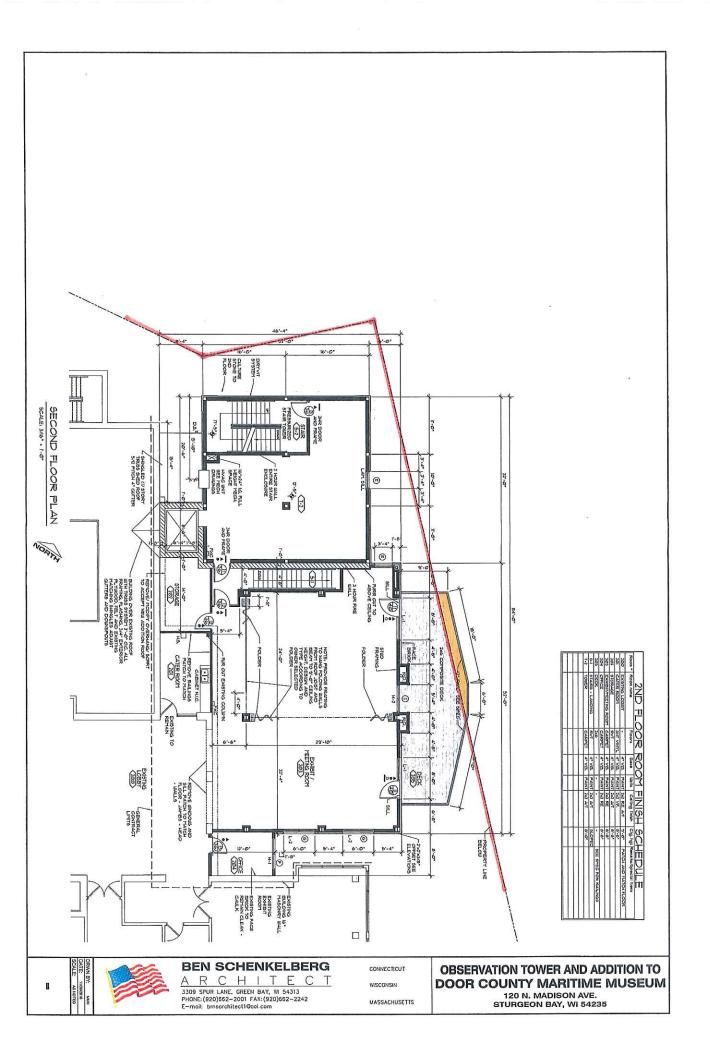
OBSERVATION

TOWER FOR:

120 N. MADISON AVE. STURGEON BAY, WI 54235







Location Map Door County Maritime Museum PUD





Ryan J. Kernosky Planner/Zoning Administrator 421 Michigan Street Sturgeon Bay, WI 54235



Phone: 920-746-2907 Fax: 920-746-2905 E-mail: rkernosky@sturgeonbaywi.org Website: www.sturgeonbaywi.org

MEMO

To:

Plan Commission

From:

Ryan Kernosky, Planner & Zoning Administrator

Date:

December 15, 2016

Subject:

Jefferson Street Rezoning Survey

City staff has been actively working with property owners within the Jefferson Street Corridor to gather feedback pertaining to the potential City-initiated rezoning from C-2 to C-5. Every property owner within the corridor was sent a paper survey with an explanation of the differences. Staff has also put together an online survey and has posted it to the City's Facebook page several times over the last few weeks.

Below are all the properties within the Jefferson Street Corridor. Color highlights indicate staff recommendation for the properties that did not respond to the survey.

Staff recommends rezoning to C-5 Could remain C-2 or be rezoned to C-5

	Address	Current Use	Survey Answer Regarding Rezoning to C-5
1	312 N 5 th Ave	Wellness Center/ Baudhuin Inc	No comment – Part of property is zoned C-5, other part is C-2
2	508 Jefferson St	Hannemann Insurance	No comment
3	514 Jefferson Street	Residential	No comment
4	232 N 5 th Ave	5 th and Jefferson Coffee	Yes
5	222 N 5 th Ave	Residential	Yes
6	517 Jefferson Street	Retail and Residential	Yes
7	532 Jefferson Street	Lenius Insurance	Yes
8	525 Jefferson Street	Honey Pickers Resale	Yes
9	402 N 6 th Avenue	Single-Family Residential	No comment – Attended meeting
10	610 Jefferson Street	Child's Play	Yes
11	611 Jefferson Street	Formally housed the Sunflower Bakery/ Miracle Ear	No comment
12	616 Jefferson Street	Jefferson Street Books	Yes
13	626 Jefferson Street	Shirt Printing Business	Yes
14	632 Jefferson Street	Duplex	Yes
15	231 N 7 th Ave	Pharmacy	Yes
16	221 N 7 th Ave	Duplex	Yes
17	706 Jefferson Street	Single-Family Residential	No comment

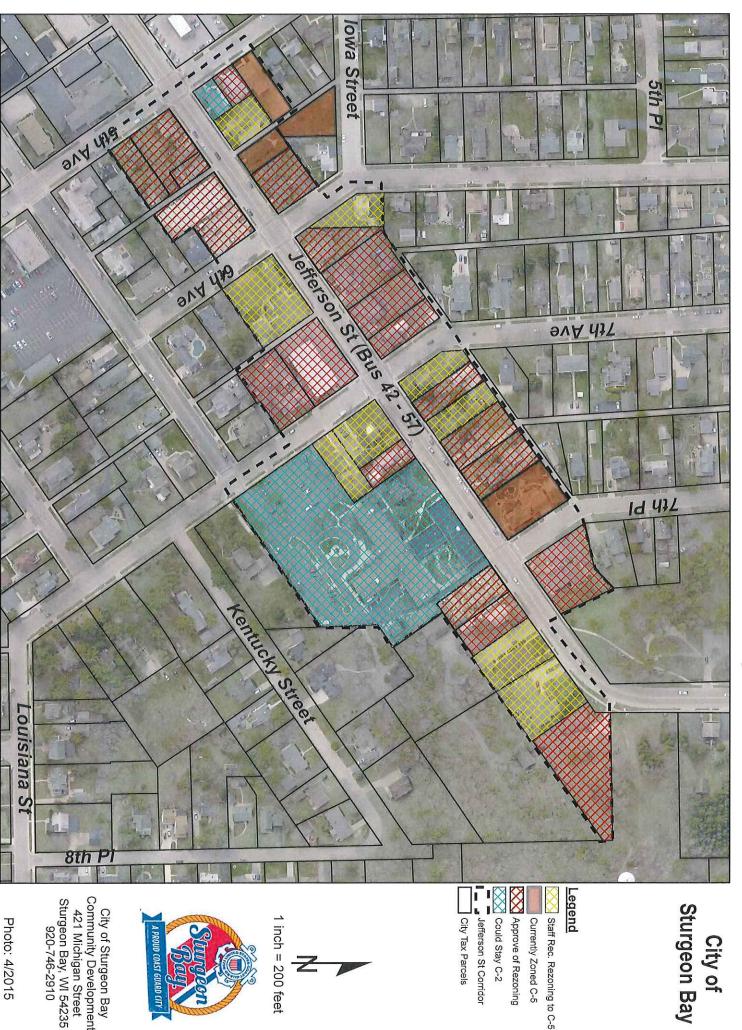
18	709 Jefferson Street	Formally Jefferson St Antiques	No comment
19	222 N 7 th Ave	Single-Family Residential	No comment
20	715 Jefferson Street	Monticello	Yes
21	714 Jefferson Street	Hairapist	Yes
22	716 Jefferson Street	Elliott's	No Comment – Attended meeting
23	724 Jefferson Street	Bliss	Yes
24	200 N 7 th Ave	Dorchester	No comment
25	732 Jefferson Street	Lola May's	Yes
26	751 Jefferson Street	DC Rubber Stamp	Yes
27	755 Jefferson Street	Single-Family Residential	Yes
28	761 Jefferson Street	Parkview Apartments	No comment
29	767 Jefferson Street	Single-Family Residential	No comment
30	781 Jefferson Street	Single-Family Residential	Yes
31	742 Jefferson Street	Single-Family Residential	Already zoned C-5
32	522 Jefferson Street	Single-Family Residential	Already zoned C-5
33	Vacant Property off of Iowa St	Will be Baudhuin's Storage Building	Already zoned C-5

Of the 33 properties within the corridor, 18 wish to be rezoned to C-5. Staff feels that several of the property owners who did not respond to the survey would be benefited by the city rezoning their properties to C-5 instead of remaining C-2.

Dorchester Nursing Home (200 N 7th Ave) could remain C-2 or be rezoned to C-5. Under the C-2 zoning, rest homes are a permitted use and do not require any conditional use permitting for expansions. Within the C-5 zoning, rest homes are considered a conditional use, and would have to go through Plan Commission for any expansions in the building. Rest homes require minimum parking in both districts. This would be the only property that may be at a direct disadvantage of being rezoned to C-5.

Staff believes that the rezoning would be for the benefit of the property owners and the city. If the Plan Commission decides to proceed with the rezoning, we would begin the process starting at the January Plan Commission with an informal presentation to the Plan Commission, followed by a public hearing at the February meeting.

Jefferson Street Corridor Rezoning



City of Sturgeon Bay Community Development 421 Michigan Street Sturgeon Bay, WI 54235 920-746-2910

Accessory Dwelling Units

Definition: An accessory dwelling unit means a smaller, secondary home on the same lot as a principal dwelling. Accessory dwelling units are independently habitable and provide the basic requirements of shelter, heating, cooking and sanitation.

Purpose: The allowance for accessory dwelling units and the requirement for such use are intended to accomplish the following:

- Increase the diversity of housing options while maintaining the character of predominately single-family residential neighborhoods.
- Create more affordable housing within existing single-family neighborhoods.
- Enhance neighborhood stability by providing extra income that potentially could allow homeowners to live in their houses longer and maintain their property better.
- Provide homeowners with a means of accommodating extended families, security, or services through tenants in either the accessory dwelling unit or principal dwelling.
- Provide the necessary on-site supervision through owner-occupancy in order to enhance maintenance and the preservation of the neighborhood.
- Ensure that new accessory dwelling units meet standards for housing and architecturally fit the neighborhood.

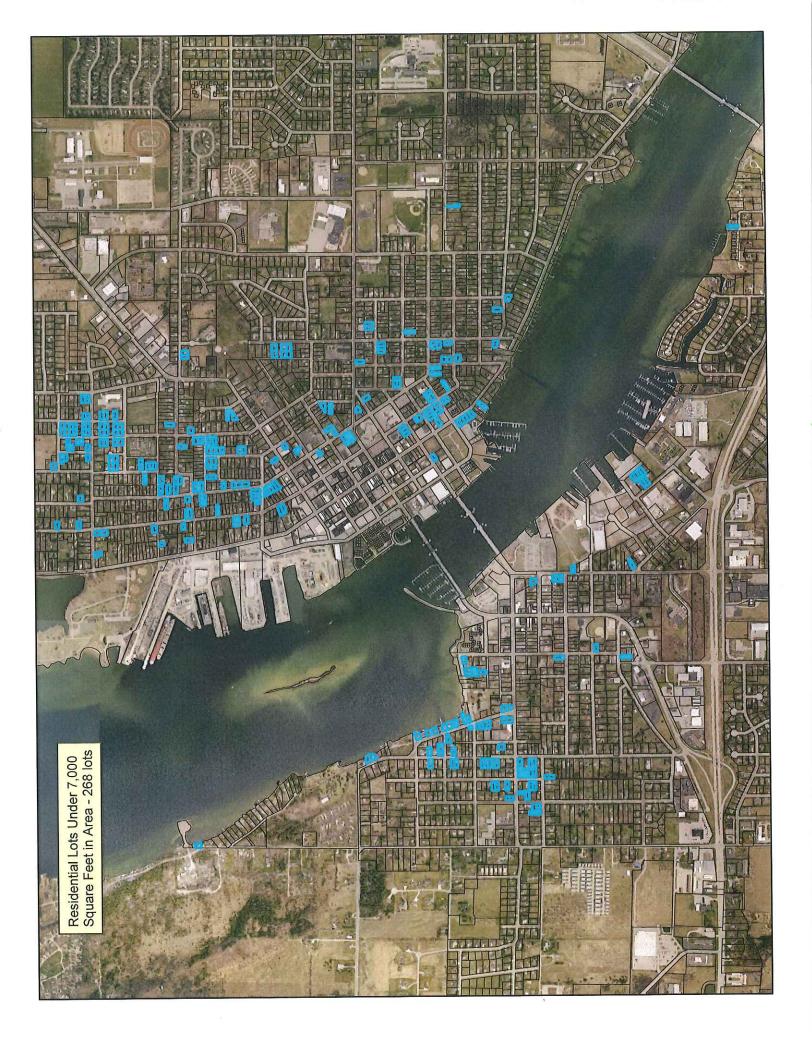
Where Permitted: An accessory dwelling unit shall be a permitted use in the R-1, R-2, R-3, R-4, C-5, and A districts. (Option: Conditional use in some or all of the districts)

Requirements: Accessory dwelling units shall be subject to the following:

- 1. Not more than one accessory dwelling unit shall be permitted on a lot.
- 2. Accessory dwelling units shall be allowed only on a lot having at least 5,000 square feet. (Option: Increase minimum lot area such as 7,000 sq. ft.)
- 3. Accessory dwelling units shall not exceed 800 square feet in floor area and shall have a minimum floor area of 250 square feet.
- 4. The property owner of record must reside in either the primary dwelling unit or the accessory dwelling unit as their permanent and legal address. A restrictive agreement shall be recorded to this effect.
- 5. In addition to off-street parking spaces required for the primary dwelling unit, a minimum of one off-street parking space for an efficiency or one-bedroom accessory dwelling unit, or a minimum of two off-street parking spaces for a two- or more bedroom accessory dwelling unit, shall be provided. (Option: Based it on square footage rather than bedrooms such as 500 or more sq. ft. = 2 spaces)

- 6. The accessory dwelling unit shall not be leased for a period of less than 30 days at a time. A restrictive agreement shall be recorded to this effect. If the property owner of record resides in the accessory dwelling unit, then this minimum rental period shall apply to the primary dwelling unit.
- 7. The accessory dwelling unit shall not be conveyed or separated in ownership from the primary dwelling unit.
- 8. The accessory dwelling unit shall comply with the Sturgeon Bay Housing Code (chapter 22 of the municipal code) and with all pertinent building codes.
- 9. Accessory dwelling units may be attached to or detached from the single family residence.
- 10. Attached accessory dwelling units shall comply with the following:
 - a. The accessory dwelling unit shall be clearly incidental to the principal dwelling unit and the building's exterior shall appear to be single-family. (Option: Require Design Board approval to ensure this rule is met)
 - b. If the accessory dwelling unit is created from a portion of the principal dwelling unit, the floor area of the principal dwelling unit shall not be reduced below the minimum floor area required for the zoning district in which it is located.
 - c. Location of entrances. Only 1 entrance may be located on the facade of the dwelling facing the street, unless the dwelling contained additional entrances before the accessory dwelling unit was created. An exception to this regulation is entrances that do not have access from the ground such as entrances from balconies or decks. (Option: If design review board approval is required, then this rule may not be necessary)
 - d. Exterior stairs. Fire escapes or exterior stairs for access to an upper level accessory dwelling shall not be located on the front of the primary dwelling unit. (Option: If design review board approval is required, then this rule may not be necessary)
- 11. Detached accessory dwelling units shall comply with the following:
 - a. The accessory dwelling unit shall be subject to the requirements of section 20.29 Accessory building height and area regulations, except that the minimum yards for accessory dwelling units shall be as required for principal buildings regardless of whether the accessory dwelling unit is detached from or attached to the principal building.
 - b. The accessory dwelling unit shall comply with all building code regulation relating to dwellings, including a frost protected foundation.
- 12. Approval by the Community Development Department is required for all accessory dwelling units. Applications shall include site plan, floor plan, building elevations, and any other information necessary to determine compliance with these requirements. (Option: Require registration and annual review)







Martin Olejniczak, AICP Community Development Director 421 Michigan Street Sturgeon Bay, WI 54235



Phone: 920-746-2910
Fax: 920-746-2905
E-mail: molejniczak@sturgeonbaywi.org
Website: www.sturgeonbaywi.org

MEMO

To:

City Plan Commission

From:

Marty Olejniczak, Community Development Director

Date:

December 16, 2016

Subject:

Tax Increment District #4 - Redetermination of the Tax Increment Base

The purpose of this memo is to provide some background info regarding an issue relating to TID #4 that will be considered at a future Plan Commission meeting (likely January).

TID #4 was created in 2013 and is the funding mechanism used to implement the redevelopment plan for the West Waterfront Redevelopment Area. Under the tax incremental financing, the City is able to use the property tax dollars from the increased property value in the district (the "increment") to pay for public improvements, developer incentives and other eligible expenses of the district. The property tax dollars from the original property value (the "base") continue to go to all the taxing authorities as normal.

The tax increment law provides an option for the Department of Revenue to redetermine the base value of a TID that is in a decrement situation for at least two consecutive years. Basically, if the TID has gone down in value by at least 10% it qualifies to have its base value reset to the current value.

TID #4 is in a decrement situation because of the fire and subsequent demolition of the Harbor Place Shoppes, which reduced the assessed value of that parcel to just its land value. The base value of TID #4 is \$1,059,100 and its current value is \$416,800. If the base value is reset to the current value, the total tax increments generated by the TID will increase.

In order for DOR to reset the base value, the Council must adopt a resolution and it must be approved by the Joint Review Board. In addition, a project plan amendment must be adopted and it must include one of three restrictions. The options are that the project plan specifies:

- At least 51% of the value of the public infrastructure improvements must be financed by a private developer in return for the City's agreement to repay the developer solely through the payment of cash grants via a development agreement.
- 2. The City expects all project costs to be paid within 90% of the TID's remaining life.
- Expenditures may be made only within the first half of the TID's remaining life (by 2028), unless the expenditure is approved by unanimous vote of the Joint Review Board.

Both the Waterfront Redevelopment Authority and the Council have considered this issue and have determined to move forward with the project plan amendment and request DOR to

reset the base value. For the project plan amendment, the Council approved using option 3 to limit expenditures to the first half of the remaining life.

Staff is working on the amended project plan. This will require a public hearing before the Plan Commission at a future meeting, followed by action from the Plan Commission, Council, and Joint Review Board. There is no need for any action from the Plan Commission at the December meeting, but staff can answer any questions that you may have.