

CITY PLAN COMMISSION MINUTES
August 16, 2023

A meeting of the City Plan Commission was called to order at 6:00 p.m. on Wednesday, August 16, 2023, by Mayor Ward in Council Chambers, City Hall, 421 Michigan Street, Sturgeon Bay.

Roll Call: Members David Ward, Dennis Statz, Helen Bacon, Spencer Gustafson, and Jeff Norland were present. Members Mark Holely and Amy Stephens were excused. Staff present were Community Development Director Marty Olejniczak, Planner/Zoning Administrator Stephanie Servia, City Engineer Chad Shefchik, and Community Development Administrative Assistant Cindy Sommer.

Agenda: Motion by Mr. Gustafson and seconded by Mr. Norland to accept the following agenda:

1. Roll call.
 2. Adoption of agenda.
 3. Approval of minutes from July 19, 2023.
 4. Public comment on non-agenda Plan Commission related items.
 5. Conditional Use application by Doug Mueller to construct commercial storage units on parcel #281-64-80000104 located at 1605 Shiloh Road.
 - a. Presentation
 - b. Public Hearing
 - c. Consideration
 6. Combined preliminary/final Planned Unit Development proposed by Estes Investments, LLP for multiple-family dwellings and commercial storage on property located at 1361 N 14th Avenue.
 - a. Presentation
 - b. Public Hearing
 - c. Consideration (*Note: The Plan Commission will not make a recommendation at this meeting, unless a motion is made and unanimously passed by the members present to act on the request at this meeting.*)
 7. Project plan and boundaries for Tax Incremental District #9 (Industrial Park).
 - a. Presentation
 - b. Public Hearing
 - c. Consideration
 8. Initial presentation of zoning map amendment by Lane Kendig from Central Business District (C-2) to Multiple-Family Residential (R-4) for property located at 26 W Pine Street, parcel #281-46-65021700.
 9. Draft project plan and boundaries for Tax Increment District #10 for mixed use development along South Duluth Avenue south of Highway 42-57 and west side of South Hudson Avenue.
 10. Adjourn.
- All ayes. Motion carried.

Approval of minutes from July 19, 2023: Motion by Ms. Bacon and seconded by Mr. Statz to approve the minutes from July 19, 2023. All ayes. Motion carried.

Public Comment on non-agenda Plan Commission related items: No members of the public presented for comment.

Conditional Use application by Doug Mueller to construct commercial storage units on parcel #281-64-80000104 located at 1605 Shiloh Road:

Presentation (a): Ms. Servia explained that the property was recently rezoned to Light Industrial (I-1A), which requires a conditional use for commercial storage. The project consists of one 11-unit building and one 18-unit building. The plans that were submitted at the time of the rezoning have changed and the revised plan now includes removal of the existing building and constructing the larger building on the east side of the property. The Industrial Park Development Review Team reviewed and approved the plans, with the conditions of landscaping, and paving the entrance driveway and providing concrete aprons. The property is currently being cleaned up. It borders other industrial properties, so the project makes sense at this location. Ms. Servia noted that at the public hearing for the rezoning request, a neighbor voiced concerns regarding lighting and visibility from her property.

Staff recently visited the property and believes the proposed storage units would only be visible by the neighbor after the trees lose their foliage. The foliage is very dense during most times of the year. Staff supports the conditional use and suggests conditions that all exterior lighting be downward directed and at least five trees located between the street and the front building must be included in the landscaping plan.

Applicant Doug Mueller indicated that he is here to answer any questions. The members remarked that they like the layout of the buildings. Mr. Olejniczak stated that the fire chief prefers the previous plan but this one will also work.

Public Hearing (b): Mayor Ward opened the public hearing at 6:09 p.m. Samantha Casey, 265 E Leeward Street, is the adjacent property owner and stated she was at the rezoning meeting and prefers the new layout of the buildings. She indicated that the downward directed lighting is better, but she still has concerns about trespassing and dumping of garbage onto her property, and also the increase in traffic to her quiet area. Doug Mueller, the applicant, stated he would like to see a stop sign on Shiloh Road from the west because there are trees and a slight rise that hinder visibility at the intersection. Mayor Ward explained that this type of request should be directed to the newly formed Public Transportation Board. The mayor closed the public hearing at 6:12 p.m.

Consideration (c): Ms. Bacon motioned to approve the conditional use application as presented with conditions that all exterior lighting be downward directed and at least five trees must be planted between the street and the front building. Motion seconded by Mr. Statz. The members discussed outdoor storage and trash and Mr. Mueller explained that the units would be mostly for boat storage and that there would be no outdoor storage or trash on the property. All ayes, motion carried.

Combined preliminary/final Planned Unit Development proposed by Estes Investments, LLP for multiple-family dwellings and commercial storage on property located at 1361 N 14th Avenue:

Presentation (a): Ms. Servia explained this is a combined preliminary/final Planned Unit Development (PUD) proposal by Estes Investments. Mayor Ward noted that two Commission members were unable to attend the meeting tonight and indicated that the Commission is likely to choose to wait to vote until the next meeting. Ms. Servia went on to explain that this is a mixed-use development with both a 22-unit and an 8-unit condo building, four commercial storage buildings and a storage building for use by residents of the condo units. The rezoning to PUD is necessary due to exceeding the maximum residential density under the zoning code. The Commission previously approved using the combined preliminary/final PUD process. Ms. Servia further explained that the site already has approval for 12 storage buildings and the 22-unit multiple-family residential building and the decision before the members is whether to keep the project as previously approved or to allow the 8-unit condo instead of some of the storage units. Ms. Servia also noted that the parcel has a fairly drastic slope, going from elevation 626 feet to 645 feet, with a drainageway located along the west edge. The comprehensive plan has this listed as higher density residential for the eastern portion and unsewered commercial for the westerly 190 feet, which was an amendment to the comprehensive plan in 2021. The only access point is from 14th Avenue.

This project proposes to have a total of 30 units, which is five more than the maximum 25 units permitted under the current zoning designation. There are no recreational facilities planned, however staff would like to see something like a gazebo or other community gathering amenity. The landscape plan calls for 28 trees to be planted. At this time the commercial storage buildings have been approved by the Aesthetic Board, but the 8-unit and 22-unit condo buildings have not yet been presented to that Board.

The proposal complies with all zoning requirements, except the residential density, and staff recommends approval of the PUD with conditions of: 1) create a gathering space on the property; 2) lighting should be downward directed and; 3) the 8-unit and 22-unit condo buildings, as well as the 4'x8' condo storage unit building would require Aesthetic Board approval.

Dave Phillips of Bayland Buildings, Inc., general contractor, explained that all sewer and water plans have been submitted and approved by the city engineer. Stantec created a landscape plan that meets the municipal code. The lighting plan is deemed to have zero uplight and will consist of a total of six light poles with none on the north side. There will be thirty 4-foot by 8-foot storage units in one building for condo use with an inside hallway to the units, plus one wheelchair accessible doorway to a unit. They would like to have a decision very soon because the 22 condo units are already on the market, and they want to be able to inform buyers of the complete plan. He

added that the 8-unit condo is a better use of the space and actually utilizes less ground than the previously planned storage buildings. He indicated there are two possible locations for a gathering place of some type, if that is required. The 8-unit building design will be more detailed before it would go before the Aesthetic Board.

Public Hearing (b): Mayor Ward opened the public hearing at 6:32 p.m. Chris Larson of 1411 N 14th Avenue explained his property abuts the subject property. He has never been against the proposed improvements, however he believes the density is too much and is setting a bad precedent. He has been frustrated with property lines problems. He has had 2-4 feet of asphalt removed and backfilled with gravel. He met with Mr. Phillips prior to the meeting today and an agreement has been reached to repair, reseed and sod the encroachment by mid-September. Mr. Larson stated he is concerned about the elevation change but understands now that a retaining wall may not be needed. He is concerned there is not enough parking and feels that any short-term rental of the units should be tightly regulated. He hopes that the Aesthetic Board looks at the placement of the proposed trees and requires they be spread out more and not clustered together in one spot. He indicated that some improvements have been taken care of but is very concerned that other problems will be left undone. The property still contains an old stone wall, two bad trees and that overall the proposed density is just too high.

Connie Larson of 1411 N 14th Avenue stated she is very concerned about the density and that there are no garage spaces for the extra residential units.

Anthony Recupero of 1408 N 12th Avenue stated he submitted a letter with his concerns. One four-page letter submitted by a variety of neighbors in opposition was read into the record. The public hearing was closed at 6:49 p.m.

Consideration (c): Mayor Ward stated that he is not ready to consider this project tonight. A special Plan Commission meeting is being held on August 30 and consideration will likely take place at that meeting. Mr. Olejniczak confirmed that the excavation done on Mr. Larson's property had taken place and he hopes the parties are able to work out an amicable resolution. He also stated that the parking spaces meet the municipal code and explained the criteria. Short term rental restrictions are difficult for the city to adopt, however a restriction in the condominium declaration could be one way to do so. It would be possible to hold off on rezoning the parcel until after the condominium declaration has been drafted.

The members discussed that the rip rap retaining wall was not part of the previously-approved project. They would like to see a better landscape plan with more green space and a community gathering space. Mr. Statz pointed out that that the Commission previously suggested to the developer that residential units would be preferred over storage units. City Engineer Shefchik stated that the old stone wall is already in the plans to be removed by the property owner. The members also discussed runoff and management of creek drainage. Mr. Shefchik indicated that property owners must grant permission or easements before city employees could clean out drainageways on their property.

No action was taken on this matter and consideration will be deferred to the next meeting.

Project plan and boundaries for Tax Incremental District #9 (Industrial Park):

Presentation (a): Mr. Olejniczak explained that the city and Door County Economic Development Corporation (DCEDC) have been working on a proposed industrial flex building within the industrial park. A memorandum of understanding with Immel Construction has been signed and Cedar Corporation has been hired for engineering. The developer needs infrastructure and development incentives and creating a new tax incremental district (TID) is a good way to assist with the financing. R.W. Baird has been working on the financial aspects of the proposed TID, which consists of three parcels totaling about 40 acres. The flex building is planned to be about 50,000 square feet and could house up to five new industrial businesses, some of which could be coming from the DCEDC incubator. The spaces in the building would be flexible to accommodate different size needs.

Adam Ruechel of R.W. Baird went through the updated plans. The city anticipates expenditures of about \$2 million during the 15-year expenditure period. There is a projected \$4.3 million of tax increment that can be used for street improvements, stormwater management and other improvements within the half-mile vicinity of the district. Property improvement values of approximately \$5.5 million from the flex building are anticipated and a total of \$12 million in incremental value is expected by the end of the life of the TID. The Joint Review Board suggested to

increase street, storm sewer/water and land acquisition costs by about \$2.5 million, however it is preferable to keep a more conservation approach with the option to amend the plan at a later date if it's feasible.

Mr. Olejniczak explained that if the new TID is adopted before September 30, then the official start date goes back to January 1, 2023, however if it isn't adopted until October 1 or later, then the official start date will be 2024, which is beneficial because it is unlikely that the project will begin before the new year and no increase of property values will take place in 2023.

Mr. Statz commented that this appears to be a very conservation TID and it's likely to do better than projected.

Public Hearing (b): Mayor Ward opened the public hearing at 7:19 p.m. Michelle Lawrie of DCEDC stated that the industrial flex building is very needed in the city and she is appreciative of the opportunity to work together to get this done. She's excited to see the improvement to the 40 acres and the new building is very exciting.

One letter from Immel Construction in support of the TID was read into the record. The public hearing was closed at 7:22 p.m.

Consideration (c): Mr. Olejniczak explained that the members, if they choose to recommend adoption of a resolution, could do so now or they could wait until a later meeting to see an updated proforma. Mr. Ruechel indicated that they could recommend adoption now and it wouldn't change the start date of the TID because that would be based upon council adoption. Mr. Statz motioned to approve the resolution to recommend the creation of TID #9 to council as presented. Mr. Norland seconded the motion. Mayor Ward stated that he prefers to stay with the conservative plan as presented and noted that the plan could be amended up to four times. All ayes, motion carried.

Initial presentation of zoning map amendment by Lane Kendig from Central Business District (C-2) to Multiple-Family Residential (R-4) for property located at 26 W Pine Street, parcel #281-46-65021700: Lane Kendig of 4089 Snake Island Road explained that he is the owner of the property at 26 W Pine Street, which was rezoned from residential to commercial in 2004 and used as an office building, however he is now retired and a potential buyer would like it to be residential and the Mixed-Family Residential (R-4) district seems to be the most flexible option. The buyer is a traveling nurse who would like to use the building for a residence. Mr. Olejniczak indicated that he spoke with the buyer, who is comfortable with this option. It seems to be a good transition in the neighborhood, however Single-Family Residential (R-2) would be another alternative. Mr. Statz questioned if C-5 would be an option and Mr. Kendig stated the bank will not finance any commercially zoned property for residential use. This matter is scheduled for public hearing at the August 30 Plan Commission meeting. No action was taken at this meeting.

Draft project plan and boundaries for Tax Increment District #10 for mixed use development along South Duluth Avenue south of Highway 42-57 and west side of South Hudson Avenue: Mr. Ruechel introduced a new proposed tax increment district (TID), which would be a mixed-use district consisting of 36 acres on the west side, including a 24-lot workforce housing development on City-owned property along S Hudson, S Geneva and S Fulton Streets. The developer and City are looking for ways to fund the needed infrastructure. The TID would have about \$1.785 million improvement project costs during the 15-year expenditure period with an anticipated \$4.4 million increment throughout its life, which is very conservative.

Mr. Olejniczak pointed out a map of the parcels and explained this is a very compact district. Since there has been substantial construction in 2023 in this area with the new Kwik Trip and Starbucks buildings, the city would like to get this TID adopted before September 30 so that the start date goes back to January 1, 2023, thereby allowing the city to take advantage of the increase in property values in 2023.

Mr. Ruechel further added that the TID consists of 10 parcels with a valuation of \$1.4 million. They city currently has about 7.1% of its equalized value of taxable property within tax increment districts, which is well below the maximum 12%. Some of the projected improvements projects consist of street, sidewalk and infrastructure improvements for the 24-lot subdivision, improvements to S Duluth Avenue, other street improvements, and park and trail improvements for Cherry Blossom Park and the Ahnapee Trail. No annexation is anticipated and two

zoning changes from agricultural to commercial or residential are anticipated. The proforma shows this to be very conservative.

Mr. Statz asked about future expansion of the TID and if there is a limit to how big it could get if more development comes about. Mr. Ruechel explained there is no size limit as long as the city stays below the 12% of property values within the TID's. TID #2 is also set to close in the next couple of years, which would vastly increase the city's capacity to create or enlarge TID's. Mr. Olejniczak indicated that the strategy is to start small and expand along the way if needed.

Mr. Norland indicated he would like to see improvements to S Ashland Avenue to relieve some of the congestion.

No action was taken. This matter will be scheduled for public hearing at the August 30 Plan Commission meeting.

Adjourn: Motion by Mr. Statz to adjourn, seconded by Mr. Norland. All ayes, motion carried. The meeting adjourned at 7:44 p.m.

Respectfully submitted,

Cindy Sommer
Community Development Administrative Assistant