

CITY PLAN COMMISSION MINUTES April 27, 2022

A meeting of the City Plan Commission was called to order at 7:00p.m. on Wednesday, April 27th, by Chairperson David J. Ward in the Council Chambers, City Hall, 421 Michigan Street, Sturgeon Bay.

Roll Call (#1): Members present: David Ward, Helen Bacon, Dennis Statz, Mark Holey, Debbie Kiedrowski, and Jeff Norland were present. Kirsten Reeths attended remotely. Staff present were Community Development Director Marty Olejniczak, Zoning and Planning Administrator Christopher Sullivan-Robinson, City Administrator Josh VanLieshout, City Engineer Chad Shefchik, and Administrative Assistant Suzanne Miller.

Agenda (#2): Motion by Holey and second by Norland to accept the following agenda:

1. Roll call.
2. Adoption of agenda.
3. Approval of minutes from March 30, 2022.
4. Public comment on non-agenda Plan Commission related items.
5. Project plan and boundaries for Tax Incremental District No. 7:
 - a. Presentation
 - b. Public Hearing
 - c. Consideration/Recommendation
6. Consideration of: Development proposals for property owned by the City of Sturgeon Bay on the west side of S. Hudson Avenue (parcel #281-68-18000607B).
7. Consideration of: Initial presentation of zoning map amendment to change the zoning classifications of property owned by the City of Sturgeon Bay on the west side of S. Hudson Avenue (parcel #281-68-18000607B) from Agricultural (A) to Two-Family Residential (R-3).
8. Adjourn.

Approval of minutes from March 30, 2022 (#3): Motion by Statz and second by Kiedrowski to approve the minutes from February 16, 2022. All ayes. Motion carried.

Public Comment on non-agenda Plan Commission related items (#4): No citizens presented for public comment.

Project plan and boundaries for Tax Incremental District No. 7 (#5):

Presentation: Olejniczak described the proposed TID #7 as a mixed-use district with a planned 96-unit apartment complex on a single parcel east of the existing Target store. The TID has a 20-year life. The City would provide financial incentives and public improvements in the region. He stated the Commission could approve the TID in accordance with the original financial proforma presented or approve with the alternative financial proforma developed to remove a number of expenditures to avoid the TID from closing in the last year. The Commission can also choose not to approve the TID or put forth a different plan.

Brian Reuchel representing RW Baird & Co. described the TID as including a currently vacant parcel with a base value at creation of \$143,000. The City's financial incentives will total \$1.5million. The original financial proforma would require all 20 years of the TID to achieve positive results. The alternative proforma would achieve positive results 3 years earlier by removing the Ashland Ave. highway improvement costs from the TID and reducing the budgeted park improvements by \$50,000.

Olejniczak explained this is a small TID with little risk for the City. City tax collections will repay the Developer, who took out a loan of \$1.6million. If the taxes collected are less than projected, the Developer absorbs the loss. Additionally, the Joint Review Board would approve the City's projects related to the TID

but the City can safeguard by holding off on its committed improvements until the tax monies are verified. Staff does not recommend expanding this TID to a larger project as the parcel is bordered by Town of Nasawaupsee property to the south.

Ward stated the TID has a good chance of success and revenues that flow from the project may well be higher than projected.

The Commission raised the following concerns: 1.) The effect of interest rates and inflation and could the Developer pull out of the project if rates were too high. Olejniczak confirmed that could happen. 2.) What is the status of annexations of nearby properties? Olejniczak explained the City would like to clean up the boundaries in that area and does have some annexation agreements already in place. 3.) How completion of projects removed from the TID through the alternative financial proforma will be financed.

Public Hearing: Opened and closed at 7:27p.m. No citizens present to speak.

Consideration: Motion by Norland and second by Statz to approve the Resolution to adopt the proposed Project Plan and Boundaries for Tax Incremental District No. 7, a mixed-use district where not less than fifty percent (50%) by area of the real property within the district is suitable for industrial, commercial, and/or residential development, in accordance with the alternate financial proforma presented by RW Baird. All eyes. Motion carried.

Consideration of: Development proposals for property owned by the City of Sturgeon Bay on the west side of S. Hudson Avenue (parcel #281-68-18000607B) (#6):

Olejniczak explained the City purchased the parcel off of So. Hudson Ave. to develop single-family housing. A request for proposals was issued and two proposals received. The first, from Duquaine Development, included all single-family homes at approximately \$350,000. The second, from SC Swiderski, included primarily single-family with some two-family dwellings at approximately \$315,000. Both Developers were requesting the land for \$1.00 and City-provided infrastructure. Staff reported the City's incentive for either proposal to be large, equaling \$45,000 per lot for land and infrastructure. Staff would like to consider lower-cost homes in the \$250,000 range and are asking the Commission for feedback. The City can use American Recovery Act funds for affordable housing for this project.

Sullivan-Robinson explained the City's future land use map supports this type of medium density residential development.

VanLieshout explained the market changed and homes are more expensive now. Both developers' proposals were reasonable and accurate. If the City wants to create single-family homes in the \$250,000 range, the City may have to act as the Developer.

Shefchik stated the City will be taking an upfront risk by providing the infrastructure. He recommends new home construction with more basic specifications to bring the purchase price down. The City could put restrictions on qualifications for buyers of the homes.

The Commissioners raised the following concerns: 1.) They would support the development if the home prices could be reduced. 2.) Could "Wausau" type / manufactured homes be built? 3.) Could the developers be asked to build smaller homes to bring the purchase price down? 4.) The City may need the tax revenue of the more expensive homes. 4.) The Commission should lean toward affordable housing. 5.) Could duplexes, 4-, 6-, or 8-plexes be considered? 6.) The location is perfect and a walkable neighborhood of mixed housing should be considered.

No action was taken.

Consideration of: Initial presentation of zoning map amendment to change the zoning classifications of property owned by the City of Sturgeon Bay on the west side of S. Hudson Avenue (parcel #281-68-18000607B) from Agricultural (A) to Two-Family Residential (R-3) (#7):

Sullivan-Robinson explained the current zoning of the parcel, on the west side of S. Hudson Avenue [Agricultural (A)] does not match what the City plans to do with the property. The Future Land Use Map of the Comprehensive Plan allows R-2 [single-family residential, with two-family as A) a conditional use or B) a permitted use for up to 25% of the lots if designated as two-family at the time of platting], R-3 (two-family residential, which allows both single- and two-family, or R-4 (multi-family). Staff is recommending the new classification be Two-Family Residential (R-3) which is consistent with the Future Land Use Map and both of the development proposals received for the parcel.

Olejniczak explained the R-3 classification is in line with the district. The first public hearing would be held during the City Plan Commission meeting in May. The Commission could back off R-3 and proceed with R-2 in the future if needed. The Commission cannot, however, move from R-2 to R-3 without another public hearing.

Motion by Holey and second by Bacon to amend the zoning map to change the zoning classifications of the entire property owned by the City of Sturgeon Bay on the west side of S. Hudson Avenue (parcel #281-68-18000607B) from Agricultural (A) to Two-Family Residential (R-3). All ayes. Motion carried.

Next meeting: Chair Ward stated the next meeting of the Commission is moved to Wednesday, May 25th, 2022 at 7pm.

Adjourn (#8): Norland made the motion to adjourn, second by Bacon. All ayes. The motion carried. The meeting adjourned at 8:07p.m.

Respectfully submitted,


Suzanne Miller
Administrative Assistant