

*****ATTACHMENTS*****

II

Other Matters

7.2

R. O. No. 284 - 17 - 18. By DIRECTOR OF PLANNING AND DEVELOPMENT.
February 5, 2018.

Submitting a summary of the review of the Sheboygan Municipal Armory proposals received as a result of the Request for Proposals due January 3, 2018.

On June 5, 2017, the Common Council approved the Purchasing Agent to seek bids for demolition of the Sheboygan Armory and to issue a Request for Proposals (RFP) for the redevelopment of site. On September 18, 2017, the Common Council approved entering into a \$355,573.38 contract with Vinton Construction for demolition of the Armory.

January 3, 2018 was the deadline for the submittal of proposals related to the Request for Proposals. Six proposals were received. Four of the proposals are for the redevelopment of the site without the armory building and two of the proposals are for the repurpose of the existing armory building. Consistent with the RFP, a review task group was formed that was made up of Mayor Vandersteen, City Administrator Darrell Hofland, Finance Director Nancy Buss, Director of Public Works David Biebel, Director of Planning and Development Chad Pelishek and two citizen members. The RFP provided review criteria that were used by each of the task group members to rank the proposals. The key elements of each of the six proposals are listed below:

1. Armory Community Project: Proposal provides a variety of uses for the existing armory building including a culinary incubator, business incubator, events space and dining options. The proposal also provides a separate housing component - 40 market rate apartments on the west portion of the property that would provide an estimated assessed property value of \$6.6 million for the City. The armory redevelopment would be owned by a to-be-created not-for-profit entity which would not pay any property taxes. At the time of the submittal of the proposal, no capital funding appears to be in place. Proposer would purchase the property for \$1 as is and requires City funding of an unknown amount. Also the proposal does not include an operating pro-forma including revenue sources or information as to who will be operating the facility as developed. The armory project would be completed by summer 2019; the apartment project would be completed by December 2019. Since the not-for-profit entity would be new, no facility redevelopment or facility operating experience exists. The developer of the apartments has successfully completed similar projects.

2. TDK Group, LLC: Proposal provides a variety of uses for the existing armory building including concerts, wedding, receptions, and conferences. The armory redevelopment would be privately owned and would pay property taxes. The financials of the proposals are weak including lack of information about anticipated assessed property value. Proposer would purchase the property for \$10 as is and requires TID-funded incentives of an unknown amount from the City. Very limited information provided on the actual costs to make the suggested improvements to the building as it relates to the proposed use. No financial projection on construction and operation provided. No facility redevelopment or facility operating experience exists.

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3. True Vine Development: Proposal provides for 155 market rate apartments to be constructed on the property in two phases with an estimated assessed property value of \$35.5 million. Proposer would purchase the property for \$1 and requires TID-funded incentives of \$3.1 million from the City. The project proposes a quality design for the property. Proposer would complete phase 1 in 2019 and phase 2 in 2020. The review group had reservations over the two phased approach and concerns if the construction of phase 2 would start as planned. The developer has successfully completed similar projects.

4. T Wall Enterprises: Proposal provides for 198 units of market rate apartments to be constructed in three phases. Proposer would purchase the property for \$1 and requires TID-funded incentives of \$11 million from the City. Concerns by the review group included the large TID incentive required and the three phases with the concerns whether the three phases would get built. The developer has successfully completed similar projects.

5. Scott Crawford, Inc.: Proposal provides for 122 mixed uses housing consisting of 48 units of affordable housing and 74 units of market rate housing including rental townhomes. The affordable units would have rents between \$715 and \$850/month for 650 square foot and 950 square foot units, respectively. The project also consists of approximately 8,600 square feet of first floor commercial space to include retail, entertainment and/or restaurant/lounge. The \$26 million project would be completed in one phase. Proposer would start construction in fall 2018 with completion in spring 2020. Proposer would purchase the property for \$500,000 and requires TID-funded incentives up to 4 million from the City on a property tax rebate basis. The proposer has provided documentation related to commercial financing as well as developer equity. The developer has successfully completed similar projects.

6. Catellus Group: Proposal provides for the construction of an 18.6 million 125 room lakefront hotel, restaurant and conference center. It is unknown at this time whether the hotel would be a franchised hotel or an independently owned hotel. The project would be completed in one phase. Proposer would start construction in spring 2019 with completion in summer 2020. With the recent announcement of potentially three new hotels in the market, it may impact the vitality of this proposal. Proposer would purchase the property for \$100 as is and may require TID-funded incentives from the City. The proposal suggests a city owned or developer owned parking structure to provide parking for the hotel and conference space. The developer has successfully completed similar projects.

Following a review of the proposals, the review group recommended further discussion with the Catellus Group and Scott Crawford, Inc. On February 1, 2018, follow-up meetings were held with the two finalists. After further deliberation, the review group recommends the Common Council consider proceeding with Scott Crawford, Inc. for its proposed \$26 million project consisting of the construction of 122 affordable and market rate housing units, underground parking and approximately 7,000 square feet of retail space on the first floor.

DIRECTOR OF PLANNING
AND DEVELOPMENT

III

Other Matters

7.3

Res. No. 134 - 17 - 18. By Alderpersons Donohue and Bohren.
February 5, 2018.

A RESOLUTION authorizing city staff to negotiate a developer's agreement between the City of Sheboygan and Scott Crawford, Inc. for the redevelopment of the former Sheboygan Armory site.

WHEREAS: January 3, 2018 was the deadline for interested parties to submit a proposal to redevelop the Sheboygan Municipal Armory;

WHEREAS: Six proposals were received. Two proposals repurposed the current armory building and four proposals redeveloped the site without the armory building.

WHEREAS: The review task group recommended Scott Crawford, Inc.'s proposed \$26 million project consisting of the construction of 122 affordable and market rate housing units, underground parking and approximately 7,000 square feet of retail space on the first floor.

RESOLVED, that the Common Council authorizes the city staff to negotiate a developer's agreement between the City of Sheboygan and Scott Crawford, Inc.

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Theresa Nowlin
Donna Ruffalo
Andy...

I HEREBY CERTIFY that the foregoing Resolution was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the _____ day of _____, 20____.

Dated _____ 20____. _____, City Clerk
Approved _____ 20____. _____, Mayor