

CITY PLAN COMMISSION
Wednesday, October 28, 2020

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

Roll Call: Members Helen Bacon, Debbie Kiedrowski, Jeff Norland, David Ward, Dennis Statz, Mark Holey, and Kirsten Reeths were present. Also present were Alderpersons Gary Nault, Dan Williams, and Spencer Gustafson, City Administrator Josh VanLieshout, Community Development Director Marty Olejniczak, Planner/Zoning Administrator Chris Sullivan-Robinson, and Community Development Secretary Cheryl Nault.

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

1. Roll call.
2. Adoption of agenda.
3. Public comment on non-agenda Plan Commission related items.
4. Consideration of: Request from Fincantieri Bay Shipbuilding to rezone various parcels along Third Avenue (parcel #281-10-85340109B; #281-10-85371001R; #281-10-35371301R; #281-10-85371401; and #281-10-85360101C) from Central Business District (C-2) to Heavy Industrial (I-2)
5. Consideration of: West Waterfront redevelopment proposals.
6. Consideration of: Sunset School redevelopment proposals.
7. Adjourn.

All ayes. Carried.

Public comment on non-agenda Plan Commission related items: Hans Christian, 330 N. 3rd Avenue, stated that he had issues with the structure of the agenda. The minutes were not included from the last meeting; the updated map from Fincantieri was not included; and when staff endorses an idea, all parties involved should be contacted.

Request from Fincantieri Bay Shipbuilding to rezone various parcels along Third Avenue (parcel #'s 281-10-85340109B; 281-10-85371001R; 281-10-35371301R; 281-10-85371401; and 281-10-85360101C) from Central Business District (C-2) to Heavy Industrial (I-2): Todd Thayse, Vice-President and General Manager of Fincantieri Bay Shipbuilding, introduced his team. Present were Facilities Engineer Peter Glassen; Assistant Manager Ryan Hoernke; Jason Gerke, Graef Engineering; Kurt Wolfgram, Miron Construction; and In-House Counsel Stephanie Propsom.

Mr. Hoernke narrated a presentation of Fincantieri's overall plans for improvements in the south yard. He explained the proposed new buildings and additions, what the building uses were, and went over their request for rezoning to I-2, which has been scaled back from the original rezoning petition.

Since the last meeting, they have decided to have the Red Oak Winery building (#325 N Third Avenue) and the Train Depot (#341 N Third Avenue) remain within the C-2 district. They also have modified their request to leave the easterly portion of the parking lot north of the Train Depot within the C-2 district. Hence, the modified rezoning request includes a sliver of land at the rear of the former Red Oak Winery lot, the land behind the Train Depot, and the westerly half of the parking lot.

Mr. Hoernke stated that Miron Construction is currently using space in the 325 N Third Avenue building for temporary offices during the construction period. In the long term, there will be Navy individuals and Lockheed Martin staff overseeing the operation and inspecting their work that will be occupying the building. There is a potential for turning the Train Depot into a conference center and to design it recognizing some of the historical aspects of the shipyard operations, with artifacts and pictures. With these buildings being on 3rd Avenue, they fall as part of the beautification plan proposed for this area.

Mr. Hoernke stated that they want to be transparent, a good neighbor, and a good corporate citizen. They want to be sure to listen and address concerns. Some of the concerns they have heard were building uses, noise, dust,

gravel pile, and outdoor operations. Regarding the noise, all module blasting activities will be moved inside building 422.

Mr. Gerke showed a sample of the wall system for the south wall on building 420. It is a very thick panel with insulation. The sound transfer (STC) rating is in the low 30's. Residential homes have a rating in the low 20's.

Mr. Hoernke discussed the dust issue. He pointed out all the recently paved areas in the yard. The south yard will be paved after the new construction, additions, and modifications are complete. They have purchased a street sweeper to clean up the paved surfaces and reduce dust. He also stated that the gravel pile that is currently on area proposed to be rezoned will be removed and used for fill for the new construction. The parking lot will be paved.

Mr. Statz wondered what the reason was to rezone the parking lot to I-2. Mr. Thayse responded that after speaking with the City, it was thought that it would be best to get it cleaned up on the north side because they would be coming in and out of there with sections. Another reason was in case something had to be parked there overnight. Mr. Statz would also like to see a buffer of 8 – 10 feet along 3rd Avenue. Lastly, he said there are tax credits available for restoration of the Train Depot.

Ms. Bacon wondered what type of fencing would be used. Mr. Thayse responded it would be a chainlink fence to match what is there now.

The Mayor announced that the Commission would take comments from the public.

Christie Weber, 311 Pennsylvania St., stated that she is the president of the Sturgeon Bay Historical Society. She felt that the buildings can be moved closer together since all the work will be done inside. The garage doors should be made of the same material as the siding. She was concerned with the Train Depot becoming an island surrounded by industrial and stated that the Train Depot cannot be moved.

Beth Renstrom, 34 Bluebird Dr., stated that she lives north of the shipyard. Rezoning would lower the shipyard's taxes. She loves the shipyard, but wants to see the local government and elected officials do what is best for the citizens. The streets and sidewalks around the shipyard are in horrible disrepair from the industry and would like to see Fincantieri invest in and maintain those areas around their property.

Hans Christian, 330 N 3rd Avenue, said it was a great presentation, but didn't address the noise. He played a recording from the noise from building 311. The noise is so loud that the whole neighborhood could become inhabitable. The beautification plan will not help the noise. There is only one contract. There are no guarantees that Fincantieri will get contracts for future ships. He felt all of the parking lot should remain C-2, as well as the area behind the Train Depot.

Kelly Catarozoli, 344 N 3rd Avenue, stated that no one has addressed how often the large doors will be open and the noise. There probably aren't that many employees that actually live and are taxpayers in Sturgeon Bay. Yet, the taxpayers have to pay for the roads that are damaged from their trucks. Fincantieri should donate that Train Depot to the City as a public interpretive center, with an endowment fund for its maintenance. The Train Depot and the far north lot should remain as C-2. Zoning codes are meant to protect everyone.

Phil Rockwell, 368 N 3rd Avenue, stated that he lives across from the dirt pile. Fincantieri's presentation was enlightening. He wished that this was located in the Industrial Park. He stated that the City should require exactions from Fincantieri, such as more street cleaning. He hopes that it would be written that any change in variation of anything has to go through the Plan Commission. If there are no plans to do anything with the parking lot, it should be put on paper. He thinks that they are now doing a better job in working with the community.

Mr. Olejniczak went over the staff recommendation. In the original staff report there was a concern over maintaining a buffer between the residential area east of 3rd Avenue and the industrial area. With the revised request, Fincantieri is leaving a large area of the parking lot as C-2 that creates a buffer area. With the reduction of the area to be rezoned I-2 and the fact that the comprehensive plan shows this region as being a future industrial land use, the staff recommendation was to approve the new modified request from Fincantieri as presented.

Mr. Statz referred to building 422 and if there would be a problem bringing materials across C-2 zoning to the door on the north end. Mr. Olejniczak responded that using it as an access point would be ok, but not to store or park anything for an extended period.

Mr. Statz also asked about extending the fence from C-2 to the I-2 area. Mr. Olejniczak responded that the City has no fence ordinance. Mr. Statz did not see the need to change the northern area from C-2 to I-2.

Mr. Norland disagreed with Mr. Statz and said it gives a nice straight line for moving things in and out along the I-2. He had no problem with rezoning to I-2. He wondered what would happen if the lot line changed. Mr. Olejniczak responded that parcel already has split zoning. They are just requesting to change where the split zoning line is.

After further discussion, it was moved by Mayor Ward, seconded by Mr. Norland to recommend to Council approval of Fincantieri's rezoning request from C-2 to I-2 as proposed in their letter of October 26, 2020, and depicted in the map attached to the letter.

Ms. Bacon said the presentation was very good and likes the fact that manufacturing activity is going to be inside. Fincantieri should promote themselves better and let the community know what they have done for the community. She is excited about the beautification plan.

Ms. Kiedrowski appreciated the presentation. She feels that after everything is completed, it will be much better visually.

Mayor Ward stated that several times the issue of taxes came up. It was said that by rezoning you will get less money. The State has a uniform tax assessment policy. Taxes are based on the value of a property.

Mayor Ward also addressed the issue of corporate citizenship. Fincantieri contributes to many things in our community, including donations, investments, and partnerships, which they do not talk about.

Mayor Ward spoke about the size of the buildings. Years ago, he toured Marinette Marine. He noted that hulls are built upside down. There is a need for the expanded size of buildings.

Mayor Ward added that if Fincantieri does not get another contract, there will be no noise issue. They are the ones taking a risk.

Mr. Statz reiterated that the whole northern section of the area proposed to be rezoned does not have to be included with the I-2 rezoning. It should stay C-2. He would like to see a condition added that the historic Train Depot will not be demolished and the exterior shall be maintained in good condition.

Ms. Reeths hopes that the new buildings and the insulation will cure a lot of the issues. It will be great to see the yard cleaned up. The Train Depot should be turned into a place for history to be told.

Mr. Holey stated if the rezoning of the parking lot was needed, he was in favor of it. If it is all to remain a parking lot, he would be okay with C-2 or I-2. It still maintains a buffer from N. 3rd Avenue. He would like to add to the motion regarding the beautification plan.

Mayor Ward stated that it was already committed in the City budget to go ahead with beautification. Mr. Thaysse has agreed to match, if not more, the City's beautification commitment.

Moved by Mr. Holey to amend the motion, seconded by Mr. Norland, to include the condition that Fincantieri must complete a beautification plan incorporating the 3rd Avenue properties to be rezoned, through a cooperative effort with the City of Sturgeon Bay. The plan must be approved by the City.

A vote was taken on the amended motion. All ayes. Carried

A vote was taken on the original motion. Carried, with Mr. Statz voting no.

Consideration of: West Waterfront redevelopment proposals: Mr. Olejniczak stated that this was discussed at the previous Plan Commission meeting. At that time, of the three proposals, it was decided to eliminate FIT Investment Group. The Commission requested staff to gather some other information regarding the Northpointe and T. Wall Enterprises proposals.

In regard to Northpointe, they would be flexible with site layout and building design. They would also be willing to add commercial space to the development, and increasing the number of units.

The site design for T. Wall Enterprises goes beyond the limits of the development site. It extends into the property currently owned by the Waterfront Redevelopment Authority, which is the parking lot in front of the Door County Maritime Museum. It also would involve shifting Locust Ct. They have built \$100,000 into their budget for those changes. Anything above that would be the City's cost. Besides the 80 stall underground parking, they would need additional surface parking. If there is parking below the high water mark, it has to be undesignated public parking. They were not sure if that would be acceptable. If need be, there could be parking for tenants in the Maritime Museum area of the property. They also would not prefer adding commercial space.

Mr. Olejniczak stated that staff likes Northpointe's proposal, since they are eligible to use the Community Development Block Grant funds that the County has. It creates workforce housing downtown. This project is split with half market rate and half workforce. Workforce is defined as people earning 80% of the median county income. Even though the property value is less for Northpointe than T. Wall, the increment created pays off the loan and creates additional increment that can be used for the public improvements, such as the park next to it. They can also start construction much sooner than T. Wall. Northpointe has no impact on the promenade. The City has a positive relationship with Northpointe.

Mr. Statz stated that he did not see the value of commercial space.

Mayor Ward pointed out that the City has a lot of vacant storefronts. There is no parking in that area for commercial. He was in favor of Northpointe and asking them to add 8 units to the 40 that were proposed. He also mentioned parcel 100 to be used for commercial use such as bar and/or restaurant.

Mr. Norland noted that Northpointe does not offer any 3-bedroom units. Also, after a ten year period, and Northpointe decides to go full market rate, the value goes up, which helps the tax increment district.

Ms. Kiedrowski stated that she is leaning toward Northpointe. She did like T. Wall with the way the patio was facing and made the space larger. There should not be commercial, as it would complicate matters.

Ms. Bacon stated that she did not like the aesthetics of Northpointe. She is glad that they are willing to do something more upscale. She likes the smaller footprint and space around the building. It fits the site better. She also likes the idea of adding some 3-bedroom units and increasing to 48 units.

Moved by Ms. Bacon, seconded by Mr. Statz to recommend to Council to accept the development proposal from Northpointe Development Corporation for the West Waterfront redevelopment and negotiate with Northpointe to finetune the proposal, including increasing the number of units.

Ms. Reeths disagreed with having no commercial development. This piece of property is to beautiful just to have apartments on it. Mayor Ward responded that request for proposals had been sent out and all three proposals that were received were all housing proposals.

Mr. Gustafson stated that he was one of the alderpersons that brought the retail idea to the table with Mayor Ward. The financials are very concerning between retail and the current world. He suggested to market the site with a retail option and put a time limit on response.

Mr. Olejniczak said that it makes sense to at least explore commercial. It definitely would fit the plan.

A vote was taken on the motion. All ayes. Carried.

Consideration of: Sunset School redevelopment proposals: Mr. Olejniczak stated that three proposals were received for redevelopment of Sunset School and the parking lot across the street from Sunset School. Both parcels are owned by the school district and will become available after this school year.

In terms of Horizon, their proposal was a WHEDA tax credit project. They revamped their financial proposal. They would pay for the cost of the demolition of the school building. In exchange for doing the demo, they want their payment of the school property of \$240,000 to be deferred for 15 years.

Maritime Heights (Doreen Phillips) would keep the same design as the current apartments on the parking lot site. On the school site, she would like to keep the same design, but change the color to two-tone.

S.C. Swiderski is agreeable to making site layout changes.

In summary, Maritime Heights would range from 32 – 50 units. Rent structure for the two or three bedroom units would be \$795 - \$995 per month. They will pay \$10,000 for the property and take care of demolition. They request a developer incentive of \$30,000 payable over 2 years upon construction.

The S.C. Swiderski proposal was either 24 or 28 units. Rent structure for the two or three bedroom units would be \$845 - \$1145 per month. They would like the land for free and have the school or City demolish the building. They also would like a developer incentive of \$200,000 payable at the occupancy of each of their four buildings, which would be \$50,000 after each building was completed.

Horizon Development proposed 48 units that would be mostly rent restricted, with a few market rate units. Rents would be as low as \$335 to \$1150. They are willing to pay \$240,000 for the land, but deferred for 15 years. They are willing to demolish the building, but would like a developer incentive of \$478,000.

Mr. Olejniczak went over the tax proformas completed by Baird, the City's financial consultant. If a tax increment district is created, the proforma for the Maritime Heights project estimates the project would recover its expenditures in about its' 5th year of existence. The Horizon proforma estimated that it would pay off in 2037. The proforma for the S.C. Swiderski project estimated the expenses would be paid off in 2035 or in 2031 depending upon the cost of demolition. The City will be meeting with the school district on Thursday.

Mr. Olejniczak stated that S.C. Swiderski did not need the parking lot area. There is no sanitary sewer and water service to the site, so their proposal used that site only for garages. Maritime Heights, since they own the property next door, would only have to extend their internal sewer and water to that site in order to construct dwelling units on it. S.C. Swiderski has attached garages and their original proposal had the garages facing inward.

Ms. Reeths likes the S.C. Swiderski proposal and that they would give up the parking lot to Maritime Heights for expansion.

Mr. Statz added that discussion was held at the last meeting that maybe it would make sense to flip the garages. They were willing to do that, but the buildings that weren't on 8th Avenue would still need a driveway on 8th Avenue to get to their garages. Mr. Holey said that he was not in favor of doing that.

Mr. Norland noted that the Maritime Heights proposal created the most tax increment dollars. However, as far as building design, etc., he prefers S.C. Swiderski.

Ms. Kiedrowski also preferred S.C. Swiderski. It is more upscale, but likes the idea of Maritime Heights occupying the parking lot area.

Ms. Bacon agreed and likes the idea of Maritime Heights occupying the parking lot.

Mayor Ward stated that if a tax increment financing district is formed, some improvements may get done, such as sidewalks.

Discussion continued. Moved by Mr. Holey, seconded by Mr. Statz to recommend to Council to work with the S.C. Swiderski proposal for redevelopment of the Sunset School parcel, and to work with Maritime Heights for the redevelopment of the parking lot parcel on the south side of Erie Street. All ayes. Carried.

Adjourn: Moved by Mr. Holey, seconded by Ms. Reeths to adjourn. All ayes. Carried. Meeting adjourned at 9:48 p.m.

Respectfully Submitted,

Cheryl Nault
Community Development Secretary