

**AGENDA  
CITY OF STURGEON BAY  
WATERFRONT REDEVELOPMENT AUTHORITY**

Monday, January 5, 2015  
2:00 p.m.  
Council Chambers, City Hall  
421 Michigan Street

1. Roll call.
2. Adoption of agenda.
3. Approval of minutes from December 18, 2014.
4. Convene in closed session in accordance with the following exemption:

Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session. 19.85(1)(e).

Consideration of: Development proposal and incentives for West Side Waterfront Redevelopment project – hotel

Move to reconvene in open session to take formal action upon preceding subject of closed session, if appropriate; or to conduct discussion or give further consideration where the subject is not appropriate for closed session consideration. The Authority may adjourn in closed session.

5. Adjourn.

*NOTE: DEVIATION FROM THE AGENDA ORDER SHOWN MAY OCCUR.*

Notice is hereby given that a majority of the Common Council may be present at this meeting to gather information about a subject over which they have decision-making responsibility. If a quorum of the Common Council does attend, this may constitute a meeting of the Common Council and is noticed as such, although the Common Council will not take any formal action at this meeting.

2:00 p.m.  
12/31/14  
CN

WRA Members  
Thomas Herlache, Chair  
William Galligan  
Rick Wiesner  
Stewart Fett  
Ross Schmelzer  
Cap Wulf  
John Asher

## WATERFRONT REDEVELOPMENT AUTHORITY

Monday, December 18, 2014

A meeting of the Waterfront Redevelopment Authority was called to order at 2:04 p.m. by Chairperson Tom Herlache in Council Chambers, City Hall, 421 Michigan Street.

**Roll call:** Members Tom Herlache, Ross Schmelzer, Thomas Wulf, Rick Wiesner, John Asher, Stewart Fett, and Bill Galligan were present. Also present were Mayor Thad Birmingham, City Administrator Steve McNeil, DCEDC Executive Director Bill Chaudoir, Alderman Jerry Stults, Alderman Ron Vandertie, City Treasurer/Finance Director Val Clarizio, Community Development Director Marty Olejniczak, and Community Development Secretary Cheryl Nault.

**Adoption of agenda:** Moved by Mr. Galligan, seconded by Mr. Asher to adopt the following agenda:

1. Roll call.
2. Adoption of agenda.
3. Approval of minutes from November 3, 2014.
4. Consideration of: Request for assistance for relocation of Sonny's Pizzeria to 129 N. Madison Avenue.
5. Consideration of: Proposal for Feasibility Analysis for Relocation of Selvick Marine Towing.
6. Consideration of: Update regarding West Waterfront Redevelopment Activities.
7. Convene in closed session in accordance with the following exemption:  
Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session. 19.85(1)(e).  
Consideration of: Development proposal and incentive for West Side Waterfront Redevelopment project – hotel.  
Move to reconvene in open session to take formal action upon preceding subject of closed session, if appropriate; or to conduct discussion or give further consideration where the subject is not appropriate for closed session consideration. The Authority may adjourn in closed session.
8. Adjourn.

Carried.

**Approval of minutes from November 3, 2014:** Moved by Mr. Fett, seconded by Mr. Asher to approve the minutes from November 3, 2014. All ayes. Carried.

**Consideration of: Request for assistance for relocation of Sonny's Pizzeria to 129 N. Madison Avenue:** Mr. Olejniczak stated that last year the Authority approved various financial and other City assistance regarding the former Applebee's building, but the sale of the property that had fallen through. Recently, Sonny's Pizzeria purchased the property and Jason Estes, owner of Sonny's, is requesting financial redevelopment assistance from the WRA.

Bill Suave, Mr. Estes's financial representative, submitted a letter asking for assistance in

infrastructure improvements and included a letter he received from the WRA dated December 17, 2013, which addressed specific requested items. Mr. Olejniczak provided an update of cost estimates of various items regarding a new driveway to Madison Avenue, pedestrian crossing at Madison Avenue, land for signage, property sale payments, minimum assessed value, and additional potential assistance.

Members discussed the items. Moved by Mr. Galligan, seconded by Mr. Asher to approve the following:

City to construct new driveway from the City parking lot to Madison Ave. at a preliminary cost estimate of \$12,500 using TID #4 funds.

City to install improved pedestrian crossing at Madison Ave. at a cost estimate of \$10,000, using TID #4 funds.

Provide easement on the City's parcel for a Sonny's ground-mounted sign.

All ayes. Carried.

Discussion continued. Moved by Mr. Wiesner, seconded by Mr. Fett to approve amending the existing development contract for the restaurant as follows:

Waive the final two years of the property sale payments. The net cost would be \$6,000 to TID #2.

Waive the requirement for the restaurant to have a minimum property value of \$1.3 million through the life of TID #2.

All ayes. Carried.

Members then discussed the last item regarding additional potential assistance, in which the TID #4 project plan had project costs categories that didn't relate to specific items, but included additional public improvements within ½ mile of the TID boundary and miscellaneous projects such as facade improvements. The WRA could offer assistance under those categories.

Mr. Herlache suggested that the Authority be very careful with this since the money from additional increment is for public improvements.

Moved by Mr. Galligan, seconded by Mr. Wulf to not approve any additional potential assistance. All ayes. Carried.

**Consideration of: Proposal for Feasibility Analysis for Relocation of Selvick Marine Towing:** Mr. Olejniczak presented a proposal from Smithgroup JJR. The WRA had requested to find out what it would cost if a plan was needed to relocate the tugboats. The estimate seemed to be a bit high and the Authority could ask other engineers to provide proposals. Another option

could be to put this on hold for now and wait to see if the tugs really do need to move. A third option would be to go with the proposal and have Smithgroup JJR do the study. There has been a lot of testimony at the public hearing regarding keeping the tugs where they are. The response time for an RFP would be 3-4 weeks.

Mr. Galligan stated that Selvick has had a one year lease for many years. The purpose of a one year lease is that if anything came up, they would be asked to move. There were various locations, such as the end of the canal, Sunset Park, or Bay Ship. Maybe the study should look at various alternatives other than just Sunset Park.

Mr. Wulf said that Selvick has known about this for a long time. Why is it the City's obligation to relocate them? The City wants to be helpful and maybe offer the property at Sunset Park for sale and abandon the launching facility.

Mr. Olejniczak responded that the City is not under a legal obligation to relocate them. When the Waterfront plan was presented, the Council was concerned that any development should consider the tugs. If they have to be relocated, the City would find a place to put them, but there is not legal obligation to do that. The other issue with the tugs is that they are a draw in itself.

Mr. Asher stated the tugs have already done damage to the Tug Purves coming in and out with ice shoves. With the Festival Pier and other docks, he couldn't see how that would work.

Mr. McNeil stated that Selvick makes a lease payment to the City of approximately \$12,500 - \$14,000 per year for dock space. These tugs are critical to Bay Ship. They are an important part of the whole economic development activities of the City. The City has been trying to find options and locations to relocate the tugs. The only location that the City could see is contiguous to Bay Ship. They do not have the facilities to accommodate them. The City has an obligation to support the activities at Bay Ship.

After further discussion, it was moved by Mr. Fett, seconded by Mr. Asher to submit a Request for Proposal to get other input and truly understand the costs. All ayes. Carried.

**Consideration of: Update regarding West Waterfront Redevelopment Activities:** Mr. Olejniczak stated that the City now has the A.L.T.A. Survey from Baudhuin, Inc. showing all different issues on the Co-op site that will help with continued planning for the area. The City went through the process of getting an engineer on staff to do the design work for all the public improvements to conform to the grants that are pending. The City followed the RFQ (Request for Qualifications) process. Interviews were done with three firms. The top engineering firm was Cedar Corporation, partnering with SRF of Minnesota. Mr. Olejniczak has held off formerly working up a contract because of all the issues with the hotel and if it will be delayed or approved. Also, the City is continuing to work on the residential components. There is a development firm from Madison that is interested in doing a project here.

**Convene in closed session in accordance with the following exemption:**

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**Consideration of: Development proposals and incentives for West Side Waterfront Redevelopment projects – hotel and restaurant/brewery.**

**Move to reconvene in open session to take formal action upon preceding subject of closed session, if appropriate; or to conduct discussion or give further consideration where the subject is not appropriate for closed session consideration. The Authority may adjourn in closed session.**

After Chairperson Herlache announced the statutory basis, it was moved by Mr. Wiesner, seconded by Mr. Asher to convene in closed session. Roll call vote. All ayes. Carried. The meeting moved to closed session in the Closed Session Room at 2:29 p.m.

Moved by Mr. Wiesner, seconded by Mr. Schmelzer to adjourn in closed session at 4:19 p.m. All ayes. Carried.

Respectfully Submitted,



Cheryl Nault  
Community Development Secretary