

AGENDA
CITY OF STURGEON BAY
WATERFRONT REDEVELOPMENT AUTHORITY
Monday, February 15, 2016
6:30 p.m.
Council Chambers, City Hall
421 Michigan Street

1. Roll call.
2. Adoption of agenda.
3. Approval of minutes from November 18, 2015.
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 incentives for West Side Waterfront Redevelopment project – The Bay Lofts apartments (New Urban Focus).

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.

WRA Members
Thomas Herlache, Chair
William Galligan
Rick Wiesner
Kelly Catarozoli
Chris Jeanquart
Cap Wulf
John Asher

2:00 p.m.
2/11/16
CN

WATERFRONT REDEVELOPMENT AUTHORITY

Wednesday, November 18, 2015

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

Roll call: Members Rick Wiesner, Cap Wulf, Chris Jeanquart, Tom Herlache, Kelly Catarazoli, Bill Galligan, and John Asher were present. Also present were Mayor Thad Birmingham, City Administrator Josh Van Lieshout, Aldermen Jerry Stults and Will Gregory, Assistant Fire Chief Tim Dietman, City Engineer Tony Depies, City Engineer Chad Shefchik, Finance Director/City Treasurer Val Clarizio, Planner/Zoning Administrator Ryan Kernosky, Community Development Director Marty Olejniczak, Community Development Secretary Cheryl Nault, and several members of the public.

Adoption of agenda: Moved by Mr. Galligan, seconded by Ms. Catarazoli to adopt the following agenda:

1. Roll call.
2. Adoption of agenda.
3. Approval of minutes from September 14, 2015.
4. Consideration of: Development proposal for redevelopment of the Harbor Place site, 49 N. Madison Avenue.
5. Consideration of: Potential relocation of Selvick Marine Tugboat Fleet – Part 2: Engineering Analysis of selected sites.
6. Update on waterfront development activities.
7. Adjourn.

Carried.

Approval of minutes from September 14, 2015: Moved by Mr. Jeanquart, seconded by Mr. Galligan to approve the minutes from September 14, 2015. All ayes. Carried.

Consideration of: Development proposal for redevelopment of the Harbor Place site, 49 N. Madison Avenue: New Urban Focus, Inc. representatives Chris Laurent and Jeff Gillis presented proposed plans for a 4-story apartment building with underground parking. Mr. Laurent showed examples of one of their most recent apartment building developments in Middleton, which is in a similar downtown location. The apartment building includes an exercise room and bike storage, with possible bike rentals. They want a respectful design to fit in the west side of Sturgeon Bay. There would be a total of 33 apartment units ranging from 480 square-feet for a studio apartment to 1240 square-feet for a three bedroom apartment. The first floor would have commercial use and a restaurant. The fourth floor could contain a community deck as common space to share with the community, with a view overlooking the water. There would be 39 underground parking spaces, as well as 24 outdoor spaces. The height of the building will be approximately 50 feet tall and would include an elevator. The underground parking level has added windows looking into the parking structure. The parking structure is about 5 to 6 feet above grade and 3 to 4 feet below, so it is out of the water table issue. They are looking for conceptual approval at this time.

Mr. Olejniczak stated that this is an opportunity for the WRA to give feedback as far as design, mix of uses, site plan, or anything to offer them as far as the overall waterfront development

goals and objectives.

After further discussion, it was moved by Mr. Galligan, seconded by Mr. Wiesner to continue with the development of this idea.

Several members of the public commented on the cost of rent, who would rent these apartments, and apartment living verses owning a home.

A vote was taken on the motion. All ayes. Carried.

Consideration of: Potential relocation of Selvick Marine Tugboat Fleet – Part 2: Engineering Analysis of selected sites: Mr. Herlache stated that Mr. Asher had recused himself from discussion due to conflict of interest.

Mr. Olejniczak stated that AECOM, the engineering consultant for potential relocation of the tugboats, had completed Phase II of the tugboat relocation engineering analysis. Part I had looked at the overall Sturgeon Bay Waterfront and if there were any sites that could be used as a tugboat mooring. The WRA then asked AECOM to focus on three sites to determine what improvements would be required and an estimate of cost. These sites included the south end of Sunset Park, the frontage of the Harbor Business Center, and Graham Park (East Side Dock). Sunset Park would be the most expensive with much dredging needed and two-sided steel sheet pile wall, which estimated over \$5 million dollars with contingencies. The Harbor Business Center site has deeper water, but would still need to improve the dockwall. That estimate came in just over \$1 million dollars with contingencies. The Graham Park site would be the least expensive at \$53,000 with contingencies and fees. In addition, Selvick Marine Towing wanted the City to consider amenities for them, including storage, security fencing, and parking. Another option is to use the center pier or Grand Pier when it is constructed.

Mr. Olejniczak read the staff's consensus found in the executive summary as follows: Attempting to relocate the entire tugboat fleet is problematic due to the cost and available space issues. Since the tugboats lend the working waterfront character to the West Waterfront redevelopment project, keeping a tugboat presence has merit subject to lease restrictions. If the planned center pier is ultimately created, it further increases the viability of keeping tugboats at the West Waterfront since it creates a separate tugboat basin. This pier is also potentially grant-eligible. Therefore, staff recommends that Plan A should be to implement the center pier and keep the tugboat fleet on one side with transient boats on the other. If the center pier is not implemented and it is found that there is not enough room to moor all tugs due to the need for transient dockage, then staff recommends splitting the tugboats between Graham Park and the West Waterfront as the most cost-effective solution.

Mr. Olejniczak explained that at Harbor Business and Graham Park sites, in order to fit all of the 7 tugs at one location they would have to be triple stacked. He also pointed out that the lease with Selvick Marine is year to year. The reason why the City has been attempting to study this issue is that when the redevelopment plan was first presented to the Council the tugs were a concern. At that time the Council said that the City would help them find a viable new location. The possible funding source for this is a Harbor Assistance Program Grant which could fund up to 80% of the costs. The next grant period isn't until next August.

Mr. Galligan said the City should wait to see what is going on with Bay Ship. Ms. Catarozoli agreed with Mr. Galligan and said there is no rush to do anything. The study has been done.

Mr. Herlache explained that the City would not proceed until there was increment to support that development. There has been nothing done with transient piers except the development agreement with the hotel.

Mr. Olejniczak mentioned that Selvicks have been part of the study all along. They have met with AECOM and reviewed versions of the study. Their preference is to keep the tugs together. They would like to get more amenities. To his knowledge no one has ever talked lease rates with them. Their current lease goes up by the rate of inflation every year. It is currently \$12,600.00 per year.

Mr. Wulf stated that this lease has been going on with the tugboats for decades. It was known that the property will be redeveloped at some point and that they would have to relocate. He thought that it would be a mistake if there wasn't a plan in place for moving the tugboats. A site should be selected that is feasible and workable and will make sense for the tugboats and City. The City does not have to be involved in the funding for that. It would make sense to move forward, select a site, and get all the pieces in place so when the development goes forward the City has an alternative.

Mr. Herlache suggested that Bay Ship be contacted to see if there is any interest in supplying dock space.

Mr. Olejniczak offered several options to consider. First is to have a plan in place. Second is to look at other alternatives, such as going back to Bay Ship, and the third option would be to let it sit for now and see what happens with Bay Ship's acquisition of Palmer Johnson parcels, lawsuits, etc.

After further discussion, it was moved by Mr. Wulf to move forward with selecting a site so when the time comes the City has a plan in place.

Mr. Olejniczak had spoken with Ross Schmelzer, owner of the Harbor Business Center. A harbor assistance grant could be applied for to have the tugs relocated there. Ms. Catarozoli added that the condos at Stone Harbor should be considered if the tugs were to be relocated at the Harbor Business Center, but nothing should be decided on now.

Mr. Herlache stated the lease needs to be tightened up with the tugs as far as the number of tugs, what kind of activities can take place on any of these properties, whether the City will invest in them or not, and what kind of rent that would need to be paid.

Mr. Galligan felt it was premature at this time to select a site until the City knows what is going on with street easements, consolidation of the shipyards and what their bargaining position would be.

Mr. Wiesner stated that the City should slow down and put more pressure on Bay Ship and see if

they are willing to do anything. He wasn't opposed to splitting the tugs. The City just cannot lose them.

Mr. Wulf added that if the City did not renew the lease Bay Ship would become very concerned and interested in housing the tugboats.

Ms. Catarozoli stated that no one is acknowledging what the citizens want. They like the tugs where they are located now and it's the least expensive option.

Mr. Herlache stated we should have something from Selvick showing what their preferred plan is. There also should be something from the Council stating whether or not the lease will be terminated.

Mr. Wulf's motion died due to lack of second. Moved by Mr. Galligan, seconded by Ms. Catarozoli to table. Carried.

Update on waterfront development activities: Mr. Olejniczak gave an update on waterfront development activities. In regard to the lawsuit, the City Attorney has filed a motion to dismiss the trial. If it does go to trial, it is expected to take place in early January. In regard to utility work, it is scheduled for December 1st to remove and replace a sanitary sewer line and relocate a storm sewer line. AT & T is also altering their fiberoptic line. Smet Construction had a positive meeting with the other proposers for the granary. Smet is still waiting for Titledown and the hotel development. They would probably not be interested if the hotel is not developed. Cedar Corp and SRF are working on designs for the promenade.

Adjourn: Moved by Mr. Wiesner, seconded by Mr. Jeanquart to adjourn. All ayes. Carried. Meeting adjourned at 3:45 p.m.

Respectfully Submitted,


Cheryl Nault
Community Development Secretary