

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

Thursday, December 18, 2014

2:00 p.m.

Council Chambers, City Hall

421 Michigan Street

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.

*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.

3:30 p.m.  
12/12/14  
CN

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

## WATERFRONT REDEVELOPMENT AUTHORITY

Monday, November 3, 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, Thomas Wulf, Rick Wiesner, John Asher, Stewart Fett, and Bill Galligan were present. Excused: Member Ross Schmelzer. Also present were Mayor Thad Birmingham, City Attorney Randy Nesbitt, City Administrator Steve McNeil, DCEDC Executive Director Bill Chaudoir, Alderman Jerry Stults, 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. Wulf to adopt the following agenda:

1. Roll call.
2. Adoption of agenda.
3. Approval of minutes from October 23, 2014.
4. Consideration of: Consent to assignment of, and amendment to development agreement from WHG Door County, LLC to Will Estes, LLC.
5. 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 proposals and incentives for West Side Waterfront Redevelopment projects – 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.
6. Adjourn.

Carried.

**Approval of minutes from October 23, 2014:** Moved by Mr. Asher, seconded by Mr. Galligan to approve the minutes from October 23, 2014. All ayes. Carried.

**Consideration of: Consent to assignment of, and amendment to development agreement from WHG Door County, LLC to Will Estes, LLC:** Moved by Mr. Galligan, seconded by Mr. Wulf to consent to assignment of, and amendment to development agreement from WHG Door County, LLC to Will Estes, LLC.

Mr. Nesbitt explained that this consideration is in regard to the Applebees property, formerly known as DJ's. When the property was first developed it involved property including the marina, the marina using a part of the building, a joint parking lot, and the Maritime Museum property.

This was all put together into a development agreement. When Applebees purchased the property they did an assignment that was approved by the WRA and involved Applebees having the same obligations and requirements that DJ's had. Since Applebees has closed, they have maintained the same obligations. The property has now been sold to Will Estes, LLC. There is a blanket assignment of the development agreement, which is not effective until the WRA approves it, and Will Estes, LLC would take over the same obligations. There is one issue in the agreement that would restrict the use of any property within a four block area of selling food or beverages. This restriction should be removed, since this could be a short and long term problem for developing other properties. The proposal is a consent to the assignment of the development agreement. It also would waive the condition in the original development agreement that restrict the use of the property within four blocks for food and beverage sales. It also provides that Will Estes, LLC will assume all of the obligations as part of the original development agreement and that any other remaining terms of the development agreement would continue. He did not see any reason for a personal guarantee for obligations in the agreement or to tax obligation on the property.

After Mr. Nesbitt's explanation, a vote was taken on the motion. All ayes. Carried.

**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 proposals and incentives for West Side Waterfront Redevelopment projects – 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:**

After Chairperson Herlache announced the statutory basis, it was moved by Mr. Fett, seconded by Mr. Asher to convene in closed session. Roll call vote. All ayes. Carried. The meeting moved to closed session at 3:10 p.m.

Moved by Mr. Fett, seconded by Mr. Asher to adjourn in closed session at 3:40 p.m. All ayes. Carried.

Respectfully Submitted,



Cheryl Nault  
Community Development Secretary



## Memo

**To:** Waterfront Redevelopment Authority members  
**From:** Marty Olejniczak, Community Development Director  
**Date:** December 12, 2014  
**RE:** Potential Assistance for Sonny's Pizzeria Relocation to Waterfront Restaurant Site

Jason Estes, through his financial representative Bill Sauve, has requested redevelopment assistance from the Waterfront Redevelopment Authority. The intent is to improve the viability of the restaurant and surrounding redevelopment district and assist with improving the existing blighted condition of the vacant restaurant.

No specific funding amounts were requested, but Mr. Sauve included the letter from the WRA outlining assistance that was approved last December. However, the WRA is under no obligation to follow that previous decision or even offer assistance at all. Below is an update of the cost estimates of the various items.

1. New Driveway to Madison Ave. Based upon the concept design developed by the City Engineer, the preliminary cost estimate is \$12,500. The project plan for TID #4 anticipated this improvement and includes \$20,000 in the budget.
2. Pedestrian Crossing at Madison Ave. The public space design plan for the waterfront includes improving pedestrian access across Madison Avenue through the use of a center island and bump-outs. The latest cost estimate is \$10,000. This improvement also is a TIF eligible expense.
3. Land for Signage. If the City still wants to provide easement for a Sonny's ground-mounted sign, there would be no fiscal impact.
4. Property Sale Payments. There are two years of payments left. The bill for the penultimate year is going out later this month. If the WRA forgives both years, the net cost would be \$6,000. This impacts TID #2.
5. Minimum Assessed Value. Under the current development agreement, the owner is required to pay property taxes based upon a minimum property value of \$1.3 million. The current assessed value is at \$1,067,000. Thus, the owner currently pays more in property taxes than typically required. At the current value, the difference amounts to about \$5,000. If waived, the impact would be to TID #2. This provision of the development agreement is valid through the life of TID #2. But, it is impossible to determine the exact long-term fiscal impact because the assessed value of the property could go back up in future years.
6. Additional Potential Assistance. The TID #4 project plan had project costs categories that didn't relate to specific items. These include "Additional public improvements within ½ mile of the TID boundary" and "Miscellaneous projects," which does mention façade improvements. Although there is no obligation by the WRA to allocate such funds, theoretically it could offer assistance to Sonny's under those categories. For instance, funds to improve the entrance have been discussed previously. For planning purposes, the most recent TIF proformas that Baird prepared included \$50,000 in developer assistance to the Sonny's relocation project.

**Prism Business Solutions LLC**  
Business Consultants



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Sturgeon Bay, Wisconsin 54235

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October 29, 2014

City of Sturgeon Bay  
Community Development  
421 Michigan St,  
Sturgeon Bay, Wisconsin 54235  
Attention: Marty Olejniczak, Director

Dear Mr. Olejniczak,

Thank you for your time and continuing efforts to assist Jason Estes (Sonny's Pizzeria) and our management group as it pertains to the former Applebee's property located at 129 N. Madison Ave in Sturgeon Bay. Your assistance has been invaluable as we review infrastructure improvements needed at the site located at 129 N. Madison Street in Sturgeon Bay.

Our firm has reviewed past data concerning the property and ownership issues that have plagued the respective businesses occupying the property previously. Numerous issues came to light during our investigation that will need to be addressed to allow for the successful relocation and operation of the business.

Our request for RDA consideration concerning the infrastructure improvements will provide the necessary assistance to ensure long term business stability. For many years the building and site have remained vacant which we believe hindered the redevelopment efforts on the waterfront. Now that the building is under renovation and the property restored, we believe an investment in infrastructure improvements will benefit the entire redevelopment

As you may know, the tentative plan includes moving Sonny's Pizzeria from its present location to the 2<sup>nd</sup> floor of the former Applebee's building. The increase in seating ( 80 seats) and full bar will dramatically increase revenues as outlined in the attached financial projections.

The 1<sup>st</sup> floor will be remodeled to accommodate a coffee/doughnut shop. This will be a separate business which will also offer an ice cream bar and other amenities . This business will be a perfect addition to the other operations throughout the complex and will add additional revenues to the bottom line.

However, in order to assure long term stability, we need to address the **blight** issues that have developed due to the fact the building and property has not been maintained properly during a long period of vacancy. Specifically, the exterior of the building has deteriorated to a point where emergency repairs are required. Other issues that needed immediate attention included removal of overgrown trees and shrubs around the facility, removal of garbage and other items that had collected near east side of property and other issues that developed due to the lack of occupancy.

As the company continues to plan for the relocation of Sonny's to the water front area, numerous property and building issues have surfaced that requires immediate attention. Issues such as exterior renovation and blight elimination , entrance upgrades, and interior repairs have to be completed before winter sets in and the planned opening of February 1, 2014. Due to the fact that the building sat vacant for many years, many unexpected expenses have occurred that were not budgeted. Other issues such as access to the property through better accessibility crossing Madison Ave, improved parking along Larch Street, facade improvement and other infrastructure improvements are required to assure long term business viability at that location.

The company has been made aware that limited funding is available to assist with the requested assistance through the existing TID. Given that situation and the fact that numerous other developers will be looking for some assistance, we would like to suggest the City of Sturgeon Bay borrow funds from the Wisconsin State Trust Fund which would allow for a greater amount of infrastructure improvement in that area at this time. The loans would be paid back by tax revenue growth over a period of years from development throughout that area.

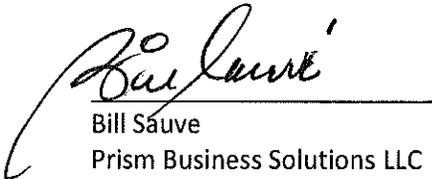
I would also like to direct you attention to a letter dated December 17, 2013 from Mr. Herlache/ Waterfront Redevelopment Authority. We would ask that the items he mentioned in his letter would be part of any incentive/ assistance program put forth in 2014.

We are also aware that the City of Sturgeon Bay is interested in a signed waiver concerning provisions in the current development agreement. The waiver requested will be part of the overall incentive package as discussed.

Thank you for the opportunity to bring forth this request to the Waterfront Redevelopment Authority. Please feel free to contact me if you have further questions.

Thank you,

Sincerely,



Bill Sauve  
Prism Business Solutions LLC  
Business Consultants/ Advisors  
Sturgeon Bay, Wisconsin

Thomas Herlache  
Chairperson  
Waterfront Redevelopment Authority  
421 Michigan Street  
Sturgeon Bay, WI 54235



Phone: 920-746-2910  
Fax: 920-746-2905  
Website: www.sturgeonbaywi.org

*[Handwritten signature]*

December 17, 2013

Bill Sauve  
Prism Business Solutions  
3062 Lake Forest Park Road  
Sturgeon Bay, WI 54235

RE: Potential Municipal Assistance for Relocation of Sonny's Pizzeria

Dear Bill:

The Sturgeon Bay Waterfront Redevelopment Authority reviewed your client's request for City assistance in order to occupy the former Applebee's restaurant property at 129 N. Madison Avenue. The Authority agrees with many, but not all, of the points in the proposal. The following represents the Authority's position regarding the specific requested items.

1. Wedding Deck. The Authority is not able to support City funding of the construction of a wedding deck or other improvements within Bay View Park. They have acknowledged that what is spent on wedding deck facilities will lessen available funds for other improvements that have already been planned for. There is just a fixed amount of funds available that the new Tax Increment District #4 can support and we have to carefully plan for their use to benefit the entire redevelopment plan. They believe there are existing places on the spur or within the parkland that could be used for wedding ceremonies. They do not believe it is in the City's interest to grant exclusive use of the park (or portion thereof) to Sonny's, but the public space would be available for reservation by your client under standard park policies.
2. Parking and Traffic Improvements. The Authority is agreeable to constructing at City expense both the proposed new driveway access to the parking lot and improvements to the pedestrian crossing. It is understood that approximately four existing spaces would be lost to accommodate the driveway. The specific design and location of these improvements would be at the discretion of the City. In addition, because the Tax Increment Financing funds to be used for these improvements are predicated on new development occurring within Tax Increment District #4, the Authority prefers that the timing of the construction be linked to approvals for new development in TID #4. They are willing, however, to consider moving forward earlier on the improvements if necessary.
3. Land for Signage. The Authority supports the request to place a ground-mounted sign within the parking lot owned by the Authority. This would be predicated on approval of the design of the sign and granting of a sign ordinance waiver by the Council.
4. Property Sale Payments. The Authority is agreeable to waiving the final two years of the annual payments for acquisition of the restaurant property. The \$3,000 payment for year 2013 (which is about to be billed) is not waived, but the \$3,000 payments for years 2014 and 2015 could be waived if the sale to Sonny's is consummated.
5. Minimum Assessed Value. The Authority has no objection to waiving the minimum assessed value clause of the current development agreement.

6. Negotiations with Harbor Club Lease. The Authority has determined that it should not be involved with renegotiation of the current lease between the restaurant and the Harbor Club Marina at this time.
7. Support for Revolving Loan Funding. The Authority has no role in approving loans through the City or County revolving loan programs. However, the Authority's willingness to financially support the project as evidenced by this letter, demonstrates its support of Sonny's proposed project.
8. Additional Infrastructure Improvements. The Authority remains committed to the overall West Waterfront Redevelopment Plan and the improvements identified within that plan and the TID #4 project plan. However, it will not commit to any specific improvements.

There are three caveats/conditions to the potential assistance referenced above. The first is that the provisions that relate to spending municipal funds, such as the improved pedestrian crosswalk, require approval of the Common Council. The second condition is that the specific details and provisions for the proposed assistance need to be mutually determined. The third condition is that any and all assistance offered by the Authority is predicated on your client waiving the existing provision in the development agreement that prohibits other restaurants, bar facilities and grocery or convenience stores from selling food or beverages for on or off-site consumption.

Sincerely,



Thomas Heriache, Chairman  
Sturgeon Bay Waterfront Redevelopment Authority

## Section V. Proposed Public Works and Estimated Costs

This section describes the proposed public works projects and their estimated costs. These are referred to as project costs. Table 1 details the projects, their estimated costs, and breaks them into two phases. These project costs are preliminary estimates and may be adjusted and refined. The adjustments and refinements may include changing the year in which a project activity is undertaken and reallocating the cost of specific projects within the limitation of the total estimated project costs. The City serves the right to increase these costs to reflect inflationary increases and other uncontrollable circumstances between 2013 and the time of construction. The City also reserves the right to increase certain project costs to the extent others are reduced or not implemented, without amending the project plan. The tax increment allocation is preliminary and is subject to adjustment based upon the implementation of the project plan. Adjustments to the proposed project plan will be made on the recommendation of the City Plan Commission to be reviewed and adopted by the City Council.

The project plan for TID No. 4 should be considered as a local enabling tool that allows the City Plan Commission, the Waterfront Redevelopment Authority (RDA) and City Council to implement the project activities described herein. Each project activity and expenditure will require specific action by the City Council even though it is included in this project plan.

The proposed project costs included in Table 1 have been established on the basis of providing public improvements that have the greatest chance of stimulating immediate economic development. Scheduling of project activities will be monitored to ensure that the projected economic stimulation is occurring prior to proceeding with other project activities. This monitoring will occur on an annual basis. If economic conditions are not altered by the proposed project activity, other project activities may be delayed and/or removed from the project schedule. The goal of the proposed project costs is to provide the necessary public improvements to attract and stimulate private reinvestment and redevelopment.

### Overview of Public Purpose Projects

Redevelopment of the West Waterfront Area should build off of the existing waterfront improvements, baywalk and waterfront pathways, and increase connectivity between redevelopment sites and to the nearby Madison Avenue business district. Public amenities should celebrate the working waterfront heritage, and provide opportunities for educational and artistic displays and artifacts, building off of the existing amenities at the Maritime Museum. Public purpose projects include:

- 1. Right-of-Way and Area Improvements at the Former Door County Cooperative Co-Op and USCG Sites:** Right-of-way and site improvements necessary to facilitate redevelopment include improvements to the sanitary sewer, relocation of fiber optics, and public space amenities including the public plaza, boardwalk/baywalk, walkways, entry features, parking and other site amenities. The Redevelopment Plan identified areas where the baywalk and public connections should be implemented, however, detailed design and engineering cost estimates were not yet conducted to determine the extent of specific costs. Detailed costs will be determined for improvements once detailed design and engineering cost estimates are completed.

**2. Site Preparation Costs for the Former Door County Cooperative and USCG Area:**

Improvements are necessary to prepare the site itself for redevelopment. These costs include environmental investigation and remediation such as Phase 1 and Phase 2 environmental site assessments (ESA). Additional site preparation costs may include remediation including asbestos removal and abatement. The Phase 2 ESA will inform additional remediation costs necessary to prepare the site for new development. Additional site preparation projects include site clearance and floodplain compliance to prepare the site for new development.

**3. Maple Street improvements:** Improvements to Maple Street may be needed to assist in redevelopment of the area. Proposed improvements include concrete paving, sidewalks, and storm sewer. Improvements to Maple Street may occur on both sides of the street, within ½ mile radius of the TID 4 boundary.**4. Larch Street improvements:** Improvements to Larch Street may be needed to assist in redevelopment of the area. Proposed improvements include undergrounding utilities and widening the road to create angle parking on the south side of the street. Improvements to Larch Street may occur on both sides of the street, within ½ mile radius of the TID 4 boundary.**5. Maple and Madison intersection controls:** New intersection controls may be needed at the intersection of Maple and Madison in order to improve the traffic flow as part of successful redevelopment of the project area.**6. Realigned driveway at the former Applebee's (vacant restaurant) site:** Public improvements within a ½ mile radius include public site improvements and public connections between the TID No. 4 project area to the adjacent vacant waterfront restaurant (former Applebee's). Several design and site enhancements could be considered to improve the area including: develop a new access point to provide an accessible connection between the site and boardwalk; redesign the parking lot entrance so the stairway is no longer split up and down; relocate and regrade the site's vehicular access to align with the Maritime Museum entrance on Madison Avenue; and remove the covered drop-off area if needed for an entrance reconfiguration.**7. Dock improvements:** To help facilitate community connections and boat access to this site, a festival pier and transient docks are planned to accommodate visiting boaters and encourage them to spend time in the West Waterfront Area. The docks could serve the many well-connected amenities of a cohesive West Waterfront. The Maritime Museum and restaurant docks, south of the Michigan Street Bridge, provide a connection from the water to the public boardwalk which passes underneath the bridge. The pontoon boat rental facility in this area complements these users and draws more people out onto the water. The second set of docks serves more directly the Market and Madison Avenue and is located just north of the Oregon Street Bridge.**\* 8. Additional public improvements within ½ mile of the TID boundary:** Public improvements within a ½ mile radius include parking that would support development within the TID 4 boundary. Other projects within a ½ mile radius could include USCG site

public improvements such as extending a public walkway or boardwalk around the USCG site is the primary public amenity that is needed. The walkway will connect to the rest of the waterfront area under the Oregon Street Bridge and should include landscaping, seating areas, and lighting. In order to celebrate the USCG's presence in Sturgeon Bay, the plan calls for historical artifacts, flagpoles, educational markers and the like to be strategically placed at intervals along the walkway.

- \* **9. Miscellaneous projects:** Miscellaneous projects include the design, engineering, architecture and administration for projects within TID No. 4. Additionally project costs include administration and legal costs for TID creation and administration, and developer agreement preparation and negotiations.

A category of Miscellaneous Redevelopment Funding has also been created to include marketing and recruitment of developers and businesses for redevelopment sites; low-interest loans or interest write down; façade improvement projects including the potential rehabilitation of the Granary façade; potential tug boat relocation; and potential property acquisition costs as determined integral to the successful redevelopment of the project area.

The Economic Development Project Management Team and Project Plan Implementation project cost has been designated to facilitate and bring to fruition successful redevelopment implementation. This cost category is further detailed in the next section.

### Redevelopment Implementation

Redevelopment Funding through individual project funding, Miscellaneous Redevelopment Funding and the Economic Development Project Management and the Economic Development Master Fund is a key expenditure for successful implementation of the TID No. 4 project plan. It is the intent of the City of Sturgeon Bay City Council and RDA to work with individual property owners on redevelopment of their individual sites by offering different types of redevelopment services. These services may include, but not be limited to: recruitment of appropriately-qualified developers for each potential redevelopment site; marketing for potential businesses; low-interest loans and/or interest write-downs for property rehabilitation and redevelopment; grants for façade improvements and/or developer recruitment; and site acquisition and preparation.

It is recommended that a Project Management Team (PMT) be created as part of the implementation of this project plan and may include a member from the City Plan Commission, RDA, City Council, City staff and consultants. The PMT will be responsible for overall project management, conditioned on the review and approval of the City Council and/or the RDA. The PMT's duties may include the following:

1. Implementing this project plan;
2. Conducting more detailed planning and engineering studies;
3. Developing more refined land use and redevelopment plans for implementation;
4. Developing standards for which development within the district will need to conform to;

**Table 1: Proposed Public Improvements  
Proposed TID No. 4 Project Cost Estimates**

Project Description	Estimated Total Projects Costs		
	Phase 1	Phase 2	
<b>1 Former Co-Op and USCG area right-of-way and site improvements includes:</b>			
a. Sanitary sewer (between \$70,000 - \$165,000 depending on whether a lift station is needed)	\$ 165,000		
b. Relocation of fiber optics	\$ 175,000		
c. Public space amenities may include include public plaza, baywalk, walkways, entry feature, parking and other site amenities	\$ 1,300,000		
<b>2 Former Co-Op and USCG area site preparation includes:</b>			
a. Environmental investigation and remediation (includes Phase 1 and Phase 2 ESA, asbestos removal/abatement) *	\$ 170,000		
b. Site clearance*	\$ 120,000		
c. Floodplain compliance*	\$ 60,000		
<b>3 Maple Street improvements (includes concrete paving, sidewalks, storm sewer)</b>	\$ 135,000	\$ 135,000	
<b>4 Larch Street improvements (undergrounding utilities and widening the road to create angle parking on the southerly side with no sidewalk)</b>	\$ 220,000		\$ 220,000
<b>5 Maple &amp; Madison intersection controls</b>	\$ 150,000		\$ 150,000
<b>6 Realigned driveway at Applebee's site</b>	\$ 20,000		\$ 20,000
<b>7 Dock improvements (docks and center pier, including cost of utilities)</b>	\$ 1,000,000		\$ 1,000,000
<b>8 Additional public improvements within 1/2 mile of the TID Boundary (includes parking to support new development within district, streetscaping and amenities)</b>	\$ 100,000		\$ 100,000
<b>9 Miscellaneous Projects includes:</b>			
a. Design, Engineering, Architecture, Administration	\$ 250,000		\$ 250,000
b. Administration and Legal Costs (includes TID creation, district administration, developer agreement negotiations)	\$ 300,000		\$ 300,000
c. Miscellaneous Redevelopment Funding (includes marketing and recruitment of developers and businesses for redevelopment sites, low-interest loans or interest write-down, tug relocation assistance, facade improvement projects including Granary facade)	\$ 500,000		\$ 500,000
d. Economic Development Project Management Team and Project Plan Implementation	\$ 250,000		\$ 250,000
<b>TOTAL</b>	<b>\$ 4,915,000</b>	<b>\$ 2,775,000</b>	<b>\$ 2,140,000</b>

\*Some project costs may be covered by grant funding

Martin Olejniczak, AICP  
Community Development Director  
421 Michigan Street  
Sturgeon Bay, WI 54235

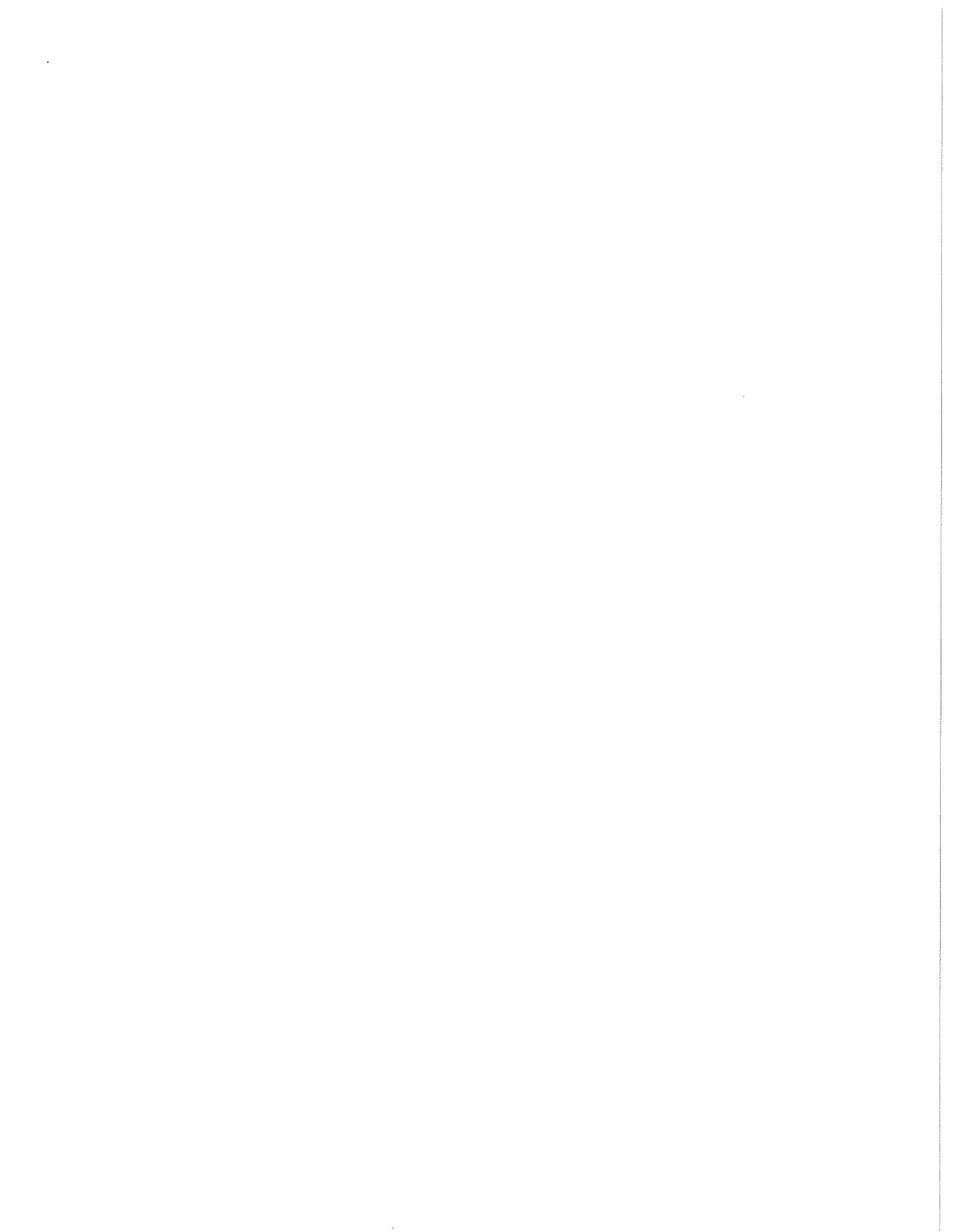


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## Memo

**To:** Waterfront Redevelopment Authority members  
**From:** Marty Olejniczak, Community Development Director  
**Date:** December 12, 2014  
**RE:** Proposal for Selvick Marine Towing Relocation Feasibility Analysis

As you know several concepts have been put forth regarding potential new mooring locations for Selvick Marine Towing, if the tugboats are required to vacate the Sawyer Dock area. One proposal that seemed to have merit was to improve the Sunset Park boat launch basin. At the city's request Smithgroup JJR prepared a proposal to evaluate that concept. Their proposal is included in the packets. The Authority and the Council can proceed to hire Smithgroup JJR. It also could decide to issue a request for proposals (RFP). A third option is hold off until more is known regarding the fate of the proposed waterfront hotel and brewery/restaurant. During the public hearing for the PUD zoning for the hotel, there was considerable testimony about retaining the tugboats on the downtown waterfront.





- The relationship between relocated facilities and the existing Sunset Park improvements, including the existing recreational boat launch. We understand the City is open to relocating or abandoning the boat ramp.
- The anticipated cost associated with design, permitting and implementation of the proposed relocation.
- Potential grants that could help fund a portion of the design and implementation as the results of the feasibility analysis will be used as the basis for future grant applications.

While this proposal does NOT consider opportunities and constraints associated with the potential to retain the tug fleet in its current location and integrate it with planned Festival Waterfront improvements, the results of this feasibility analysis can directly influence the design and infrastructure needs planned as part of the Festival Waterfront project.

## SCOPE OF SERVICES

### Basic Services

#### **Task 1 Project Initiation**

##### Task 1.1 Project Kick-off Meetings

SmithGroupJJR will complete the following as part of this task.

- a) City Review – attend a kickoff meeting with City staff to clarify project goals and the schedule. As part of this session, the City will provide all available existing information pertinent to conducting the feasibility analysis. Information of interest includes topographic mapping, borings, utilities mapping and locations, orthophotography, property boundaries including riparian interest boundary extensions, any other GIS information of interest, wetland delineations or known boundaries, and as-built plans for the existing boat launch and nearby park facilities.
- b) Selvick Marine Towing Review – lead a discussion with Selvick’s staff to confirm design parameters. Specific elements to confirm will include upland work area and support service needs, berthing depths, mooring requirements and any other facets pertinent to the replacement facility development. This session will occur in conjunction with the City Review meeting or immediately following that session.

##### Task 1.2 Review of Existing Data

SmithGroupJJR will review the City-provided data. Based on this review and future anticipated investigating results, SmithGroupJJR will identify any gaps in information that may necessitate reliance on assumptions or require further data collection, in order to complete the feasibility analysis.

#### **Task 2 Existing Conditions Investigations**

##### Task 2.1 Bathymetric Survey

SmithGroupJJR will complete a bathymetric survey of the Sunset Park bay area and associated entrance channel that will serve the relocated facilities. The results of the survey will identify the profile of the existing lakebed within the mooring and entrance channel areas.



## Task 2.2 Geotechnical Investigations

SmithGroupJJR will advance two (2) water-based borings to a depth of approximately 30 feet from the top of the lakebed to assess the geotechnical properties. The borings will be advanced with a 4-inch roller bit and sampled with a split spoon at 5-foot intervals. A field log of each boring will be prepared by the on-site geologist to record blow counts and a description of the sediment properties using the Unified Soil Classification System (ASTM D2487) will be completed. Each boring will be abandoned in general accordance with Ch. NR 141, Wis. Adm. Code. Soil cuttings generated during boring activities will be placed in drums and disposed of at an onshore site. Laboratory testing will be conducted to assess factors such as grain size and Atterberg limits. The results of the geotechnical investigations will be summarized in a brief report.

*(Note: SmithGroupJJR recommends performing the geotechnical borings to aid in assessing relocation feasibility. However, if the cost of completing the borings exceeds the available funds, we will use the best available data to derive assumed lakebed conditions and project associated dredging/excavation costs.)*

## Task 3 Relocation Feasibility Analysis

### Task 3.1 Concept Alternatives & Preliminary Cost Opinions

SmithGroupJJR will develop up to two draft concept plans for relocating the Selvick facilities to Sunset Park. The concepts will be simple graphics that convey the planned improvements and are not intended to be highly illustrative in nature. Concept-level cost opinions will be prepared to supplement each alternative.

### Task 3.2 Concept Review Meeting

SmithGroupJJR will organize a meeting with the City and Selvick Marine to review and discuss the alternatives and select a preferred alternative.

### Task 3.3 Final Concept & Updated Cost Opinion

Based on preferences expressed during the review of the initial concepts, SmithGroupJJR will generate a final concept plan. An updated cost opinion will be prepared along with a brief summary memorandum describing the feasibility of tug relocation and highlighting potential grants that may be available to help advance the project.

#### Basic Services - Deliverables

- Client Kick-off & Review Meetings (2)
- Bathymetric Survey
- Geotechnical Borings & Summary Memorandum (optional)
- Initial Concept Alternative(s) & Preliminary Concept-level Cost Opinion(s)
- Final Concept Alternative, Updated Concept-level Cost Opinion & Summary Memorandum

#### Extra Services

The design and engineering of water-based improvements for the Festival Waterfront Project are likely to require the completion of geotechnical borings. SmithGroupJJR waterfront engineers have indicated that two borings should be sufficient to provide the required information to facilitate future design and engineering of the large festival pier.

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Completing the borings for the pier in conjunction with the geotechnical work outlined within the Basic Services would be both efficient and cost effective, saving labor associated with remobilizing a drill rig and barge.

As part of this extra service, SmithGroupJJR will advance two (2) water-based borings to a depth of approximately 30 feet from the top of the lakebed to assess the geotechnical properties. The borings will be completed using the same sampling protocols and laboratory tests as outlined within the Basic Services. The results of the geotechnical investigations will be summarized in a brief report.

## Extra Services - Deliverables

- Geotechnical Borings & Summary Memorandum

## **ASSUMPTIONS**

- All deliverables will be provided in electronic (Adobe Acrobat) format.
- The City will collect, compile and provide all available and pertinent base and background information to SmithGroupJJR for the duration of the project.
- Unless existing surveys of the proposed relocation site are available digitally, concepts will be prepared using orthophotographic imagery as the base.
- The initial kick-off meeting is anticipated to be an in-person session. The concept review meeting may be either an in-person meeting or accomplished via phone/video conference.
- Geotechnical borings identified under Extra Services will be authorized at the same time as those included in the Basic Services. If joint authorization is not given, additional costs for mobilization and demobilization will be incurred.
- Completion of the geotechnical investigations is anticipated to occur in December. Availability of equipment and schedules may need to be adjusted if work is not authorized during this timeframe.

## **SCHEDULE**

Completion of the Basic Services is anticipated to require 30-45 days from the date of the kick-off meeting.

## **CONSULTANTS**

SmithGroupJJR anticipates using the following consultant(s) for this project and the costs will be borne by SmithGroupJJR and are included in SmithGroupJJR projected fee.

- Foth Infrastructure & Environment – Bathymetric Surveying & Geotechnical Services

## **COMPENSATION or PROFESSIONAL SERVICES FEE**

The City of Sturgeon Bay shall compensate SmithGroupJJR for the scope of services outlined above and for a fixed fee lump sum, inclusive of expenses, as defined below.

- Basic Services (excluding Task 2.2) = \$22,500.00
- Basic Services (including Task 2.2) = \$42,400.00
- Extra Services = \$9,900.00

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## ADDITIONAL SERVICES

Requests for additional services or staff will be documented by SmithGroupJJR (if given verbally), and the work will commence upon the City of Sturgeon Bay approval of an estimated fee for that effort or, if not agreed otherwise, the City of Sturgeon Bay shall reimburse SmithGroupJJR on an hourly basis of SmithGroupJJR's project staff actively engaged for all man hours worked on the project.

## INDEMNIFICATION

It is agreed to by the City of Sturgeon Bay in the event documents prepared by SmithGroupJJR are incorporated by the City of Sturgeon Bay as a part of the construction contract, SmithGroupJJR will be provided an opportunity to review the proposed general conditions of the construction contract. Any terms and conditions that are beyond those normally and customarily provided by design professionals similarly situated will not be a part of SmithGroupJJR's obligations. Further, such general conditions shall contain an indemnification provision extending from the Contractor to both the City of Sturgeon Bay and SmithGroupJJR. Also, both the City of Sturgeon Bay and SmithGroupJJR shall be named as an Additional Insured on Contractors general liability insurance.

## PAYMENTS

Invoices will be prepared monthly on the basis of percentage of completion. All payments due to SmithGroupJJR shall be made monthly upon presentation of the statement of services rendered. All payments due SmithGroupJJR under this agreement shall bear interest at one-and one-half (1½%) percent per month commencing thirty (30) days after the date of billing.

## DELIVERY OF CADD GRAPHIC FILES

Any electronic/data/digital files (Files) from SmithGroupJJR shall be deemed Instruments of Service, and/or Work Product, as the case may be, for the Project identified above. The City of Sturgeon Bay covenants and agrees that: 1) the Files are Instruments of Service of SmithGroupJJR, the author, and/or Work Product of SmithGroupJJR, as the case may be; 2) in providing the Files, SmithGroupJJR does not transfer common law, statutory law, or other rights, including copyrights; 3) the Files are not Contract Documents, in whole or in part; and 4) the Files are not As-Built files. The City of Sturgeon Bay agrees to report any defects in the Files to SmithGroupJJR, within 45 days of the initial Files transmittal date (Acceptance Period). It is understood that SmithGroupJJR will correct such defects, in a timely manner, and retransmit the Files. The City of Sturgeon Bay further agrees to compensate SmithGroupJJR, as Additional Services, for the cost of correcting defects reported to SmithGroupJJR after the Acceptance Period. The City of Sturgeon Bay understands that the Files have been prepared to SmithGroupJJR's criteria and may not conform to (Client's Name) drafting or other documentation standards. The City of Sturgeon Bay understands that, due to the translation process of certain CADD formats, and the transmission of such Files to the City of Sturgeon Bay that SmithGroupJJR does not guarantee the accuracy, completeness or integrity of the data, and that the City of Sturgeon Bay will hold SmithGroupJJR harmless for any data or file clean-up required to make these Files usable. The City of Sturgeon Bay understands that even though SmithGroupJJR may have computer virus scanning software to detect the presence of computer viruses, there is no guarantee that computer viruses are not present in the Files, and that the City of Sturgeon Bay will hold SmithGroupJJR harmless for such viruses and their consequences, as well as any and all liability or damage caused by the presence of a computer virus in the Files. The City of Sturgeon Bay agrees, to the fullest extent permitted by law, to indemnify and hold SmithGroupJJR harmless from any and all damage, liability, or cost (including protection from loss due to attorney's fees and costs of defense), arising from or in any way connected with and changes made to the Files by the City of Sturgeon Bay.

City of Sturgeon Bay

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SmithGroupJJR



# SMITHGROUP JJR

This document will serve as an agreement between us, and you may indicate your acceptance by signing in the space provided below and returning one (1) signed copy for our files.

Bill Brose  
\_\_\_\_\_  
SmithGroupJJR (*Signature*)

\_\_\_\_\_  
Owner (*Signature*)

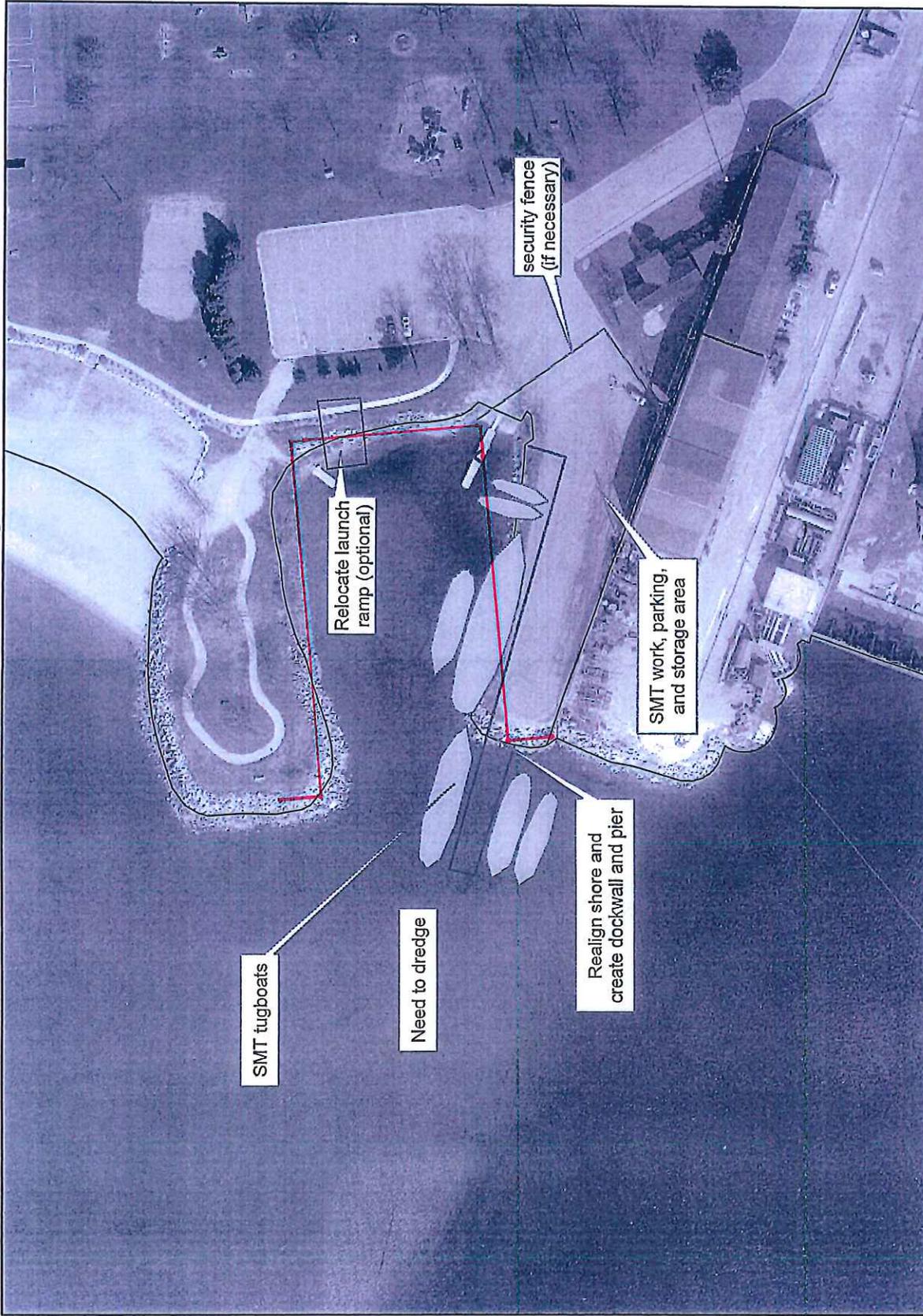
*William Brose*  
\_\_\_\_\_  
(*Printed name and title*)

\_\_\_\_\_  
(*Printed name and title*)

November 12, 2014  
\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

# Concept for Selvick Marine Towing at Sunset Park

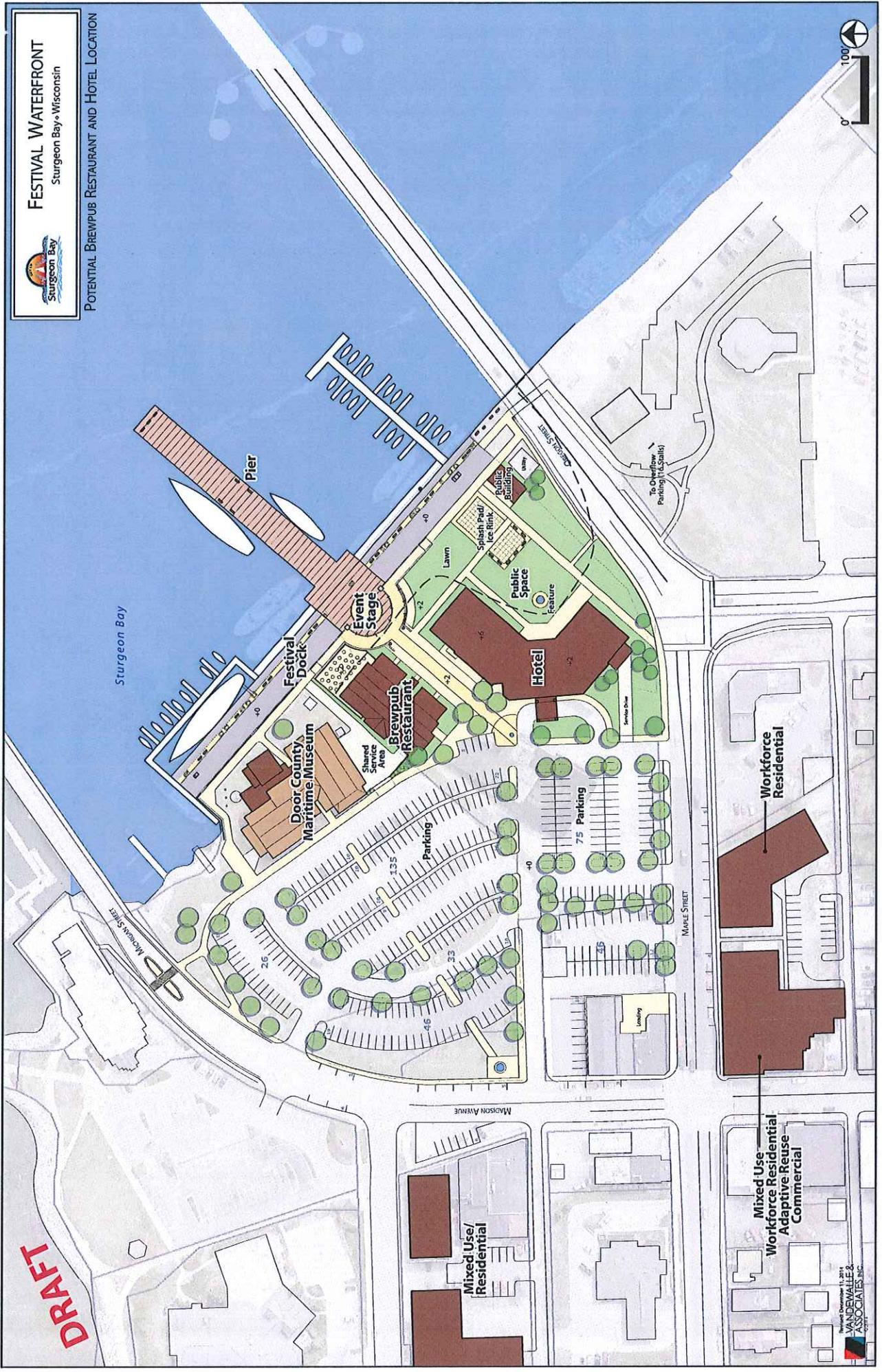


August 26, 2011

0 50 100 200 300 400 Feet

**FESTIVAL WATERFRONT**  
 Sturgeon Bay • Wisconsin

**POTENTIAL BREWPUB RESTAURANT AND HOTEL LOCATION**



**DRAFT**

Mixed Use  
 Workforce Residential  
 Adaptive Reuse  
 Commercial

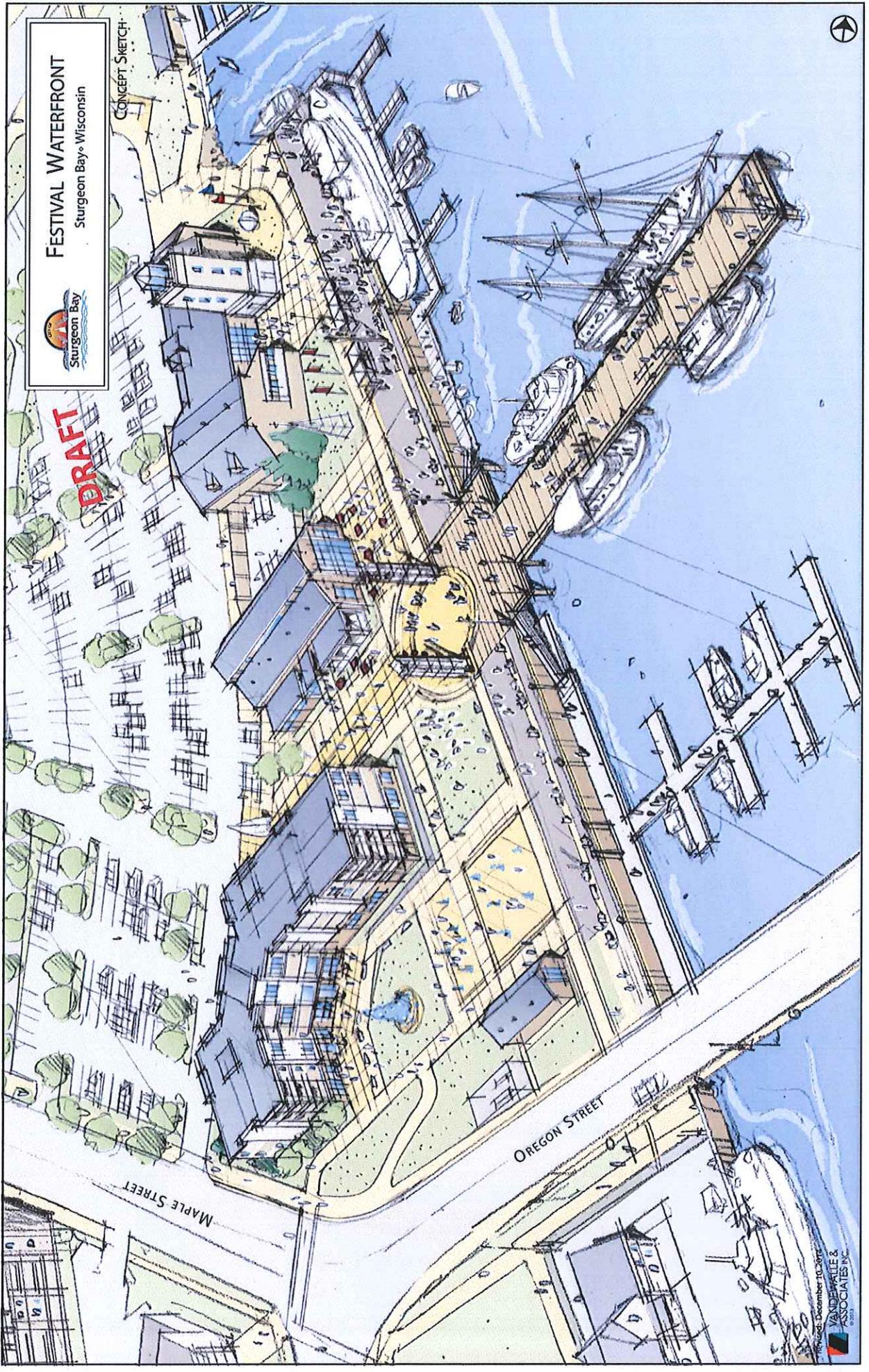
Workforce  
 Residential

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CONCEPT SKETCH



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CONCEPT SKETCH

