

Request for Proposals City of Sturgeon Bay, Wisconsin Waterfront Property Redevelopment

Issued: July 27, 2020

Due: September 24, 2020

Please address questions to:

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Proposals will be received at the office of the City Clerk, 421 Michigan Street, Sturgeon Bay, WI until 2:00PM, September 24, 2020. Please send 1 unbound hard copy and an electronic version (pdf format preferred).

#### Submit Proposals to Clerk at:

Stephanie Reinhardt, Clerk City of Sturgeon Bay 421 Michigan Street Sturgeon Bay, WI 54235

Email: sreinhardt@sturgeonbaywi.org

For additional West Waterfront redevelopment project materials, go to <a href="http://www.sturgeonbaywi.org">http://www.sturgeonbaywi.org</a> and search for "west waterfront redevelopment"

#### CITY OF STURGEON BAY, WI

### Request for Proposals To Develop City-Owned West Waterfront Property

The City of Sturgeon Bay seeks development proposals for the purchase and development of a prominent site in downtown Sturgeon Bay. The site is located along E. Maple Street and adjoins filled lakebed that is being converted public maritime and recreational uses. It is part of the city's West Waterfront Redevelopment Project and located within Tax Increment District #4.

#### Background

Sturgeon Bay's West Waterfront Area is a highly visible development opportunity within the west downtown district. The surrounding region has an active local and tourism economy. The subject site is located adjacent to E. Maple Street between the two downtown bridges. Due to its prime location and redevelopment potential, the area is an economic development priority for the City of Sturgeon Bay.

The City of Sturgeon Bay has been planning and implementing the redevelopment of this site and surrounding area for several years. Accomplishments and actions so far include:

- ✓ Renovation and reoccupation of a vacant waterfront restaurant for an expanded local business (Sonny's Pizzeria & Italian Kitchen).
- ✓ Construction of a new mixed use building known as The Bay Lofts that includes 37 apartment units and ground floor space for an expanded local business (Bayshore Outfitters).
- ✓ Removal of blighted buildings that had been located on the waterfront site.
- ✓ Extensive soil and groundwater testing on the waterfront site and approval by the Wisconsin DNR of an environmental remediation plan.
- ✓ Replacement of a sanitary sewer main, undergrounding of various overhead utility lines, and other utility improvements.
- ✓ Reconstruction of E. Maple Street and other street improvements.
- ✓ Completion of plans for a public promenade and overlook along the waterfront. The construction package has been let to bid with the improvements anticipated to be completed in 2021.
- ✓ Approval of plans and permits for a multi-million dollar expansion of the Door County Maritime Museum, which include a 10-story maritime tower, and obtaining a WEDC Community Development Investment Grant on behalf of the Museum to aid in its construction. The construction is underway and is expected to be completed by the end of 2020.
- ✓ Approval of a development agreement with the Sturgeon Bay Historical Society Foundation to renovate an historic grain elevator on the waterfront property into a public gathering facility. Construction on this project is expected to be completed by 2022.
- ✓ Approval of dock wall lease with Sarter Marine Towing Company, which keeps the iconic tugboat fleet moored on the dock wall and better defines the extent of their on-land operations adjacent to the dock wall.

The main component of the overall redevelopment effort involves improving a portion of cityowned waterfront property into a promenade and public recreation space with new private development overlooking the public space. This part of the redevelopment project was delayed due to a dispute over the location of the ordinary high water mark, which controls where non-pubic, nonmaritime development can be built. The issue has been resolved and the ordinary high water mark has been formally established. Hence, the City has restarted the redevelopment project.

A new redevelopment plan was created and adopted in 2019. As detailed in the plan, the guiding principles for the redevelopment project are:

- > Assure the overall project is economically sustainable.
- > Create/maintain view corridors to the water and promote and strengthen access to public areas.
- > Incorporate family-friendly and multi-generational public facilities with the ability for flexible programming.
- > Honor the heritage of the City by embracing the working waterfront character and history, including tugboat operations, shipbuilding industry, and shipping of grain and other products by water and rail (grain elevator).
- > Integrate different forms of public art and promote intentional design and aesthetic qualities.
- > Create a community buzz (social energy within the community) and foster a sense of community pride.
- > Strengthen the urban intensity on the west waterfront and promote commercial activity.
- > Incorporate green infrastructure and building practices and use native plantings.
- > Support tourism.
- > Create an additional community recreational resource, especially a trail hub for the Ahnapee State Trail and Ice Age Trail.
- > Foster downtown housing initiatives and alternatives.
- Seek to enhance academic partnerships whenever possible, particularly the establishment of a water resource hub or National Estuarine Research Reserve facility.

#### **Current Activities**

The Common Council has approved the design for the waterfront promenade and overlook and authorized the project to be bid. The schedule calls for the installation is this facility to be completed approximately June, 2021. The promenade along the waterfront connects to existing waterfront walkways on both ends, thereby providing a continuous walkway throughout the downtown waterfront on the west side of the city. The project also includes an overlook near the midpoint of the dock wall, along with benches, lighting, landscaping, and other amenities.

The approximately two acres of land between the promenade and the ordinary high water mark is planned to be a public park. There is a chance that a portion of this property could contain a public use building such as a visitors center or research facility. But no proposals are being actively contemplated by the City at this time and the likelihood is that it will be entirely recreation space with amenities along with parking area.

The grain elevator that is situated within the future parkland is owned by the Sturgeon Bay Historical Society Foundation. It is listed on the state and federal registers of historic places. The City has a development agreement and a pending land lease with the SBHSF for the structure to be renovated and placed back on its original site in the northern portion of the parkland. Note: This is a different location from the proposed location in the redevelopment plan. The building will be used for various public purposes including a pavilion for public gatherings. SBHSF is currently working on architectural and engineering design for the project. The development agreement has a deadline of September, 2022 for the project to be finished and SBHSF anticipates beginning work later this year.

American Transmission Company is about to begin a project to replace its electrical transmission line that runs through the property. Currently the overhead transmission lines end near the dock wall and then go underground. Under this replacement project the overhead line will end at the corner of Maple Street and the Oregon Street Bridge corridor. From there the lines will be underground. This will greatly improve the view of the water from buildings constructed along Maple Street. The ATC project is expected to be completed by June 1, 2021.

The Door County Maritime Museum is constructing a major addition to its facility, including a 10-story maritime tower. Their project is expected to finish about October, 2020. The project will increase the attendance at the museum, thus further enhancing the West Waterfront as an economic focal point.

#### General Description of the Property

The proposed development site is currently part of a larger parcel of land owned by the city. The city will create the actual lot(s) needed for the new development based upon the approved site plan. The total amount of area above the established ordinary high water mark is approximately 53,800 square feet. But the irregular shape of the site, the location of existing underground utilities, and other factors effectively reduce the buildable area and split the site into two future building sites.

The main site fronts on E. Maple Street. It has approximately 33,000 square feet of buildable area. It has over 250 feet of frontage along the street and also has access to Locust Court at its rear. The second site fronts on the approach to the Oregon Street Bridge. The developable area of Site B is smaller due to the various utilities running through this site. There is a potential building envelope of about 6,000 square feet. Both sites have excellent views of the water, particularly looking up and down the bay in northerly and southerly directions.

Nearly all of the land is currently located within the floodplain of Sturgeon Bay and is governed by the Sturgeon Bay Floodplain Zoning Code. The site is within the floodfringe district. New development must conform to the flood-proofing standards of the floodfringe district or the property must be filled and removed from the floodplain. The requirements include having the first floor elevation of new buildings at least elevation 587.0' or higher (two feet above the regional flood elevation) and providing fill surrounding the building at elevation 586.0' or higher for 15 feet around the building. *Note: The predevelopment elevation of the site is approximately 584*'.

#### Community Information and Overview

The population of Sturgeon Bay is 9,130 based upon the 2010 census. However, during the summer months the population swells to approximately twice that number due to seasonal residents and tourists. The trade area for the city is essentially all of Door County as well as northern Kewaunee County. Sturgeon Bay is the regional hub for employment, government, education, health care, and commerce on the Door Peninsula.

The City provides full municipal services which include: public safety (police and fire), health, street maintenance, sanitation, parks and recreation, planning, zoning, assessing, building inspections, financial management, and general administrative services. The City also operates its own electric and water utility and waste water treatment facility.

#### Zoning & Land Use

The subject property is currently zoned Central Business District (C-2). The C-2 district is intended to provide development and redevelopment opportunities consistent with the historic downtown

development pattern. A wide variety of land uses, including most retail, office, and service uses are permitted in the C-2 district. Residential use within mixed-use projects is allowed up to 50% of the floor area of the building(s). Multiple-family dwellings that either have no commercial component or that exceed 50% of the overall floor area are a conditional use in the district. The complete listing of the allowable uses and other zoning requirements can be found on the city website at <a href="https://www.sturgeonbaywi.org">www.sturgeonbaywi.org</a>.

Pertinent development requirements for this site include:

- Building height: 45 feet
- Building Setbacks: 5 feet from the property lines
- Impervious Surface: The maximum impervious surfaces (building and pavement) are 100% of the lot area.
- Required Parking: Off-street parking is not required in the C-2 district except for residential and lodging uses.

Please note that all of the zoning standards can be adjusted and tailored to the specific proposed development through use of the City's Planned Unit Development (PUD) zoning classification. The PUD zoning has been successfully used elsewhere in the downtown region. Due to the expected intensity of development for the subject sites, the city anticipates the use of planned unit development (PUD) zoning to provide greater flexibility. The use of PUD zoning and its potential to waive or relax development standards is subject to the design criteria and other requirements of the City's PUD zoning ordinance.

New development on the site is also subject to the design standards and review process of the Aesthetic Design & Site Plan Review Board.

#### **Environmental Remediation**

Phase 1 and Phase 2 Environmental Site Assessments have been completed for the site, along with an NR 716 Site Investigation Report. The city is currently within the Voluntary Party Liability Exemption (VPLE) program through the state. The decision to remain in the VPLE program is dependent upon the needs and expectations of the selected developer(s). Copies of the Environmental Site Assessments and other pertinent documents are available on the city's website.

#### **Development Parameters**

To advance the West Waterfront redevelopment vision and plan, the City is soliciting proposals to develop a desirable and economically feasible project. The proposal must supplement and enhance the existing and planned waterfront uses and the West Side Business District in general. Site plans and building designs should have an urban scale and a distinctive and creative character.

Proposals which do not include the construction and occupancy of a facility within two years will not be considered.

The site is within Tax Increment District #4 and future property taxes from the development are expected to help offset public costs for infrastructure, public space and other municipal expenditures.

Therefore, proposed developments should be taxable or have a payment in lieu of taxes (PILOT) component.

The City of Sturgeon Bay will consider all development proposals, including commercial, residential, and mixed-use projects.

The redevelopment plan identifies a future public parking facility along the alley to the south of E. Maple Street. It also identifies other potential public parking improvements, including modifications to the existing public parking lot by the Maritime Museum, acquisition or lease of the existing private parking lot that adjoins the development site on the west, and new parking behind buildings constructed on the development site. All of these potential parking improvements are dependent upon the availability of the subject lands and funds for purchase/construction. The creation and/or use of parking areas to support the new development will be part of a development agreement. Any new parking areas are preferred to provide public or shared parking, but exclusive use of a limited portion of a new parking area may potentially be negotiated as part of the development agreement.

The City of Sturgeon Bay has already reconstructed E. Maple Street and replaced/upgraded certain utilities serving the subject site at city's cost. Any other improvements or infrastructure needed from the city for the development would have to be requested and negotiated as part of the development proposal.

The City of Sturgeon Bay intends to complete the public access and recreation facilities within the waterfront promenade and park. The final design of the promenade is available, but the remainder of the parkland has not been designed yet. The promenade is anticipated to be completed by the summer of 2021. The timing of other park improvements will be based upon the availability of tax increment from private development and other funding sources.

The specific lot(s) for the development has not been created, but the approximate boundaries of the buildable area are shown in the attached map. The purchase price is negotiable and dependent on the fit of the proposed project with the community's goals, plan vision and the developer's level of investment and capacity to complete the project.

#### Selection of Developer & Evaluation Criteria

The selected developer will be the one that most successfully demonstrates the following:

- 1. Successful experience in design and development of projects of a similar use and size.
- 2. Familiarity with Sturgeon Bay and the Door County area.
- 3. A site design and building design for this specific property that is consistent with the redevelopment vision, incorporates aspects of waterfront design, with a strong character and quality building materials
- 4. A proposed use or mix of uses that is marketable and which will complement and strengthen the neighboring downtown uses and adjoining parkland. The ideal mix of uses on the site will contribute to a vibrant, destination-oriented district that attracts people and activity.
- 5. Provides a favorable combination of property tax base and economic activity from the new development.
- 6. Acceptable level of tax increment financing or other assistance requested from the city, if any.
- 7. Financial capability to complete the project.

#### Submittal Requirements

All proposals shall be made as follows:

- 1. Cover Letter
- 2. Detailed response to all SELECTION & EVALUATION CRITERIA, above, to include a preliminary site plan and at least one sample building elevation.
- 3. Financial Proposal to include the estimated total land and building value for the project when completed. The proposal shall also list all development assistance requested for the project, if any.
- 4. Total number of Full Time Equivalent Employees that will be employed in the facility.
- 5. The name and/or business type of all anticipated tenants of the facility, if any.
- 6. Names and qualifications of key employees that will be involved in the design, construction and management of the project.
- 7. The proposals shall identify up to three relevant project examples for which the firm/individual has completed similar development projects. References must include the name, title, address, and business phone number of the contact person.
- 8. Proposed method of financing the construction of the project.
- 9. Identify the dates when the developer proposes to:
  - a. close on the real estate purchase
  - b. begin construction on the project
  - c. complete construction on the project
- 10. Any additional information which you/your firm feels necessary.

Proposals will be received at the office of the City Clerk, 421 Michigan Street, Sturgeon Bay, WI until 2:00PM, September 24, 2020. Please send one unbound hard copy and an electronic version (pdf format preferred). Electronic version may be emailed to City Clerk at <a href="mailto:sturgeonbaywi.org">streinhardt@sturgeonbaywi.org</a>.

All Proposals must be clearly marked: Proposal to Develop City of Sturgeon Bay West Waterfront Site

#### Review/Selection Process

All Proposals received will be reviewed by City Staff. Proposals will then be forwarded to the City's Plan Commission for review and recommendation to the Common Council. The Plan Commission and/or Common Council may request a presentation of selected proposals. Evaluation of competing proposals may be completed within closed session(s) under Wis. Stat. 19.85(1)(e). Upon completion of the final evaluation process of the Common Council, a selection of the most advantageous proposal(s) will follow within open session that may be attended by the general public. The City reserves the right to reject all proposals. It also reserves the right to further negotiate the parameters of any selected proposal.

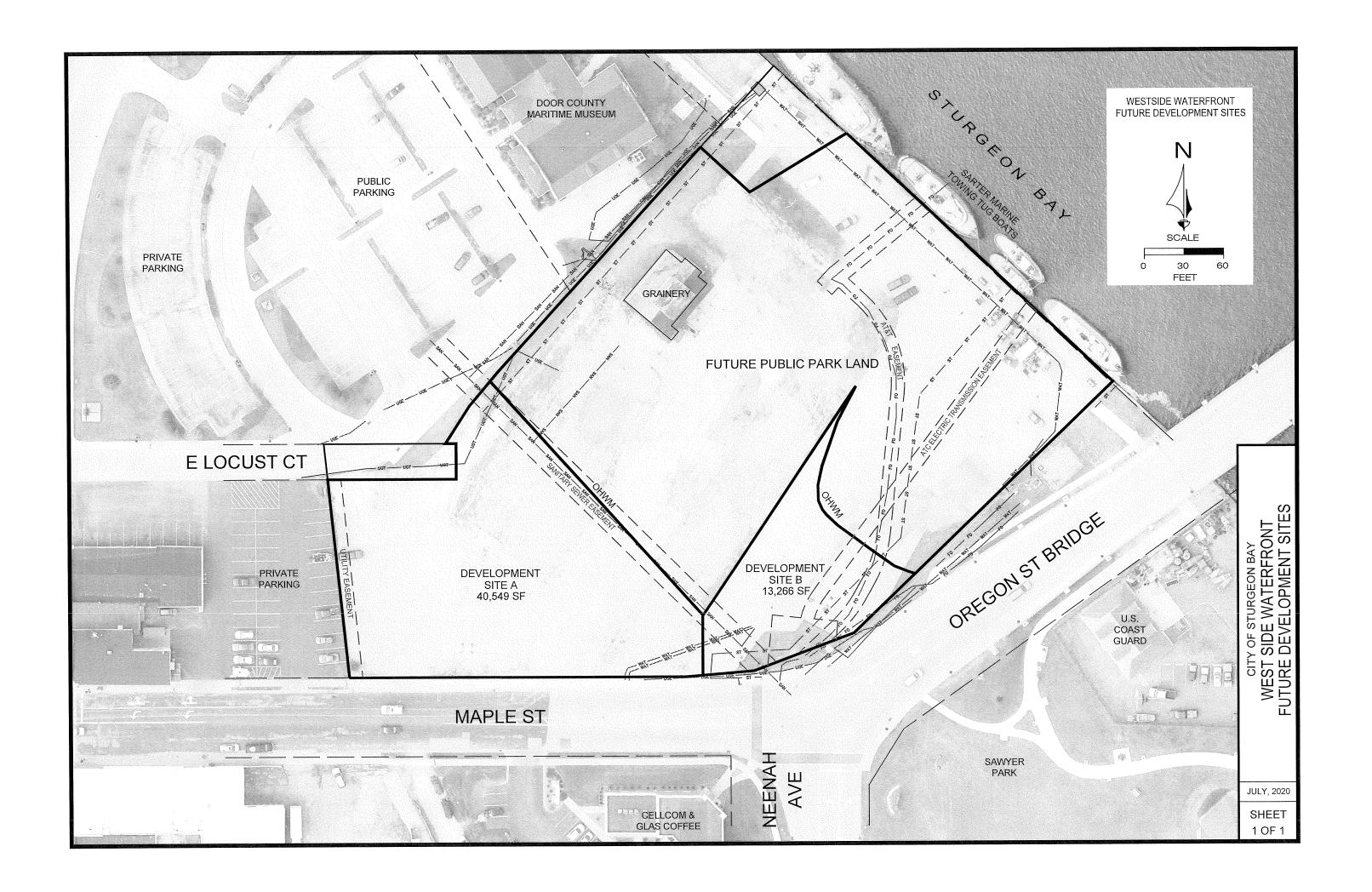
#### Questions

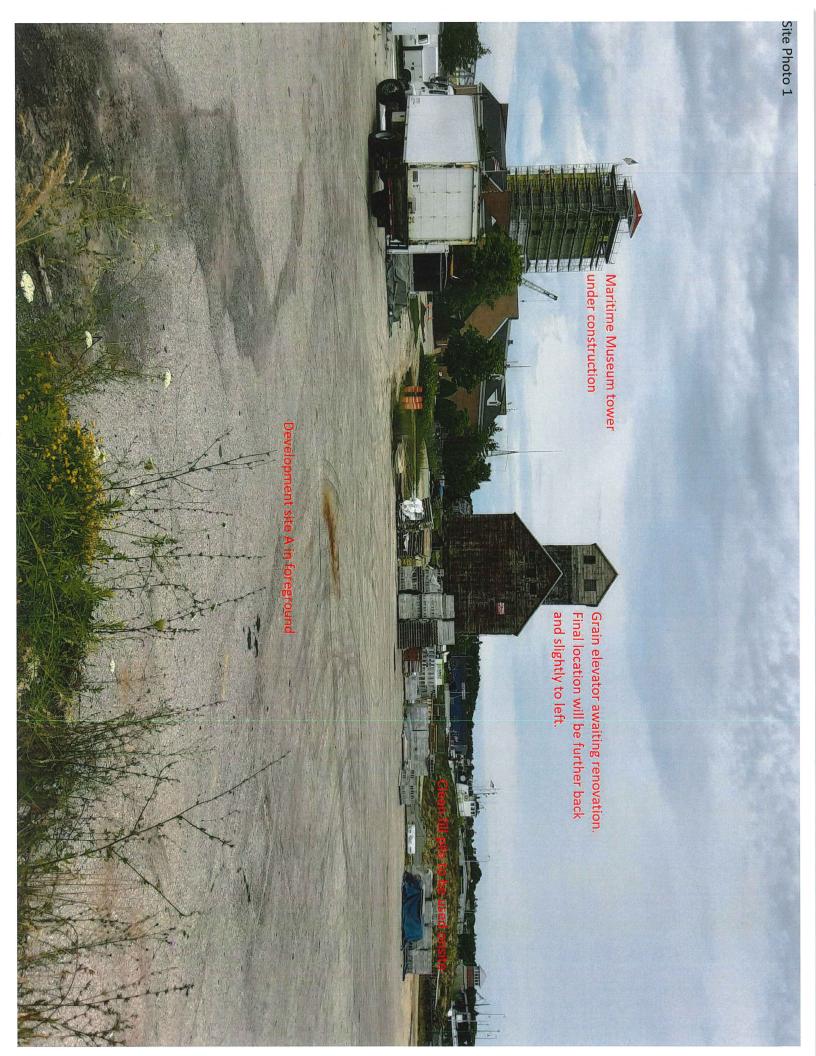
Questions regarding this Request for Proposals should be directed in writing to Community Development Director Marty Olejniczak and/or City Administrator Josh Van Lieshout. Preferable method is by email at <a href="mailto:molejniczak@sturgeonbaywi.org">molejniczak@sturgeonbaywi.org</a> and <a href="mailto:jvanlieshout@sturgeonbaywi.org">jvanlieshout@sturgeonbaywi.org</a>.

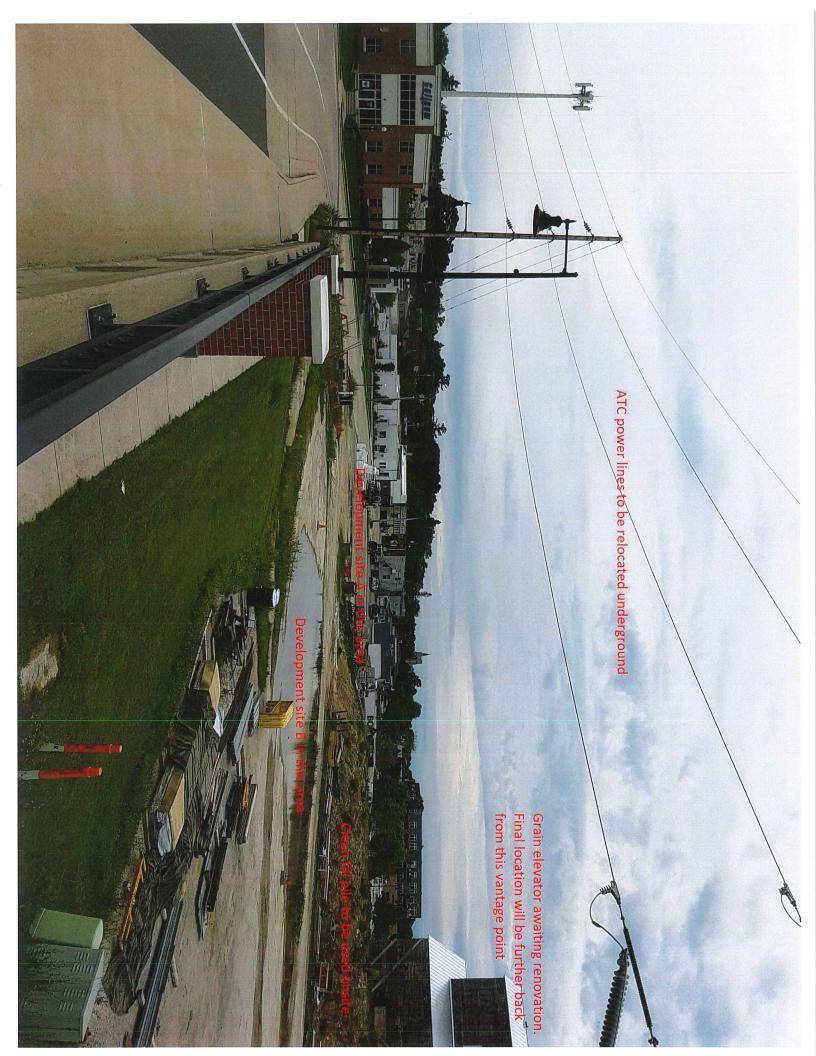
#### **List of Attachments**

- 1. Site plan and air photo showing the development sites
- 2. Current photos of the sites
- 3. Site plan graphic from the West Waterfront Redevelopment Plan (2019)
- 4. Pavement plan from the West Waterfront Promenade bid package (complete plans available on city website)
- 5. Artist renderings of the promenade design

Additional materials relating to this redevelopment project can be viewed on the City of Sturgeon Bay website at <a href="https://www.sturgeonbaywi.org">www.sturgeonbaywi.org</a>







This graphic is from the redevelopment plan adopted in 2019. The entire plan is available on the City of Sturgeon Bay website.



# STURGEON BAY, WI

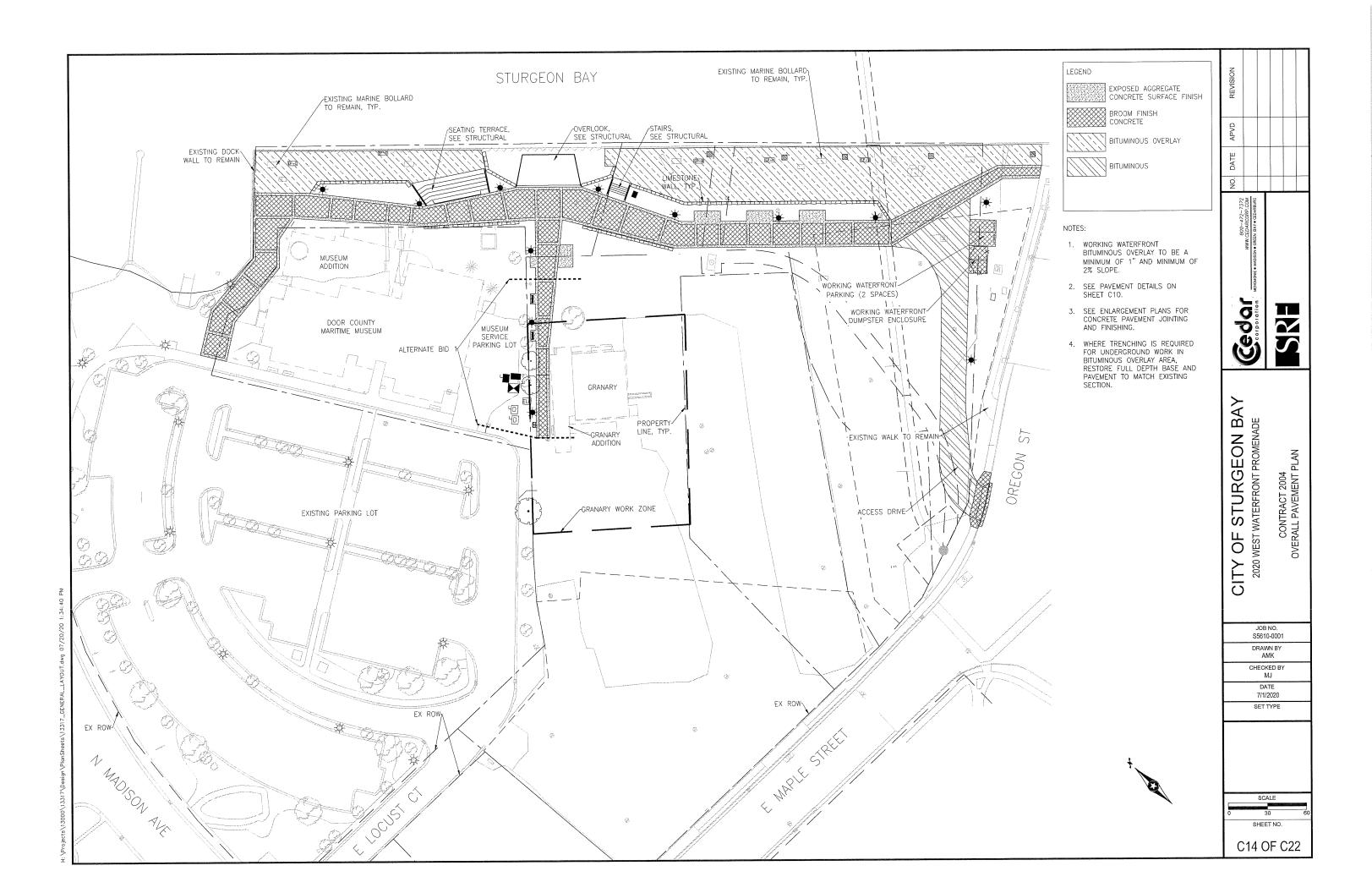
WEST WATERFRONT REDEVELOPMENT

## CONSENSUS PLAN

- Maintain Existing Building / Use
- Infill Mixed-Use (2-3 stories)
- Infill Residential (2-3 stories)
- District Parking Structure
- inture Redevelopment

Maintain Street Character / Use

- Future Redevelopment
- Relocated Granary
- Door County Maritime Museum, Proposed Tower, and Potential Expansion
- Maritime Historic Dockage
- Tug Boat Mooring (reduced length)
- Public Transient Dockage
- Public Waterfront Promenade / Overlook
- Trailhead feature (bridge-to-bridge loop)
- Trailhead / Trail Connection
- Physical / Visual Access corridor to Waterfront
- Multi-Purpose Public Space / Temporary Pavilion Structure
- Water Feature
- Focal Art Piece
- Innovative Play Apparatus
- Gateway Features
- COMMERCIAL MIXED USE / HOUSING OR PUBLIC / INSTITUTIONAL
- PUBLIC / INSTITUTIONAL
- EXISTING BUSINESS DISTRICT





View Looking North along Meandering Walkway



View Looking South towards Overlook Deck and Seating Terraces