

WATERFRONT REDEVELOPMENT AUTHORITY

Monday, July 20, 2015

A meeting of the Waterfront Redevelopment Authority was called to order at 2:30 p.m. by Acting Chairperson Bill Galligan in Council Chambers, City Hall, 421 Michigan Street.

Roll call: Members Bill Galligan, Rick Wiesner, John Asher, Cap Wulf, Chris Jeanquart, and Kelly Catarazoli were present. Excused: Member Tom Herlache. Also present were Mayor Thad Birmingham, City Administrator Steve McNeil, DCEDC Executive Director Bill Chaudoir, City Treasurer/Finance Director Val Clarizio, City Attorney Randy Nesbitt, Aldermen Ron Vandertie, Ed Ireland, Stewart Fett, and Will Gregory, Community Development Director Marty Olejniczak, Community Development Secretary Cheryl Nault, and several members of the public.

Adoption of agenda: Moved by Mr. Wulf, seconded by Mr. Asher to adopt the following agenda by moving item #6 after item #3:

1. Roll call.
2. Adoption of agenda.
3. Approval of minutes from June 8, 2015.
4. Consideration of: Proposals for Redevelopment of Grain Elevator Site (selection process).
5. Update Regarding West Waterfront Redevelopment Activities.
6. Consideration of: Satisfaction of Conditions Precedent to City and WRA Obligations under Section 8 of Development Agreement for Sawyer Hotel Development, LLC.
7. Adjourn.

Carried.

Approval of minutes from June 8, 2015: Moved by Mr. Asher, seconded by Mr. Jeanquart to approve the minutes from June 8, 2015. All ayes. Carried.

Consideration of: Satisfaction of Conditions Precedent to City and WRA Obligations under Section 8 of Development Agreement for Sawyer Hotel Development, LLC: Mr. Olejniczak explained that in the development agreement there are things that the City and developer have to do to satisfy the agreement. There are conditions that are needed to be taken care of to keep the project moving forward. Section 8 includes several conditions that Mr. Papke needs to meet, including project cost breakdown, project schedule, financing, state approved plans, plans acceptable to the City, and no uncured defaults. There is also a minimum property value that needs to be met.

Mr. Olejniczak added that a performance bond also has to be submitted from the builder. The action needed today is to accept the materials submitted by Mr. Papke in order to keep the project going forward.

Ms. Catarazoli stated that accepting the materials for Section 8 are incomplete. More information is needed. She asked why the kitchenettes have changed on the plan, while in the development agreement it states the units will have kitchens. It makes a big difference for the value of the units. Developer Robert Papke responded that the larger units will have kitchens and the smaller units will have kitchenettes.

Ms. Catarazoli also asked for a more detailed cost breakdown. She wanted to know what kind of products were going into the building of the hotel, such as grade of concrete, lighting fixtures, doors, plumbing fixtures, etc. She also asked for a copy of the letter of approval from the assessor.

Moved by Mr. Wulf, seconded by Mr. Wiesner to accept the materials presented and move forward. Roll call vote: Carried, with Ms. Catarazoli voting no.

Consideration of: Proposals for Redevelopment of Grain Elevator Site (selection process): Mr. Olejniczak stated that there have been three formal proposals submitted, along with a concept submitted by Jerry Kobishop with a request for more time to fully develop the plan. The three proposals submitted include reuse of the grain elevator. Smet Construction Services proposed a brewery and restaurant. Titletown Brewery/Restaurant would be one of their partners. Another proposal is from Ryan Schabach, who would open up a tap room as part of a new brewery. They could also expand into other areas. The third proposal is from Dan Collins and Laurel Duffin Hauser. They have two visions. The first would be to open up the first floor of the granary building and provide a pavilion-type area to be used for different events. A second vision is longer term using the upper levels of the granary for offices, artist co-op, and other uses. Mr. Kobishop would like to do a feasibility analysis of a performing arts theme park and training center. He would use Ripon College to do the study. The WRA was to decide how to proceed.

Mr. Nesbitt explained the development agreement process.

Mr. Kobishop stated he needed the whole property for his proposal, including the hotel parcel. Since there was already a development agreement with Mr. Papke, he then withdrew his proposal and left the meeting.

It was the consensus of the Authority to read over the proposals and decide at the next meeting how to proceed.

Update regarding West Waterfront Redevelopment Activities: Mr. Olejniczak stated that Cedar Corp. & SRF Consulting are doing the engineering and design for the public areas of the waterfront project, in particular the promenade area. When something is submitted, another joint meeting will be held. Ayres Associates is doing the environmental work on the site. They submitted all the documentation needed under the Voluntary Party Liability Exemption program to the DNR. AECOM is working on the potential relocation sites for the tugboats. They looked at the wastewater treatment area as an option and that was ruled out due to the shallow depth over the existing sanitary sewer interceptor main under the bay. They are working on the other suggested sites.

Unfortunately, the City did not receive the Community Development Investment Grant from the state through the Wisconsin Economic Development Corporation (WEDC). There was concern about the opposition in the community and also concern about an old Commerce Grant for Sneakers and Boots that was defaulted on. Through the development agreement, the City is obligated to cover cost of pilings or other foundational support for the hotel. The hope was to receive the grant to help cover those costs.

Mr. Olejniczak added that Urban Apex is a potential developer for apartments on the Harbor Place site.

Ms. Catarazoli stated that she spoke with the DNR and that it was confirmed that the letter of concurrence for this property does not cover the former D.C. Co-op parcel. There is no high water mark determination for this parcel. It is in the City's best interest to pursue this and make sure the City is covered. Mr. Nesbitt responded there were two different properties. One the City owned from the 1940's, which is the property surrounding the Co-op and used to be partly in water. The City then purchased the Co-op property a few years ago. That property came with title insurance. The other property had an issue with the title insurance and the ordinary high water mark needed to be clarified before title insurance could be issued. After concurrence was obtained, the City took that back to the title insurer and asked for title insurance commitment as to that entire property. The title insurance company then agreed to remove any exceptions to that policy with respect to either filled in land or formerly submerged property and agreed to insure title to the entire property. There was never a question as to the title of the property purchased from the Door County Co-op.

Ms. Catarazoli asked that we protect ourselves and it would be in the City's best interest to at least give due diligence because the hotel sits on both parcels. The City needs to be responsible. She felt that a concurrence letter regarding the ordinary high water mark be obtained for the former Co-op parcel.

Adjourn: Moved by Mr. Wulf, seconded by Mr. Asher to adjourn. Meeting adjourned at 3:25 p.m. All ayes. Carried.

Respectfully Submitted,

Cheryl Nault
Community Development Secretary