

ZONING BOARD OF APPEALS
Tuesday, August 25, 2020

The City of Sturgeon Bay Zoning Board of Appeals meeting was called to order at 12:00 Noon by Chairperson William Murrock in the Council Chambers, City Hall, 421 Michigan Street.

Roll call: Members Wayne Spritka, William Murrock, Nancy Schopf, Bill Chaudoir and Dave Augustson were present. Mr. Augustson appeared virtually via Zoom. Also present were Mayor David Ward, Sturgeon Bay Utilities General Manager Jim Stawicki, Alderpersons Dan Williams, Helen Bacon, Kirsten Reeths, Spencer Gustafson, and Seth Weideranders, City Administrator Josh Van Lieshout, Community Development Director Marty Olejniczak, Planner/Zoning Administrator Chris Sullivan-Robinson, Community Development Secretary Cheryl Nault, and several members of the public.

Adoption of agenda: Moved by Mr. Spritka, seconded by Ms. Schopf to adopt the following agenda:

1. Roll call.
2. Adoption of agenda.
3. Approval of minutes from July 14, 2020.
4. Public Hearing: Petition from Fincantieri Bay Shipbuilding Co. for variances from the minimum side yard and maximum building height requirements of the I-2 district for an addition to an existing building, located at a former address known as 273 N. 1st Avenue.
5. Consideration of: Petition from Fincantieri Bay Shipbuilding Co. for variances from the minimum side yard and maximum building height requirements of the I-2 district for an addition to an existing building, located at a former address known as 273 N. 1st Avenue.
6. Public Hearing: Petition from Fincantieri Bay Shipbuilding for a variance from the maximum building height requirement of the I-2 district for a building located in the south yard of Fincantieri Bay Shipbuilding Co. and westerly of the property at 341 N. 3rd Avenue.
7. Consideration of: Petition from Fincantieri Bay Shipbuilding for a variance from the maximum building height requirement of the I-2 district for a building located in the south yard of Fincantieri Bay Shipbuilding Co. and westerly of the property at 341 N. 3rd Avenue.
8. Adjourn.

Carried.

Approval of minutes from July 14, 2020: Moved by Mr. Chaudoir, seconded by Mr. Spritka to approve the minutes from July 14, 2020. All ayes. Carried.

Public hearing: Petition from Fincantieri Bay Shipbuilding Co. for variances from the minimum side yard and maximum building height requirements of the I-2 district for an addition to an existing building, located at a former address known as 273 N. 1st Avenue: Mr. Sullivan-Robinson stated that there are two variance requests, with the first being the 420 building at the base of N. 1st Avenue. In the I-2 district, the height limit is 45 feet. The setback along the south lot line is 20 feet. Fincantieri is requesting to build a 60,000 square-foot addition that would encroach the side yard setback by 15 feet and would match the existing height in the front of the building on the street side and would decrease in height in the back of the building. The same setback of 5 feet would be followed along the south lot line as existing. In 2007, a variance was granted for a 59-foot building height, as well as the 5-foot side yard on the south lot line. There is commercial property to the East and South, and residential condos further to the south. Across from 3rd Avenue is a mix of residential and commercial development. There are three primary criteria to granting a variance, including unnecessary hardship, unique property circumstances, and protection of public interest. If a variance is granted, the property owner will need to adjust the lot line or combine the lots to avoid having the proposed addition cross a lot line. The Board has the ability to approve the variance as presented or a lesser variance. Conditions can be placed on the variance, but should be related to the project.

Mr. Olejniczak reminded Board members that they must clearly state the reasons for granting or denying the variances.

Chairperson Murrock opened the public hearing at 12:05 p.m.

Fincantieri's General Manager Todd Thayse stated that Miron Construction was selected as their construction firm. The U.S. Navy's FFGX contract was awarded to Fincantieri, which is a huge program. It is a very big deal that this is coming to Northeast Wisconsin. Fincantieri has three contracts for vessel construction, including the recently awarded FFGX Program. The other two are LCS, which they have been working on for approximately seven years, and the MMSC, which is a continuation of the LCS Program. Things that they have done in preparation for this is the purchase of the Palmer Johnson property, the request to have the City vacate 1st Avenue, the acquiring of the Railroad Depot, the acquiring of the Wagner Mall property (former Red Oak Winery), Berth One improvements by acquiring a grant from the State of Wisconsin to remove the shipwreck at Berth One and develop a deep water port, which has been completed, and relocation of the high powered lines that went across the former Palmer Johnson property. These were all things that were steps to achieving the eventual goal of being ready to become a Department of Defense contractor. The south portion of the property is what is considered the military area. What they will do is build the forward third of the vessel. All the steel will be coming to Sturgeon Bay. It will be blasted and primed upon arrival. It must be housed indoors. They will be building the forward end, receiving, blasting, priming, kitting, shaping, burning and manufacturing all the components of the vessel. They will be doing that for the LCS program, the MMSG program, and the FFGX program. This will continue to keep their employees employed and offer more employment as they work toward the Department of Defense work.

About 75% of their current, modern construction buildings are much taller than the maximum 45-foot height restriction. The tallest building currently on the site is Building 311, which is at 82 feet high. The setback they are requesting is a continuation of an existing building that is currently 5 feet from their southern property line.

Mr. Thayse gave a slide presentation that gave a depiction of what this will look like. The 433 building, which will be an 80,000 square-foot manufacturing building, will house the blasting and priming equipment. They are asking for a variance for a height of 110 feet. One of the reasons this building is proposed to be located where it is at is because of the Berth One improvements that were made. The launch ramp needs to line up with the end of the building so they can roll out the large sections onto the launch ramp and then onto a barge to be transported to Marinette Marine for the larger construction of the vessel. Marinette Marine will finish and launch the vessel. The current blast, prime, small parts, plate storage, etc. that is in the South Yard will be removed to make room for new construction. All construction for the Department of Defense must be done indoors. Steel has to be stored indoors. The reason for the requested height is for the crane and 75-foot hook height. The 110-foot height is to the top of the parapet wall that houses the door as it coils up. There will be six workstations within the building.

Building 420 will contain steel storage. This building will be located alongside the existing Palmer Johnson building. The upper end of the roof will be visible coming down Jefferson Street.

Mr. Thayse reminded everyone that this has a substantial bearing for years to come on how they do their business, the kind of business that they do, and the volume of business that they do. This is more than a \$30 million dollar investment for them.

Mr. Thayse added that the steel will be trucked up to Sturgeon Bay in 40 ton loads on the same route as they currently use. The 422 building will have the access modified on the north side in order to get sections out of the building. Utilities will be relocated. The building will be split in two with a sandblasting side and a painting side. Two new doors will be installed, one on the north side and one on the south side. There will be several modifications throughout the yard to support this. There will be existing buildings that will be repurposed for offices.

Ms. Schopf asked what the employment projection is. Mr. Thayse responded that there will be an increase. They have fluctuated between 600-1200 employees over the past 8 or more years. They are expecting a downturn in the commercial end of the business and would be moving them into the military end. This means a lot of continued jobs. If the variance was not approved, it would be very difficult and doubt if they would be able to make the schedule.

Mr. Spritka asked if they were addressing the stormwater run-off issues. Peter Glassen, representing Bay Shipbuilding, responded that the stormwater will be going into the bay like the rest of the yard.

Mr. Olejniczak added that the Fire Department had no concerns.

Mr. Glassen mentioned that new air systems will be installed with heating and air make-up. There will be fume control systems added, as well as sprinkler system and monitors.

Mr. Thayse said Marinette does not have room for this at their location. He added that they have been working with the youth apprenticeship program trying to bring in the next generation of shipbuilders.

Mr. Chaudoir asked what these buildings will do for the company after this contract. Mr. Thayse responded that hopefully there will be more contracts. Commercial vessels could flow through here easily. One of the goals initially was to build tugs. It can be used for any of the commercial work they are doing. There are 10 frigates anticipated, and the program of record is 20. They will package kits of parts for the things that are not built here and will be shipped to Marinette for assembly. Larger sections would be shipped by water and smaller kits by truck. Marinette has larger fabrication buildings.

Mr. Spritka asked that with considering the height of the building, if there have been any airport runway studies completed. Mr. Thayes responded that the top of the existing Gantry Crane is more than 160 feet tall. It is part of the permitting process to get aviation permits.

Kurt Wolfgram, representing Miron construction, W2991 Sunshine Road, Freedom, WI stated that the addition for the 420 building will sit on a driven pipe pile system, concrete foundations, with construction to start in October and complete in April, 2021. It will be a steel structure, with insulated metal panel skin and membrane roof.

Mr. Stawicki stated that as far as infrastructure, Bay Ship is set up as its own little city. They have their own electric distribution system within the yard, as well as water. They have their own fire mains within the yard. He confirmed that Sturgeon Bay Utilities has ample capacity for the additions.

Chairperson Murrock then asked if there was anyone in the public who wished to speak in favor of the variance.

John Hanson, 1627 Memorial Drive stated that Bay Ship has been vital to their businesses.

Richard Wickman, Vice-President of Eagle Mechanical, said that they do a lot of work for Bay Ship.

Kelly Catarazoli, 344 N. 3rd Avenue, stated they can continue to do work. The City keeps giving them variances. This affects our City and dominates our skyline. The City has ordinances for a reason. Noise has not yet been addressed. There is no buffer. This will hurt her bed & breakfast.

Kirsten Reeths, 124 N 8th Pl. and District 7 alderperson. ZBA should allow this to be approved. Fincantieri is Sturgeon Bay's #1 employer. She didn't want to see any more empty buildings. This is something to be proud of. She asked that all future remodel and building projects be turned over to the Plan Commission in the I-2 zoning district.

Tony Scimeca, business owner at 11 E Oak St., and lives at 6535 Monument Bluff Pass, Egg Harbor, recommended to re-examine the charter and what their purpose is. Fincantieri has not been a good guest as

far as beautification in the area surrounding the shipyard and have not maintained a good corporate neighbor image. The shipyard should contribute more and absorb all real estate bills within 1000 feet.

Ms. Nault read nine letters in favor of the variance request from:

Nancy Bertz, General Manager/Co-Owner of Stone Harbor Resort.
Steve Jenkins, 4416 W. Madeline Lane, Sturgeon Bay
Joel Kitchens, State Representative-1st Assembly District
John Asher, Roen Salvage Company
Ken Pabich, Door County Administrator
Jim Stawicki, General Manager, Sturgeon Bay Utilities
Gene LaPlant, President, Great Lakes Protective Coatings inc.
Amy Austad LaBott, Owner of Door County Hardware
Mike Gallagher, Member of Congress

Chairperson Murrock asked for testimony against the variance request.

Hans Christian, 330 N 3rd Avenue, played a recording of the noise from Bay Ship Building 366. He is concerned that other local businesses will have to shut down.

Melaniejane wants to have full-time jobs. There is a problem with training in constructing those ships.

Kelly Avenson, 26 N 3rd Avenue, stated that she didn't know if Sturgeon Bay wanted to be a military community. It is only one contract right now.

Jay Renstrom, 34 Bluebird Drive, stated that there is no beautification project for the City. Nothing was said to address the noise issue. They have overflow parking at Sunset Park. They could help shore up Sunset Park. There should be paved employee parking lots so employees don't have to park on the streets. They need to reinvest into the City.

Phil Rockwell, 368 N 3rd Avenue, said this is one of the three properties he owns close to Bay Ship. He wondered what was in it for our community. Everything must be hard surfaced. Will the doors be closed on the new buildings? Who does air quality standards? He was concerned about heroin in Marinette. Residential people should be taken care of. Cars should be released on 1st Avenue. How many shifts will there be? What is going to be done about keeping the water clean?

Bertz Silvensky, 217 N 1st Avenue, was not necessarily against the project, but cares about air and water quality and Bay Ship should be concerned about the environment. Protection is needed from the noise. There should be some beautification required for the neighbors.

Kathy Grier, 153 S 3rd Avenue, stated the project was too large. Third Avenue is packed when the shipyard gets out. She commended Bay Ship getting a military contract, but wondered if the City wanted to be a military community.

Dan Whetter, 217 N. 1st Avenue, #6, said the proposal will block their view. Values will plummet. The 57-foot height is like the Wall of China. This would destroy the downtown. Many things have to be proven to the City.

Ms. Nault read one letter that was neither for nor against from Barb Allmann in regard to lighting.

Ms. Nault read five letters in opposition from the following:

Ross Schmelzer, 253 N 1st Avenue
Hans Christian, 330 N 3rd Avenue
Carrie Whetter, 217 N 1st Avenue
Beth Renstrom, 34 Bluebird Drive.

Elliot Goettelman, 451 N 4th Avenue

Mr. Murrock then asked if there was any rebuttal testimony.

Mr. Thayse stated that he listened to all testimony. The cases stood on their own. He had no rebuttal testimony.

Hans Christian stated that prosperity hasn't happened since 1st Avenue closed.

The public hearing was declared closed at 2:10 p.m.

Consideration of: Petition from Fincantieri Bay Shipbuilding Co. for variances from the minimum side yard and maximum building height requirements of the I-2 district for an addition to an existing building, located at a former address known as 273 N. 1st Avenue: Mr. Chaudoir asked Mr. Thayse how hard would it be if they had to meet the side yard setback. Mr. Thayse responded that it would encroach on the space that they have in between the 433 and the other building and would cause some misalignment on how the work is done on the inside. It would be a hardship to maneuver trucks in the yard with the steel and the units in and out of those buildings. He added that the existing blast and prime lab would be incorporated into 420 building, along with the rolling, shaping, and burning machines.

Mr. Chaudoir asked if the new addition and the removal of the old blast and prime line would reduce dust, noise, and odors. Mr. Thayse responded that it would greatly improve the situation.

Mr. Chaudoir inquired about the design of the south wall of the addition. Mr. Wolfgram added that the building will have insulated panels for sound suppression.

Ryan Hoernke, Fincantieri Bay Shipbuilding's Assistant General Manager and Director of Finance & Technical Operations, added that the blast and prime will be located on the north side of the building and enclosed in a wall, then separated to the cold storage area. It will be buffered on the north side of the building.

Mr. Murrock asked if there had been any complaints about the view when ships come in for repair. Mr. Thayse responded that he did recall any complaints.

Mr. Thayse added that additional security will be increased on that side of the yard.

Mr. Chaudoir suggested a reuse and revitalization plan for 3rd Avenue, submitted within 6 months, that would enhance the neighborhood, as well as paving the employee parking area.

Mr. Thayse was not opposed to that suggestion. He said the north section of the yard is already blacktopped.

Mr. Chaudoir stated that the proposed building was located far from 3rd Avenue and the height could be mitigated with street enhancements.

Mr. Chaudoir asked about painting operations. Mr. Thayse stated that all operations would be covered.

Mr. Thayse also addressed the lighting issue. Downward lighting will be installed. There may be bright lights at times when boats are pulling in.

Mr. Olejniczak reminded the Board that there are two different actions, with the first being the variance request for the expansion of the 420 building. The second variance request is for the 433 building. Even though testimony has been taken, someone may want to speak specifically on the 433 building.

Mr. Murrock commented on Mr. Gallagher's letter where he emphasized how vital the FFGX will be to the nation's defense. Mr. Murrock thought that we are very fortunate to land something like this. We have to keep our guard up.

Ms. Schopf can understand concerns of immediate neighbors. For the bigger picture of the community, the economic development, and tourists that come to Sturgeon Bay to see the ships, we need to continue to expand and grow that industry for our area as a whole.

Mr. Chaudoir felt it would be a blessing to the community to have these improvements made, provided it is done in a manner that minimizes impacts from the shipyard. He believed the setback variance was required.

After further discussion, it was moved by Mr. Chaudoir, seconded by Ms. Schopf to approve the request for variance, subject to providing a 3rd Avenue improvement plan and schedule to implement the plan within 6 months, addressing landscaping along 3rd Avenue, paving of parking areas, the appearance and use of the buildings at 325 N. 3rd Avenue (former Red Oak Winery), 341 N. 3rd Avenue (former Train Depot), and the temporary steel buildings in that corridor, and to follow the Wisconsin DNR and City of Sturgeon Bay stormwater management plan. The plan and schedule need to meet City staff approval.

Roll call vote: Mr. Murrock, Mr. Chaudoir, Ms. Schopf, and Mr. Spritka voted aye. Mr. Augustson was unavailable via Zoom at the time of roll call due to technical difficulties. Carried.

The Board took a 10 minute break at 2:33 p.m.

Public Hearing: Petition from Fincantieri Bay Shipbuilding for a variance from the maximum building height requirement of the I-2 district for a building located in the south yard of Fincantieri Bay Shipbuilding Co. and westerly of the property at 341 N. 3rd Avenue: Chairperson Murrock opened the public hearing at 2:43 p.m.

Mr. Murrock stated that all testimony heard at the previous public hearing also pertained to this request.

Mr. Thayse had no more to state. Everything had been presented during the first variance.

No one spoke in favor of the variance. Ms. Nault stated that all letters in favor and in opposition were read during the previous public hearing.

Hans Christian, 330 N. 3rd Avenue, stated that in his effort to mitigate, he has been talking with Mr. Thayse about moving the proposed building south 70 feet back that would tuck it behind Building 422.

Mr. Thayse stated that the site is not fully surveyed, so the exact position of the building is not finalized. The center of the bay should be lined up with the center of the launch. If not lined up, it would pinch off the center area with trucks. It can be moved back as much as possible with a survey done. It needs a clear, smooth path. It will be no closer than 75 feet to Berth Two.

Mr. Christian asked if the shipyard doesn't have a survey, how can the Board make an educated decision?

Mr. Thayse corrected himself and said there is a survey of their yard. Final placement of the building as it relates to the survey has not been set. Engineering is still taking place.

The public hearing was declared closed at 2:54 p.m.

Consideration of: Petition from Fincantieri Bay Shipbuilding for a variance from the maximum building height requirement of the I-2 district for a building located in the south yard of Fincantieri Bay Shipbuilding Co. and westerly of the property at 341 N. 3rd Avenue: The Board discussed the variance request.

Ms. Schopf supported the variance for the same reasons for approval as the first variance.

Mr. Spritka stated that the hardship is that the nature of shipbuilding is different than 20 years ago. Ships are

no longer built outside. The requested building height is needed for modern shipbuilding. The process needs to be controlled in an indoor environment. He also stated that the shipyard is vital to our community.

Discussion continued. Moved by Mr. Chaudoir, seconded by Mr. Spritka to approve the variance request, subject to the same conditions as the previous variance and, in addition, that the exact location of the building can fluctuate up to 3 feet in all directions from submitted site plan, but shall not be less than 75 feet south of Berth Two. It is better aligned for new contracts; building should last for another 50 years; naval architecture has changed and there is a need for the size of the building to accomplish their goal. Roll call vote. All ayes including Mr. Augustson who voted via Zoom videoconference. Carried.

Adjourn: Moved by Ms. Schopf, seconded by Mr. Murrock to adjourn. Carried. Meeting adjourned at 3:03 p.m.

Respectfully submitted,

Cheryl Nault
Community Development Secretary